

**KINGS NORTON GIRLS' SCHOOL**  
**(A company limited by guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	J Abbott P Fellows K Mack K Ward I Griffiths (appointed 2 September 2021) P Webb (resigned 17 September 2020)
<b>Governors</b>	J Abbott N Bi J Couperthwaite U Doerry (appointed 17 September 2020) P Fellows (resigned 9 November 2021) D Gilman K Mack (resigned 9 November 2021) J Parmar (appointed 17 September 2020) N Raggett K Reynolds V Walsh (resigned 11 May 2021) K Ward (resigned 31 August 2021) P Webb
<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>Senior management team</b>	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
<b>Independent auditor</b>	Cooper Parry Group Limited Chartered Accountants One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
<b>Bankers</b>	Lloyds Bank plc 798 Bristol Road South Birmingham B31 2NP

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**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 2021**

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a governors' report and a Directors' report, including a strategic report, under company law.

The Trust operates as an academy trust for pupils aged 11 to 19 serving a catchment area of Kings Norton and surrounding areas, with a pupil capacity of 1,075 and 1,060 pupils currently enrolled based on the May 2021 Census.

**Structure, governance and management**

**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 trust.

The governors 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 throughout the year and to the date the approval of this report and the financial statements are included in the Reference and Administrative Details on page 1.

**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.

**Trustees' indemnities**

The academy trust maintains governors' and officers' liability insurance which give appropriate cover for any action against the governor which, by virtue of 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 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.

**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 the Members;
- between 2 and 7 Parent Governors who are elected by parents of registered pupils at the academy trust;
- up to 2 Staff Governors and
- the Headteacher who is treated for all purposes as being an ex-officio Governor.

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 Governors 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.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

**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 Governors 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.

**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.

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 3 Committees of the Board of Governors as follows:

- Standards Committee
- Resources Committee
- Pay 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 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 2021**

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

**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 trust in charge of directing and controlling, running and operating the academy trust on a day to day basis. All Governors give of their time freely and no Governor received any remuneration in the current or prior year, other than those Governors who are also employees of the academy trust. Details of Governors' remuneration and expenses are disclosed in note 11 of the financial statements respectively.

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

**Related Parties and Other Connected Charities and Organisations**

The Kings Norton Girls' School Fund is an unrestricted fund operated by the trust. The fund makes donations and contributions to support particular projects and facilities of the academy trust and its students.

The school has a reciprocal arrangement with Lordswood Girls' School to support the curriculum for Sixth Form Students.

The school has a reciprocal arrangement in place with St Teresa of Calcutta MAC to provide Internal Scrutiny/Responsible Officer services for both Trusts.

The school has strong links with the South Area Network of school, South & City College, Birmingham University and Bishop Challoner and Bournville Teaching Schools Alliances. These relationships allow the school to be a provider of support for other institutions, primary and secondary, at leadership and subject management levels. 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.

Nicola Raggett, Headteacher and Accounting Officer became the Chair of Governors at REACH Trust on 11 December 2020. Clare Skinner, Business Manager and Chief Financial Officer was elected Chair of the Birmingham Association of School Business Management on 23 July 2021.

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the academy trust.

**Engagement with Employees (including Disabled Persons)**

The academy trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the academy trust's performance.

During employment, the trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the academy trust continues and that the appropriate training is arranged. It is the academy trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

**Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	<b>2</b>
Full-time equivalent employee number	<b>93</b>

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	-
1%-50%	<b>2</b>
51%-99%	-
100%	-
<b>Percentage of pay bill spent on facility time</b>	<b>£000</b>
Total cost of facility time	<b>3</b>
Total pay bill	<b>3,643</b>
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

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

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**Objectives and activities**



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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Objectives and activities (continued)**

**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 ending 31 August 2021 are summarised below:

**Core purpose**

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

**At KNGS we will:**

- Open a world of opportunities, demonstrating respect and courage in order to flourish
- Foster a joy of learning and respect for equality & 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

**Objectives, strategies and activities**

The academy trust 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 2021 were focused as follows:

- Establishing high standards, expectations and quality of education in light of necessary curriculum changes resulting from COVID 19 whether internally agreed or externally imposed
- Embed new pastoral systems and consider further enhancements from review
- Address core challenges resulting from extended school closure due to COVID 19 including statutory RSE curriculum, school vision and values, Character and Cultural Education across the school
- Wellbeing of students and staff in light of COVID 19 implications
- Continue to improve outcomes in the sixth form.

**Public benefit**

The academy trust aims to advance for the public benefit education in Kings Norton and the surrounding area, offering a broad curriculum and an excellent education environment for its students.

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.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic report**

**Achievements and performance**

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its 11th year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2021 was 1,056 but this has increased to 1,075 at the October 2021 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 2021 were as follows:

- Applications to attend the school, both in the lower school and Sixth Form, continue to be strong. We received 871 applications for 160 places into Year 7 for September 2020 entry and 429 applications for 140 Year 12 places.
- Returning to onsite teaching and learning following lockdown from March 2020 was a challenge for all staff and students at KNGS. The SLT ensured that all government guidance around the health and safety of all stakeholders was built in to the daily operation of the school but this meant significant changes had to be accommodated. Curriculum activities had to be significantly amended in order to operate safely and all extra-curricular activities, trips and events were put on hold for the majority of the year. The risk assessment developed by the school was constantly updated in line with changes to government guidelines both in schools and in wider society and the school very quickly had to be experts in pandemic management alongside delivering their usual roles.
- The Autumn Term was disrupted by COVID 19 impacting both staff and students' health. Imposed self-isolation of various groups impacted on the school operation from the October half term, Birmingham experienced a local lockdown during November and, after a much-needed break at Christmas, we returned to a full national lockdown in January 2021.
- KNGS took learnings from the previous lockdown to enhance the quality of education through remote learning provided to our students during Lockdown 3.0. we had increased numbers of students (vulnerable and Key Worker) on site daily, they were supervised by the Support Staff who adapted their roles in order to support Teachers who were delivering lessons remotely. Significant amounts of time were spent on assessing students' attendance at and engagement in remote learning to identify those who were finding it hard to engage in lessons remotely, these students were invited into school for additional support. The Pastoral & Inclusion Teams continued to engage with families in an effective and safe way to maintain the required level of support.
- March 2021 saw the return of students to site. An in-house testing centre, set up and run by the Support Staff, saw all students tested three times over 9 school days and the facilitation of home testing for all staff and students since then. School staff focussed on supporting students with a return to the classroom and all of the required routines alongside their wellbeing needs and academic expectations.
- Once again, Year 11 and Year 13 students were unable to sit traditional public examinations in the summer of 2021 and participated in class-based assessments instead. Teaching staff were tasked with producing Teacher Assessed Grades in lieu of examination results. Following Ofqual and Department for Education guidance, a rigorous process of review and moderation was undertaken by the school to provide accurate outcomes for students which were then reviewed and quality assured by the exam boards. Due to the fact that the results will not form part of any school performance tables, we are not reporting student progress or attainment for 2021.
- Post 18 destinations saw 86% of students moving to university, 59% of who went to Russell Group Universities.
- Despite all of this, our staff and students have kept going during an extremely challenging and uncertain twelve months. The flexibility, commitment and professionalism of all of the KNGS staff has meant that our students have continued to receive high quality teaching, targeted SEN support and appropriate pastoral support during a difficult time. The school has operated safely, effectively and efficiently with a business as usual approach from the admin and premises teams. KNGS staff and students should be commended on their achievements over the last twelve months, we are very proud of them.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic report (continued)**

**Achievements and performance (continued)**

**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 at year end. At 31 August 2021, the balance of the unrestricted and restricted income reserves was £954,000 (2020: £734,000) which is after transfers of £161,000 to the restricted fixed asset fund to fund capital expenditure during the year. 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. The total number of students during the year ended 31 August 2021 were 1,060, which is an increase of 40 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 86.6% (2020: 85.5%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 87.3% (2020: 85.5%).

**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, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies within the financial statements.

**Promoting the success of the company**

The Governors have acted in the way which they consider, in good faith, promotes the success of the academy trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

Our educational business relationships and community

With a highly committed and dedicated workforce, the academy trust takes great pride in listening to what our students, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The academy trust continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the academy trust's overall activities and educational performance. This continued in spite of the uncertainty created by operating in the middle of a global pandemic and the school having to continually adapt to government guidance on local and national restrictions.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the academy trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms. We ensured that this continued during the pandemic in line with all government procurement notices.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic report (continued)**

**Achievements and performance (continued)**

The academy trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations wherever possible within the restrictions that the property presents.

Our stakeholders

In addition to our students, parents, suppliers and wider local community, the Governors also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Governors are committed to the effective engagement with the DfE and the ESFA (and their representatives) are recognise that its success depends on the Governors and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the academy trust's funding agreement and the Academies Financial Handbook.

Our people

The academy trust's key asset is its people. It employs over 130 staff, including agency and casual workers, and it is only through the combined effort of this workforce, together with our supporters, that we can change the lives of the children under our care. The academy trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Governors' report above.

The implications of pandemic continued to be extremely difficult time for all of our staff; having to balance family and work, adapting to new ways of working whilst striving to maintain our usual very high standards, dealing with personal illness and loss. The team continued to deliver their roles, and other roles that they stepped up to undertake, effectively in the chaos and uncertainty that surrounded them. The leadership team continued to work tirelessly to ensure that meticulous planning went into all changes that were directed from government and these were communicated in a timely manner including relevant consultation with staff and unions. SLT digested and adapted all guidance from government into a safe and successful operation that was appropriate for the school.

Our Members

The Trustees are committed and openly engaged with our Members through the active involvement of some Members as Trustees as well as regular and effective dialogue with them, including an Annual General Meeting and annual strategy and vision day. The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

The academy trust has been in existence for 11 years, and is committed to continual improvement, which it achieves 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 academy trust also continually develops strategies to maintain and grow its student base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers.

The information in the "Achievements and Performance" section of the Governors' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

**Financial review**

The majority of the academy trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic report (continued)**

ESFA during the year ended 31 August 2021 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2021, the academy trust's total income (excluding capital grants) was £6,028,000 (2020: £5,615,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £5,649,000 (2020: £5,478,000), resulting in a net surplus for the year of £379,000 (2020: £37,000 surplus).

The balance of reserves at 31 August 2021, excluding the restricted fixed asset funds and LGPS liability fund was £954,000 (2020: £734,000).

The financial impact of Coronavirus on the school was minimal as the school continued to receive all budgeted government funding which forms the majority of its income. Expenditure was not materially disrupted due to continual operation across the school year whatever the national guidelines were.

The net book value of fixed assets at 31 August 2021 were £5,445,000. The fixed assets held by the academy trust are used exclusively for providing education and associated support services to the pupils of the academy trust.

Included within the academy trust's balance sheet at year end is a defined benefit pension scheme liability of £3,156,000 (2020: £2,656,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the academy trust. Further details regarding the deficit in the LGPS at 31 August 2021 are set out in note 25 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the academy trust's financial management, including financial responsibilities of the Board of Governors, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

**Reserves policy**

The Governors review the reserve levels of the academy trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors also take into consideration the future plans of the academy trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be approximately one month of staffing costs (equivalent to £405,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The academy trust's current level of free reserves at 31 August 2021 is £954,000 (2020: £734,000,) that is, total funds less the amount held in fixed assets and LGPS liability.

Although the current level of free reserves is above the target level identified above, the Governors expectation is that these reserves will be utilised over the next few years to fund the ongoing development, including the need to retain key staff in light of the increasing cost pressures in future years and the impact of lagged funding over the year as student numbers continue to increase. They will also be used to repay the CIF loan of £170,000 in relation to the Sixth Form Block that opened in February 2020.

The value of the restricted fixed asset fund at 31 August 2021 is £5,294,000 (2020: £5,412,000), which is represented by the fixed assets that are used exclusively for providing education and associated support

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services to the students of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2021 of £3,156,000 which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that academy trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Governors have noted however that the Government has provided a guarantee that in the event of an academy trust closure, any outstanding LGPS liabilities would be met by the Department for Education.

**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.

The school continues to operate a 32-day notice bank account to ring fence funds for any emergency capital expenditure requirements or contributions towards to CIF bids in the future.

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**GOVERNORS' REPORT (CONTINUED)**  
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**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 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.

Coronavirus and any further full or partial lockdowns may have an impact on students' outcomes. Whilst the school will endeavour to maintain the high standards of education it provides, funding may not be available to address the technology divide that our students face. As such, the school has decided that any student without access to IT or without internet connection will be included as a vulnerable child and will remain in school should lockdown be invoked. Furthermore, any students sent home to isolate are provided with a laptop before leaving the site.

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.

The school will continue to support its most vulnerable students in light of Coronavirus when the school is open or during periods of lockdown/isolation. Contact strategies are in place, including home visits, to reduce any additional risk as far as is reasonably practicable.

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 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 of continuing changes in the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs associated 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 balanced budgets in the future.

The Governors examine the financial health of the academy trust formally at every Resources Committee meeting reviewing performance against budgets and overall expenditure with update reports at all full Trustees meetings.

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.

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

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

The provision of a "COVID secure" school will have long term implications on the school's budget, particularly around staffing and cleaning material costs. These are yet to be fully understood but are being tracked through the school's accounting system.

Brexit continues to represent a risk to the finances of school due to continuing uncertainty around trade deals and resulting cost and availability implications to supplies and services sourced by the school.

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.

Whilst Coronavirus presents a varying level of threat to staff depending on their underlying health conditions and those of their household members, it has also meant a significant step change in the ways of working for all school staff. Whilst the vaccination programme will facilitate a return to "normal", COVID will forever be a consideration for our people. Workload changes and adaptations have increased wellbeing concerns for some staff members and this continues to be closely monitored by the leadership team and, for the leadership team in particular, by the Governors.

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 Collette Burge, Chief Finance Officer from St Teresa of Calcutta MAC as responsible officer 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.

**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.



**KINGS NORTON GIRLS' SCHOOL**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**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 focussed around:

Quality of education

- Review curriculum plans responding to lockdown and 2022 exam needs
- Ensure all staff and students can articulate curriculum intent and staff, curriculum implementation
- Further reduce in school variation
- Develop reading for all, targeted support for our bottom 20% of readers
- Ensure accuracy and consistency of moderation and data
- Continue to improve outcomes and progress in maths
- Review strategies to ensure that disadvantaged students' attainment and social and emotional needs are addressed which enables them to make appropriate next steps and access a "world of opportunities"
- Staff professional development: Ensure all teaching staff including those new to the school have an excellent understanding of key T&L strategies including; AFL embedding, metacognition, long term memory, revision retention and retrieval and interleaving using them to consistently support highly effective teaching and learning
- Support for the HOY academic lead in developing her new role to impact on the learning skills of all students

Behaviour & attitudes

- Implement the BFL policy
- Explicitly and continually teach the norms and routines
- Continue to review and embed changes to pastoral systems and environment
- Review and development of the culture of praise and further embedding core values
- Develop skills of the pastoral team to have optimum, impact when engaging with external agencies (e.g. use of Early help)
- Ensure the visibility, 'living' and use of the school's vision and values, creating opportunities for these to happen
- Staff professional development: Equip staff to improve behaviour and attitudes of students presenting with challenging behaviours through the trauma informed attachment aware training

Personal development

- Build confidence and resilience in preparing for adulthood and engagement with society and provide students with plentiful opportunity to do so
- Re-establish a broad, varied and inclusive co-curriculum including student leadership
- Equality and diversity of all types, with a focus on the BAME community, across the school and curriculum
- The co-curriculum and curriculum are planned to develop character education and allows all to build confidence and resilience in preparing for adulthood and engagement with society

Leadership & management

- Instil a 'we are all leaders' mindset amongst all staff
- Following COVID 19 closure a vigilant awareness of and response to Students and Staff ongoing MH and wellbeing and workload
- Further develop middle leaders, involving faculty, pastoral and subject leaders more in earlier planning and development
- Continue to review reasons for and address % of staff periods of absence

**KINGS NORTON GIRLS' SCHOOL**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Plans for future periods (continued)**

- Re-engage parent voice
- Self -review for all focuses on improving outcomes and impact
- Welcome and seek Peer review opportunities across SN schools
- Continue to develop the governor links and understanding of all governors across all areas of school

Sixth Form

- Continue to improve outcomes in the sixth form
- Enrichment and leadership opportunities
- Public speaking
- Continue to improve HPA attainment

These priorities are subject to change in light of any future Coronavirus related events.

**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 trust 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 auditors are 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 auditors are 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 2 December 2021 and signed on its behalf by:

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**J Abbott**  
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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 ended 31 August 2021.

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	4	4
U Doerry	3	4
P Fellows	1	4
D Gilman	4	4
K Mack	1	4
J Parmar	3	4
N Raggett	4	4
K Reynolds	3	4
V Walsh	3	3
K Ward	2	4
P Webb	3	4

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.

Although the Board of Governors met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Resources Committee as detailed further below. This is a sub-Committee of the Board of Governors and they met 5 times during the year. The minutes of these sub-Committee meetings are provided to the full Board of Governors and the Chairs of these sub-Committees report to each full Board of Governors meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Governors.

Due to the Coronavirus risk assessment and safety measures to minimise contacts, Board and Committee meetings were held via Microsoft Teams throughout the year.

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**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

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

Governor	Meetings attended	Out of a possible
J Abbott	5	5
J Parmar	4	5
N Raggett	5	5
K Reynolds	4	5
K Ward	5	5

The key issue dealt with by the Finance Committee during the year was the review of the academy trust's 3-year financial forecasts and the actions required to address the reduced funding expected over this period the review of the reports received from the Responsible Officer in relation to the Trust's systems of internal control and the actions undertaken to address the control weaknesses identified.

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

Governor	Meetings attended	Out of a possible
J Abbott	5	5
N Bi	5	5
J Couperthwaite	5	5
U Doerry	5	5
D Gilman	4	5
N Raggett	5	5
V Walsh	3	4
P Webb	5	5

The Standards Committee is also a sub-committee of the Board of Governors. 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 at meetings of the Pay Committee during the year was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	2	2
J Couperthwaite	2	2
K Ward	2	2

The Pay Committee is also a sub-committee of the Board of Governors. 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 Board of Governors 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 Board of Governors 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 Board of Governors complies with the Appraisal Regulations.

**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.

**KINGS NORTON GIRLS' SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (continued)**

The accounting officer considers how the academy trust 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:

- Using the HP trade in scheme to purchase IT equipment via the Crescent Purchasing Consortium
- Reviewing staffing profiles and employing newly qualified teachers to balance the profile and generate payroll savings
- Assessing vacancies and long-term absences and using supply agency staff in lieu of direct employment contracts as appropriate
- Reviewing premises SLAs and changing providers as appropriate

During the Coronavirus pandemic, the academy trust continued to pay its suppliers in line with government Procurement Policy Notes. Value for Money was only impacted in one area, catering, whereby the school is contracted to a third party. No school meals were delivered during lockdown periods as FSM vouchers were provided via Edenred (at no cost to the school other than staff administration time) however, the school was still invoiced for staffing costs, management fees, depreciation and fixed overheads. The catering company have made claims through the Furlough scheme returned all reconciled amounts to Kings Norton Girls' School in the Autumn of 2021 and then on a monthly basis.

As the school was operational throughout the lockdown period, other supplies and services were maintained and carried out during the period.

**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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**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 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;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;

**KINGS NORTON GIRLS' SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

- identification and management of risks.

The Board of Governors has decided set up a reciprocal agreement with St Teresa of Calcutta MAC to carry out a programme of internal checks and perform a peer review.

The Responsible Officer'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 year included:

- review of and testing of income recognition and recording systems and procedures
- review of and testing of payroll systems and procedures
- review of and testing of procurement systems and procedures
- review of and testing of bank control procedures
- review of management information preparation procedures, including information prepared for and presented to the Board of Governors
- review of key school policies and procedures
- review of governance

On a termly basis, the Responsible Officer reports to the Board of Governors through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Governors financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Responsible Officer has delivered their program of work during the year ended 31 August 2021 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.


**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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool; and
- 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 Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on and signed on their behalf by:

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**John Abbott**  
 Chair of Trustees

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**Nicola Raggett**  
 Accounting Officer

**KINGS NORTON GIRLS' SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting Officer of the that Kings Norton Girls' School, I have considered my responsibility to notify the academy trust's board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of all funds by the academy trust's, or material non-compliance with the terms and conditions of funding under the academy's trust's funding agreement and the Academies Financial Handbook 2020.

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.

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**N Raggett**  
Accounting Officer  
Date: 2 December 2021

**KINGS NORTON GIRLS' SCHOOL**  
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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial . 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors and signed on its behalf by:

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**J Abbott**  
Chair of Governors  
Date: 2 December 2021



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

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

**Opinion**

We have audited the financial statements of Kings Norton Girls' School (the 'academy') for the year ended 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

**KINGS NORTON GIRLS' SCHOOL**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KINGS NORTON GIRLS' SCHOOL (CONTINUED)**

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Governors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Responsibilities of governors**

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

In preparing the financial statements, the Governors are responsible for assessing the academy 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.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KINGS  
NORTON GIRLS' SCHOOL (CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the academy trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Education Act 2011, Academies Act 2010, Companies Act 2006, Charities Act 2011, Academy Financial Handbook 2020, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the academy trust and how the academy trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the academy trust's control environment and how the academy trust has applied relevant control procedures, through discussions with Trustees and other management, consideration of the results of the internal scrutiny function and by performing walkthrough testing over key areas;
- obtaining an understanding of the academy trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

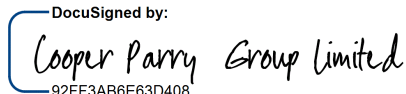
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KINGS  
NORTON GIRLS' SCHOOL (CONTINUED)**

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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**Cooper Parry Group Limited**

Chartered Accountants

Statutory Auditor

One Central Boulevard

Blythe Valley Business Park

Solihull

West Midlands

B90 8BG

2 December 2021

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

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

In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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

**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)**  
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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:  
  
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**Cooper Parry Group Limited**  
Chartered Accountants  
Statutory Auditor

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

Date: 2 December 2021

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>Income from:</b>						
Donations and capital grants	3	18	-	22	40	29
Other trading activities	5	15	-	-	15	36
Investments	6	-	-	-	-	1
Charitable activities	3	43	5,952	-	5,995	5,573
		<u>76</u>	<u>5,952</u>	<u>22</u>	<u>6,050</u>	<u>5,639</u>
<b>Total income</b>						
<b>Expenditure on:</b>						
Charitable activities	3	38	5,875	301	6,214	5,736
		<u>38</u>	<u>5,875</u>	<u>301</u>	<u>6,214</u>	<u>5,736</u>
<b>Total expenditure</b>						
<b>Net income/(expenditure)</b>						
Transfers between funds	18	-	(161)	161	-	-
		<u>38</u>	<u>77</u>	<u>(279)</u>	<u>(164)</u>	<u>(97)</u>
<b>Net movement in funds before other recognised gains/(losses)</b>						
		<u>38</u>	<u>(84)</u>	<u>(118)</u>	<u>(164)</u>	<u>(97)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(234)	-	(234)	(705)
		<u>38</u>	<u>(318)</u>	<u>(118)</u>	<u>(398)</u>	<u>(802)</u>
<b>Net movement in funds</b>						
<b>Reconciliation of funds:</b>						
Total funds brought forward		510	(2,432)	5,412	3,490	4,292
Net movement in funds		38	(318)	(118)	(398)	(802)
		<u>548</u>	<u>(2,750)</u>	<u>5,294</u>	<u>3,092</u>	<u>3,490</u>
<b>Total funds carried forward</b>						

The Statement of Financial Activities includes all gains and losses recognised in the year.


The notes on pages 32 to 53 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	13	5,445	5,582
<b>Current assets</b>			
Debtors	14	139	95
Cash at bank and in hand		1,036	807
		1,175	902
Creditors: amounts falling due within one year	15	(240)	(187)
<b>Net current assets</b>		<b>935</b>	<b>715</b>
<b>Total assets less current liabilities</b>			
		<b>6,380</b>	<b>6,297</b>
Creditors: amounts falling due after more than one year	16	(132)	(151)
<b>Net assets excluding pension liability</b>		<b>6,248</b>	<b>6,146</b>
Defined benefit pension scheme liability	25	(3,156)	(2,656)
<b>Total net assets</b>		<b>3,092</b>	<b>3,490</b>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	5,294	5,412
Restricted income funds	18	406	224
Pension reserve	18	(3,156)	(2,656)
<b>Total restricted funds</b>	18	<b>2,544</b>	<b>2,980</b>
<b>Unrestricted income funds</b>	18	<b>548</b>	<b>510</b>
<b>Total funds</b>		<b>3,092</b>	<b>3,490</b>

The financial statements on pages 29 to 53 were approved and authorised for issue by the Governors and are signed on their behalf, by:

DocuSigned by:  
  
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**J Abbott**  
Chair of Governors  
Date: 2 December 2021

The notes on pages 32 to 53 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 2021**

	<b>Note</b>	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>390</b>	501
<b>Cash flows from investing activities</b>			
	22	<b>(142)</b>	(897)
<b>Cash flows from financing activities</b>			
	21	<b>(19)</b>	170
<b>Change in cash and cash equivalents in the year</b>		<b>229</b>	(226)
Cash and cash equivalents at the beginning of the year		<b>807</b>	1,033
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<b>1,036</b>	807

The notes on pages 32 to 53 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 2021**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2020 to 2021 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.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**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 apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 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.

**1.6 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:

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Freehold property	- 2%
Furniture and fixtures	- 20%
Computer equipment	- 20%

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.

**1.7 Debtors**

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

**1.8 Cash at bank and in hand**

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

**1.9 Liabilities**

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.

**1.10 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.

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 notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.11 Operating leases**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**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 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use a percentage of allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 28.

**1.14 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The classification of expenditure between restricted and unrestricted funds is deemed as a critical area of judgment 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 on the balance sheet.

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

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<b>Total funds 2020 £000</b>
Donations	18	-	<b>18</b>	5
Capital Grants	-	22	<b>22</b>	24
<b>Total 2021</b>	<u>18</u>	<u>22</u>	<u><b>40</b></u>	<u>29</u>
<b>Total 2020</b>	<u>5</u>	<u>24</u>	<u>29</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,308	<b>5,308</b>	4,946
Pupil premium	-	203	<b>203</b>	213
Teachers' pension grant	-	199	<b>199</b>	196
Other DfE / ESFA Grants	-	134	<b>134</b>	109
	-	5,844	<b>5,844</b>	5,464
<b>Other Government grants</b>				
Local authority grants	-	44	<b>44</b>	9
	-	44	<b>44</b>	9
<b>Other income from the academy's trust's educational operations</b>	43	-	<b>43</b>	100
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	64	<b>64</b>	-
	-	64	<b>64</b>	-
<b>Total 2021</b>	43	5,952	<b>5,995</b>	5,573
<b>Total 2020</b>	100	5,473	5,573	

The Academy Trust received £64k of funding for catch up premium and costs incurred in respect of this funding totalled £31k, with the remaining £33k to be spent in 2021/22.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Pupil Premium and Teachers' Pension Grant is no longer reported under the Other DfE / ESFA Grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

**5. Income from other trading activities**

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Other income	15	<b>15</b>	36

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**6. Investment income**

	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<b>Total funds 2020 £000</b>
Short term deposits	-	-	1

**7. Expenditure**

	<b>Staff Costs 2021 £000</b>	<b>Premises 2021 £000</b>	<b>Other 2021 £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Academy trust educational operations:					
Direct costs	4,236	-	208	<b>4,444</b>	4,159
Allocated support costs	920	581	269	<b>1,770</b>	1,577
<b>Total 2021</b>	<b>5,156</b>	<b>581</b>	<b>477</b>	<b>6,214</b>	<b>5,736</b>
<b>Total 2020</b>	<b>4,829</b>	<b>353</b>	<b>554</b>	<b>5,736</b>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £000</b>	<b>Support costs 2021 £000</b>	<b>Total funds 2021 £000</b>	<b>Total funds 2020 £000</b>
Academy trust educational operations	4,444	1,770	<b>6,214</b>	5,736
<b>Total 2020</b>	<b>4,159</b>	<b>1,577</b>	<b>5,736</b>	



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities</b>	<b>Total</b>	<b>Total</b>
	<b>2021</b>	<b>funds</b>	<b>funds</b>
	<b>£000</b>	<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
Staff costs	920	<b>920</b>	927
Depreciation	301	<b>301</b>	110
Technology	68	<b>68</b>	42
Premises	280	<b>280</b>	243
Trip	(2)	<b>(2)</b>	43
Catering	55	<b>55</b>	47
Recruitment	9	<b>9</b>	9
Other support	109	<b>109</b>	134
Governance	30	<b>30</b>	22
<b>Total 2021</b>	<u>1,770</u>	<u><b>1,770</b></u>	<u>1,577</u>

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

Net income/(expenditure) for the year includes:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>301</b>	110
Fees paid to auditors for:		
- audit	<b>10</b>	10
- other services	<b>3</b>	2
	<u><b>3</b></u>	<u>2</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	3,638	3,538
Social security costs	365	342
Pension costs	1,034	899
	<u>5,037</u>	<u>4,779</u>
Agency staff costs	114	50
Staff restructuring costs	5	-
	<u>5,156</u>	<u>4,829</u>

Staff restructuring costs comprise:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Severance payments	5	-
	<u>5</u>	<u>-</u>

**b. Staff numbers**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teachers	61	60
Administration and support	46	42
Management	7	7
	<u>114</u>	<u>109</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff (continued)**

**b. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>55</b>	56
Administration and support	<b>31</b>	28
Management	<b>7</b>	7
	<b>93</b>	91

**c. Higher paid staff**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>4</b>	2
In the band £70,001 - £80,000	<b>2</b>	1
In the band £80,001 - £90,000	<b>1</b>	1

**d. Key management personnel**

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £658,000 (2020: £624,000).

**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:

		<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
V Walsh	Remuneration	<b>30 - 35</b>	40 - 45
	Pension contributions paid	<b>5 - 10</b>	10 - 15
N Bi	Remuneration	<b>25 - 30</b>	25 - 30
	Pension contributions paid	<b>Nil</b>	Nil
N Raggett	Remuneration	<b>85 - 90</b>	80 - 85
	Pension contributions paid	<b>20 - 25</b>	15 - 20

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £NIL).

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**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 trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £159 (2020 - £172). The cost of this insurance is included in the total insurance cost.

**13. Tangible fixed assets**

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2020	6,120	168	345	6,633
Additions	38	21	105	164
At 31 August 2021	<u>6,158</u>	<u>189</u>	<u>450</u>	<u>6,797</u>
<b>Depreciation</b>				
At 1 September 2020	663	127	261	1,051
Charge for the year	115	38	148	301
At 31 August 2021	<u>778</u>	<u>165</u>	<u>409</u>	<u>1,352</u>
<b>Net book value</b>				
At 31 August 2021	<u>5,380</u>	<u>24</u>	<u>41</u>	<u>5,445</u>
At 31 August 2020	<u>5,457</u>	<u>41</u>	<u>84</u>	<u>5,582</u>

Land is included in the total freehold land and buildings valuation at a value £385,000 (2020: £385,000) and is not depreciated.

**14. Debtors**

	2021 £000	2020 £000
<b>Due within one year</b>		
Other debtors	15	7
Prepayments and accrued income	124	88
	<u>139</u>	<u>95</u>

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Other loans	19	19
Other taxation and social security	90	86
Accruals and deferred income	131	82
	<u>240</u>	<u>187</u>

See Note 16 for further details on the other loan balance.

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Other loans	<u>132</u>	<u>151</u>

Included within other loans due after more than one year is one CIF loan totalling £151,000 (2020: £170,000) (see note 15 for element due in less than one year). This is a 10 year loan, interest is payable at 2.2% as set by the Public Work Loans Board annuity rate at 9 October 2019. The loan funded the capital works on the sixth form building.

**17. Accruals and deferred income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2020	37	56
Resources deferred during the year	27	37
Amounts released from previous periods	(37)	(56)
<b>Deferred income at 31 August 2021</b>	<u>27</u>	<u>37</u>

Deferred income at balance sheet date is represented by grant funds and other educational activities funds received in advance which relate to activities that will be undertaken during the year ending 31 August 2022.

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**18. Statement of funds**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Funds	510	76	(38)	-	-	548
<b>Restricted general funds</b>						
General Annual Grant (GAG)	224	5,308	(4,998)	(161)	-	373
Covid catch up premium	-	64	(31)	-	-	33
Pupil Premium	-	203	(203)	-	-	-
Teachers Pension Grant	-	199	(199)	-	-	-
Other DfE/ESFA	-	134	(134)	-	-	-
Other grants	-	44	(44)	-	-	-
Pension reserve	(2,656)	-	(266)	-	(234)	(3,156)
	<b>(2,432)</b>	<b>5,952</b>	<b>(5,875)</b>	<b>(161)</b>	<b>(234)</b>	<b>(2,750)</b>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	2,805	-	(70)	-	-	2,735
DfE / ESFA capital grants	1,816	22	(32)	-	-	1,806
Capital expenditure from GAG	791	-	(199)	161	-	753
	<b>5,412</b>	<b>22</b>	<b>(301)</b>	<b>161</b>	<b>-</b>	<b>5,294</b>
<b>Total Restricted funds</b>	<b>2,980</b>	<b>5,974</b>	<b>(6,176)</b>	<b>-</b>	<b>(234)</b>	<b>2,544</b>
<b>Total funds</b>	<b>3,490</b>	<b>6,050</b>	<b>(6,214)</b>	<b>-</b>	<b>(234)</b>	<b>3,092</b>

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

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

The General Annual Grant funding must be used for the normal running costs of the academy trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement.

Other DfE / ESFA grants includes the pupil premium funding which must be used to support children from families on low income or children in care. Also included is Teacher Pay grants and Teachers' Pension grants, and are all used in accordance with the specific restrictions of the individual grants and funding provided.

Other grants includes other Local Authority funding and other restricted income, and are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit. Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the academy trust on conversion of the Schools within the academy trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

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 2021.

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

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

	<b>Balance at 1 September 2019 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Gains/ (Losses) £000</b>	<b>Balance at 31 August 2020 £000</b>
<b>Unrestricted funds</b>					
General Funds	445	142	(77)	-	510
Ringfenced funds	23	-	-	-	-
	<u>468</u>	<u>142</u>	<u>(77)</u>	<u>-</u>	<u>510</u>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	195	4,946	(4,874)	-	224
Other DfE / ESFA grants	-	518	(518)	-	-
Other grants	-	9	(9)	-	-
Pension reserve	(1,803)	-	(148)	(705)	(2,656)
	<u>(1,608)</u>	<u>5,473</u>	<u>(5,549)</u>	<u>(705)</u>	<u>(2,432)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,875	-	(70)	-	2,805
DfE / ESFA capital grants	1,821	24	(29)	-	1,816
Capital expenditure from GAG	736	-	(11)	-	791
	<u>5,432</u>	<u>24</u>	<u>(110)</u>	<u>-</u>	<u>5,412</u>
<b>Total Restricted funds</b>	<u>3,824</u>	<u>5,497</u>	<u>(5,659)</u>	<u>(705)</u>	<u>2,980</u>
<b>Total funds</b>	<u><u>4,292</u></u>	<u><u>5,639</u></u>	<u><u>(5,736)</u></u>	<u><u>(705)</u></u>	<u><u>3,490</u></u>



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

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

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Restricted fixed asset funds 2021 £000</b>	<b>Total funds 2021 £000</b>
Tangible fixed assets	-	-	5,445	<b>5,445</b>
Current assets	548	627	-	<b>1,175</b>
Creditors due within one year	-	(221)	(19)	<b>(240)</b>
Creditors due in more than one year	-	-	(132)	<b>(132)</b>
Provisions for liabilities and charges	-	(3,156)	-	<b>(3,156)</b>
<b>Total</b>	<b>548</b>	<b>(2,750)</b>	<b>5,294</b>	<b>3,092</b>

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

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Restricted fixed asset funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Tangible fixed assets	-	-	5,582	5,582
Current assets	510	392	-	902
Creditors due within one year	-	(168)	(19)	(187)
Creditors due in more than one year	-	-	(151)	(151)
Provisions for liabilities and charges	-	(2,656)	-	(2,656)
<b>Total</b>	<b>510</b>	<b>(2,432)</b>	<b>5,412</b>	<b>3,490</b>

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**20. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Net expenditure for the year (as per statement of financial activities)	<b>(164)</b>	(97)
	<hr/>	<hr/>
<b>Adjustments for:</b>		
Depreciation	<b>301</b>	110
Capital grants from DfE and other capital income	<b>(22)</b>	(24)
Interest receivable	-	(1)
Defined benefit pension scheme cost less contributions payable	<b>224</b>	116
Defined benefit pension scheme finance cost	<b>42</b>	32
Decrease/(increase) in debtors	<b>(44)</b>	423
Increase/(decrease) in creditors	<b>53</b>	(58)
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>390</b>	501
	<hr/> <hr/>	<hr/> <hr/>

**21. Cash flows from financing activities**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash inflows from new borrowing	-	170
Repayments of borrowing	<b>(19)</b>	-
	<hr/>	<hr/>
<b>Net cash (used in)/provided by financing activities</b>	<b>(19)</b>	170
	<hr/> <hr/>	<hr/> <hr/>

**22. Cash flows from investing activities**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	<b>(164)</b>	(922)
Capital grants from DfE Group	<b>22</b>	24
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(142)</b>	(897)
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Analysis of cash and cash equivalents**

	2021 £000	2020 £000
Cash in hand and at bank	1,036	807
<b>Total cash and cash equivalents</b>	<b>1,036</b>	<b>807</b>

**24. Analysis of changes in net debt**

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	807	229	1,036
Debt due within 1 year	(19)	-	(19)
Debt due after 1 year	(151)	19	(132)
	<b>637</b>	<b>248</b>	<b>885</b>

**25. Pension commitments**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 2016 and of the LGPS 31 March 2019.

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**25. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £638,000 (2020 - £621,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

**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 2021 was £217,000 (2020 - £203,000), of which employer's contributions totalled £171,000 (2020 - £9,000) and employees' contributions totalled £ 46,000 (2020 - £44,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

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**25. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2021</b>	<b>2020</b>
	%	%
Rate of increase in salaries	<b>3.90</b>	3.25
Rate of increase for pensions in payment/inflation	<b>2.90</b>	2.25
Discount rate for scheme liabilities	<b>1.65</b>	1.6

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

	<b>2021</b>	<b>2020</b>
	Years	Years
Retiring today		
Males	<b>21.6</b>	21.9
Females	<b>24.0</b>	24.1
Retiring in 20 years		
Males	<b>23.4</b>	23.8
Females	<b>25.8</b>	26.0

**Sensitivity analysis**

	<b>2021</b>	<b>2020</b>
	£000	£000
Discount rate +0.1%	<b>172</b>	142
Discount rate -0.1%	<b>(168)</b>	(139)
Mortality assumption - 1 year increase	<b>(298)</b>	(227)
Mortality assumption - 1 year decrease	<b>285</b>	218
CPI rate +0.1%	<b>(162)</b>	(134)
CPI rate -0.1%	<b>158</b>	130

**Share of scheme assets**

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

	<b>2021</b>	<b>2020</b>
	£000	£000
Equities	<b>2,171</b>	1,622
Gilts	<b>294</b>	313
Other bonds	<b>218</b>	112
Property	<b>250</b>	218
Cash and other liquid assets	<b>131</b>	192
Other	<b>499</b>	431
<b>Total market value of assets</b>	<b>3,563</b>	2,888

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**25. Pension commitments (continued)**

The actual return on scheme assets was £523,000 (2020 - £181,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Current service cost	(395)	(273)
Interest income	47	49
Interest cost	(89)	(81)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(437)</b>	<b>(305)</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	<b>5,544</b>	<b>4,357</b>
Current service cost	395	273
Interest cost	89	81
Employee contributions	46	44
Actuarial losses	710	837
Benefits paid	(65)	(48)
<b>At 31 August</b>	<b>6,719</b>	<b>5,544</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	<b>2,888</b>	<b>2,554</b>
Interest income	47	49
Actuarial gains	476	132
Employer contributions	171	159
Employee contributions	46	44
Benefits paid	(65)	(48)
Administrative expenses	-	(2)
<b>At 31 August</b>	<b>3,563</b>	<b>2,888</b>

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**26. Operating lease commitments**

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	<b>22</b>	31
Later than 1 year and not later than 5 years	<b>46</b>	68
	<b>68</b>	99
	<b>68</b>	99

**27. 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.

**28. Related party transactions**

Owing to the nature of the academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 11.

**29. Agency arrangements**

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period 31 August 2021 the academy received £16,000 (2020: £21,000) and disbursed £19,000 (2020: £18,000) from the fund. An amount of £27,000 (2020: £30,000) is included in creditors relating to the undistributed funds that are repayable to the ESFA.