

# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Annual Report and Financial Statements**

**Year ended 31 August 2017**

(A Company Limited by Guarantee)

Company Registration Number: 07543893 (England and Wales)

# Sutton Coldfield Grammar School for Girls Academy Trust

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# Sutton Coldfield Grammar School for Girls Academy Trust

## Reference and Administrative Details

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Members	Mr Mark Allwood Mrs Nicky Lloyd Mrs Hannah Tipper Mrs Maggie Shackleton (to 23 April 2017) Mr Nicholas Tuton
Trustees	Mrs Nicky Lloyd (Chair) * Mrs Maggie Shackleton (Accounting Officer and Headteacher - to 23 April 2017) * Dr. Barbara Minards (Accounting Officer and Headteacher - appointed 1 September 2017) Mrs Hilary Cannan (Staff Trustee - resigned 31 August 2017) * Mr Stephen Millman (Staff Trustee for accounting period) * (changed to Community Governor from 1 September 2017) Mr Mark Allwood* Mrs Joanne Benton Mrs Mona Campbell* (resigned 16 March 2017) Mr Matthew Cannan Mrs Narinda Chopra Bown Mr Bhupendra Pattni* Professor Mark Radford (Term of Office ended 9 October 2016) Mrs Charlotte Senior* Mrs Hannah Tipper* Mr Nicholas Tuton Mrs Ruth McIntosh (appointed 1 September 2016) Miss Sarah Bower (appointed 7 September 2017) Mrs Maggie Hunter, School Business Manager, Associate Member*  *Members of the Finance and Premises Committee
Clerk to the Governors	Mrs Sarah Surplice (resigned 31 August 2017) Services 4 Schools Clerking Service (appointed 1 September 2017)
Senior Leadership Team	
<ul style="list-style-type: none"> <li>Headteacher</li> <li>Headteacher</li> <li>Deputy Headteacher</li> <li>Deputy Headteacher</li> <li>Assistant Headteacher</li> <li>Assistant Headteacher</li> <li>Assistant Headteacher</li> <li>School Business Manager</li> </ul>	Mrs Maggie Shackleton (to 23 April 2017) Dr. Barbara Minards (appointed 1 September 2017) Mrs Cath James (Acting Headteacher 24 April to 31 August 2017) Mrs Leigh Long Mrs Helen Dimmock Mrs Lindsay Vincent Mrs Michelle Lucas Mrs Maggie Hunter
Company Name	Sutton Coldfield Grammar School for Girls Academy Trust
Principal and Registered Office	Jockey Road, Sutton Coldfield Birmingham B73 5PT
Company Registration Number	07543893
Independent Auditor	PKF Cooper Parry Group Ltd Park View, One Central Boulevard, Blythe Valley Business Park, Solihull B90 8BG
Bankers	Lloyds Bank Plc 9 Birmingham Road, Sutton Coldfield Birmingham B72 1QA
Solicitors	Irwin Mitchell Imperial House 31 Temple Street Birmingham B2 5DB

# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Trustees' Report**

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The Trustees present their annual report together with the financial statements and auditors' report of Sutton Coldfield Grammar School for Girls Academy Trust (the Academy Trust) for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The single Academy Trust operates a highly successful secondary grammar school for girls in Sutton Coldfield, West Midlands.

Established in 1929, the school has developed both in size and prestige. The school is a thriving community of approximately 1,050 students, celebrated for academic excellence, creativity and enrichment opportunities. Above all, the school prides itself on attaining the highest standards; promoted through personal care and encouragement and achieved through respect for tradition and openness to innovation. The school achieved 'Outstanding' OFSTED judgements in its last two inspections. The Academy Trust is committed to ensuring that students meet the challenges of the twenty-first century with confidence.

A supportive and welcoming environment, a dedicated staff and a rich mix of activities make for a stimulating and rewarding education within the school. The curriculum is tailored to provide challenge, enjoyment and enrichment for our highly able students. The Academy Trust's belief in the moral purpose of the learning experience is summed up by our school motto: 'Not for our own advantage but for the common good'. The school provides an extensive range of opportunities so that students flourish as thoughtful, caring, confident and assured young women ready to begin the next stage of their lives.

The Academy Trust currently has pupil capacity of 840 (11-16 year olds) and had a roll of 1,051 (11-18 year olds) in the school census in January 2017. This capacity includes the continued agreed expansion of the pupil numbers from 150 to 180 in Year 7 (currently at this level in Years 7, 8 and 9). There were 211 pupils in the Sixth Form in the school census in January 2017.

This expansion programme was agreed in conjunction with Birmingham City Council and the Academy Trust's decision to commit a proportionate level of its reserves towards a new building development incorporating six new classrooms, extended dining hall facilities and associated offices and WC facilities. This building development was part funded from a successful Condition Improvement Fund application and the contractors began on site in August 2016 with works completed in May 2017. This accommodation is now in full use as part of the school estate.

## **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 Academy Trust. The Trustees of the Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Sutton Coldfield Grammar School for Girls Academy Trust.

Details of Trustees who served throughout the year are included in the Reference and Administrative Details on Page 1.

### **Members' Liability**

Each member of the Academy Trust undertakes to contribute to the assets of the Academy Trust 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.



# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Trustees' Report (continued)**

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### **Trustees' Indemnities**

In accordance with the normal commercial practice the Academy Trust provides indemnity insurance to protect its members, directors, academy representatives and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. This insurance does not extend to any claim arising from any act or omission which Trustees knew to be a breach of trust or breach of duty, or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or breach of duty, or to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees. The insurance provider provides up to £5 million in aggregate claims with the cost of the premium included in the total insurance premium for the school.

### **Method of Recruitment and Appointment or Election of Trustees**

No more than one third of the total number of individuals appointed as Trustees shall be employees of the Academy Trust (including the Headteacher).

The Board of Trustees shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Trustees.

Parent Trustees shall be elected by parents of the registered pupils at the Academy Trust. A Parent Trustee must be a parent of a pupil at the Academy Trust at the time when they are elected.

Community Trustees may be appointed by the Board of Trustees and they must be either a person who lives or works in the Community, or a person who is committed to the success and governance of the Academy Trust. The Board of Trustees may not appoint an employee of the Academy Trust as a Community Trustee, if the number of Trustees who are employed the Academy Trust (including the Headteacher) exceeds one third of the total number of Trustees.

The Trustees may appoint up to three Co-opted Trustees. The Trustees may not appoint an employee of the Academy Trust as a Co-opted Trustee, if the number of Trustees who are employed by the Academy Trust (including the Headteacher) exceeds one third of the total number of Trustees.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Trustees bring a variety of experience from a number of different backgrounds in both education and industry and commerce. Those coming via a role with a local Governing Body will have received governor training. Where necessary additional training will be provided on charity, educational, legal and financial matters. All Trustees are routinely involved with meetings, accounts, reports, budgets, plans and other information necessary to enable them to carry out their roles. Assistance and advice is always available from Academy Trust staff or professional advisors.

### **Organisational Structure**

The school is managed by seven members of staff in the Senior Leadership Team. This is led by the Headteacher and includes two Deputy Headteachers, three Assistant Headteachers and the School Business Manager. There was a change of Headteacher during the year – Mrs Maggie Shackleton left her position as at 23 April 2017 with the Deputy Headteacher, Mrs Cath James, taking up the role of Acting Headteacher for the remainder of the school year. A new Headteacher, Dr Barbara Minards was appointed to start on 1 September 2017. One of the Deputy Headteachers is responsible for the Curriculum and the other for Student and Staff Well-being. The three Assistant Headteachers all have teaching and learning responsibilities. All staff appointments have to be agreed with the Headteacher and although the Deputy Headteachers have some financial delegation of authority (they may authorise BACS payments) ultimately all financial decisions have also to be agreed by the Headteacher.

### **Arrangements for setting pay and remuneration of key management personnel**

The pay of the Senior Leadership Team is overseen and approved by the Pay Committee (a subset of the Governing Body) and is based on the standard recommendations appropriate to the role (for example the size of school and level of responsibility).

# Sutton Coldfield Grammar School for Girls Academy Trust

## Trustees' Report (continued)

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### Related Parties and other Connected Charities and Organisations

The Academy Trust was established as a standalone company and does not have any external sponsors.

### Objectives and Activities

#### Objects and Aims

The Academy Trust's objects are generally to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The principal object and activity of the Charitable Company is the operation of the Academy Trust to provide selective entry education for students between the ages of 11 and 19. In accordance with the Articles of Association, the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy Trust, and that the curriculum should comply with the substance of the National Curriculum.

The overall vision of the school is to achieve outstanding outcomes for **every** student.

#### Objectives, Strategies and Activities

The main objectives of the Academy Trust during the year were to continue with the focus on achieving high academic success for all students together with developing additional skills that will ensure students also achieve personal enrichment.

The main objective in the School Development Plan (SDP) 2016/17 was to ensure that students flourish through academic rigour and personal enrichment.

The strategies for achieving this objective, measured by the initiatives put in place by the end of the year, were:

a) **Learning**

Highly effective teaching ensures a consistently high standard of learning and progress over time.

b) **Curriculum and Assessment**

Re-evaluating curriculum provision and assessment across Years 7-13 ensures coherence, progression and rigour.

c) **Climate for Learning and enrichment**

Through opportunities and support offered inside and outside lessons, students feel happy, safe and secure.

### Public Benefit

In undertaking the activities of the Academy Trust the Members, Directors, Academy Representatives and Officers have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their explicit or delegated powers and duties. Furthermore, the Academy Trust, overseen by the Trustees, has fully discharged all requirements in relation to its use of public funds as described within the Funding Agreement authorised on behalf of the Secretary of State.

In particular, involvement with the community plays a prominent role in life at the Academy Trust and takes many forms. In 2016/17, once again over £20,000 was raised by the students for good causes: including entering a team in the Great Midlands Fun Run in support of the Midlands Air Ambulance, fund-raising for national events such as Children in Need, Macmillan Cancer Support, Jeans for Genes, CRISIS, Red Nose Day, British Red Cross and Race for Life (Cancer Research) and for local charities such as Acacia Family Support and St Giles Hospice.



# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Trustees' Report (continued)**

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### **Strategic Report**

#### **Achievements and Performance**

**Key Performance Indicators** (figures for the previous year in brackets)

The Academy Trust celebrated another excellent year of GCSE examination results in 2016/17. The introduction of the new specifications and 9-1 grading system in English literature, Language and Mathematics makes comparisons with previous years difficult. However, the percentage of the top GCSE grades A\*-A and 7-9 were consistently high at 73.4% (75.0%). 100.0% (99.3%) of all students gained 5 or more A\*-C or 9-4 grades including English and Maths with 78.5% (84.0%) gaining 5 or more A-A\* or 7-9 grades. In total, 66 (59) girls achieved 10 or more A-A\* or 7-9 grades in all of their GCSE subjects. Eight (Seven) students achieved A\* or 8/9 grades in all their subjects.

At A Level, the pass rate remained consistent at 100.0% A-E grades with A\* grades making up 15.0% (16.0%) of all grades. 86.7% (82.5%) of all grades were at A\*-B.

As well as the continued success in both GCSE and A Level examinations, the Academy Trust has been successful in securing funds from the Education and Skills Funding Agency (ESFA) to part-fund the new six classroom block development, funds from The Wolfson Foundation part-funded the renovation of two existing classrooms into much needed science laboratories whilst Sutton Coldfield Charitable Trust fully funded the refurbishment of two existing science laboratories.

Students who attend the Academy Trust have, throughout the year, achieved both local and national achievements/awards in sporting activities and musical ensembles.

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees 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.

#### **Financial Review**

##### **Financial Performance**

During the year, the Academy Trust applied for Condition Improvement Funding from the ESFA to support the erection of a new two storey, six classroom block and dining hall extension development to support the Academy Trust's five-year expansion programme. The Trustees agreed to commit a substantial financial balance from the Academy Trust's reserves in order to support the funding application to the ESFA. This application was successful and therefore enabled the commencement of the building works in August 2016.

This financial commitment from the Academy Trust's reserves supports the ongoing objectives to develop the school site and environment for the benefit of students together with providing opportunities for more students to attend the Academy Trust. This is in the context of the school being one of the most heavily oversubscribed schools in Birmingham.

The refurbishment of two science laboratories, supported by funding received from Sutton Coldfield Charitable Trust, was undertaken during the year to improve the quality and diversity of curriculum delivery. The laboratories are well used and were in need of upgrading. By undertaking the refurbishment of these two science laboratories, the Academy Trust sought to ensure that all of the school's science laboratories meet the standards expected, to provide facilities that ensure all aspects of teaching and learning are typically good or outstanding.

# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Trustees' Report (continued)**

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Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted. The grants received from the ESFA during the year ended 31 August 2017 of £4,881,000 (2016: £4,882,000) and the associated expenditure of £4,961,000 (2016: £4,476,000) are shown as restricted funds in the Statement of Financial Activities.

Total funds at the period end were £12,971,000 (2016: £13,406,000) of which £14,814,000 (2016: £13,386,000) related to fixed assets. The figure takes into account £ (2,766,000) (2016: £ (1,991,000)) relating to the pension reserve deficit.

### **Reserves Policy**

The Trustees review the reserve levels of the Academy Trust annually following the preparation and completion of the Annual Accounts. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

It is the intention of the Academy Trust to hold reserves that support future educational objectives in conjunction with the SDP and which provide a contingency against unforeseen exceptional events or stresses on working capital, together with ensuring that the Academy Trust could maintain the whole staff salary commitments for at least one month should there be a delay in receipt of the General Annual Grant (GAG) funds from the ESFA.

The reserves of the Academy Trust will not incorporate any funds that have been designated for a specific use i.e. the retention funds for the new six classroom block and dining hall extension development, as these funds are earmarked to support any remedial works. Reserve funds will be used as soon as practical and following receipt of any other designated funds from external organisations. The Trustees have examined the Academy Trust's requirements for reserves in light of the main risks to the organisation. It has established a statement whereby the unrestricted reserves not committed or invested in tangible fixed assets held by the Academy Trust will be not less than one month's total salary costs together with supporting future long-term maintenance programmes. The reserves are needed to meet the working capital requirements of the Academy Trust and the Trustees are confident that at this level they would be able to fulfil all activities required to enable the Academy Trust to provide first class education to its pupils.

### **Investment Policy**

Apart from retaining a prudent amount in reserves each year, most of the Academy Trust's funds are spent in the short term. The Academy Trust maintains two bank accounts with Lloyds – a current account and a debit card account. The current account receives all income from funding sources and retains all of the reserves. This provides instant access to reserves for the Academy Trust. There is the opportunity to earn interest on both accounts. Trustees are informed each year by the Finance Team of the available options to earn a higher level of interest on the balances by distributing the funds between different notice accounts – all to be held by Lloyds.

The Trustees on behalf of the Academy Trust have powers to make decisions with regards to investments as there will be different times throughout the academic year of large cash balances being held. The Academy Trust will not invest any funds in any accounts or ventures that could endanger the investment balance. The deposit of cash balances will consider any social, environmental and/or ethical grounds before investment of funds takes place.

During the year the Academy Trust part funded the building works for the new classroom block development and consequently funds held in the current account at Lloyds were readily accessible. During the forthcoming months, the Academy Trust will look into the options of "layering" investments at Lloyds Bank in order to maximise the level of interest that can be earned.



# Sutton Coldfield Grammar School for Girls Academy Trust

## Trustees' Report (continued)

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### Principal Risks and Uncertainties

Trustees have reviewed the risks to which the Academy Trust is exposed, and systems and procedures are in place to manage them.

The principal financial risks to the Academy Trust include:

- a) The projected Local Government Pension Scheme deficit repayment figures and from April 2017 the increased employer's contribution rate rising by 4.8%. Whilst these increases have been costed for within the 2017-18 budget and beyond, continued triennial valuation increases are an unknown quantity which could affect the Academy Trust being able to report a surplus/balanced budget.
- b) The planned implementation of the new National Fairer Funding formula and the documented illustrative funding allocations for all schools and Local Authorities – should future funding levels decline this could impact greatly on the resources and services available that support the Curriculum.
- c) Changes to the Curriculum and the resources required to meet these changes impact on the GAG funds that have been allocated.

The other key risks that the Academy Trust faces are the recruitment and retention of staff, the possibility of a decline in performance in the achieved examination results and the safeguarding of students. Relevant controls in place to mitigate against and manage these risks that are associated with fraud, damage to reputation and failure to maintain and improve academic performance are fully documented within the Academy Trust's risk register which is reviewed periodically by the Finance and Premises Committee.

### Plans for Future Periods

The Academy Trust, during the year ended 31 August 2017, was in its third year of a five year expansion plan to increase intake to 180 students per year (previously 150) with an increase from five-form entry to six-form entry at Year 7. Work also started in the summer of 2016 on an expansion of the premises to cater for this increase in pupil numbers with a six-classroom block and a dining hall extension development and construction was completed during 2016/17. This was funded by a combination of school reserves and a successful award by the ESFA's Condition Improvement Fund (CIF).

The expansion program from five-form entry to six-form entry, together with the building expansion/refurbishments, also provided the Academy Trust with the opportunity to allocate more science lessons on the Curriculum timetable. This also necessitated the requirement to restructure the management of the Science Department staff – leading to Heads of Biology, Chemistry and Physics being appointed from September 2017.

Specific objectives from the 2017/18 SDP are as follows:

1. **A culture of continuous improvement and delegated leadership**
  - a. Increased opportunities and training for current and future middle and senior leaders
  - b. Develop student leadership skills and opportunities
  - c. Review monitoring and support programme for departments and individuals
  - d. Refine Senior Leadership Team working practices
2. **Excellent teaching and learning**
  - a. Maintain outstanding rates of attainment and progress, with interventions as appropriate
  - b. Continue to fully prepare for and implement new GCSE and A-level curricula
  - c. Develop peer observation system
  - d. Establish a Teaching and Learning Group for staff
3. **Character development & well-being**
  - a. Further develop students' resilience and 'growth mindset'
  - b. Develop a strategic approach to promoting well-being and mental health (students and staff)
  - c. Maintain effective pastoral support with increased demands from expanded intake
  - d. Maintain safeguarding procedures in light of latest directives and best practices

## **Sutton Coldfield Grammar School for Girls Academy Trust Trustees' Report (continued)**

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### **4. Development of systems and structures**

- a. Review use of digital technologies
- b. Monitor procedures: TTT (take the temperature) week, learning walks, work trawls and student surveys
- c. Review appraisal system
- d. Refine working practices of Heads of Departments
- e. Refine working practices of support staff

### **5. Stewardship of resources**

- a. Maintain a flexible and sustainable long term financial plan in light of reduced funding and considerable uncertainty
- b. Recruit the optimum number of appropriate students into Years 7 and 12 through effective marketing
- c. Review fund-raising and maximise additional sources of revenue to the school
- d. Review catering provision to maximise profitability of the canteen whilst maintaining quality and affordability

## **Funds Held as Custodian Trustee on Behalf of Others**

The Academy Trust does not hold such funds and does not act as the custodian trustees of any other charity.

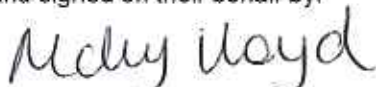
## **Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors PKF Cooper Parry Group Limited will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report incorporating a strategic report was approved by order of the Board of Trustees on 7 December 2017 and signed on their behalf by:



**Mrs Nicky Lloyd**  
**Chair of Board of Trustees**



# Sutton Coldfield Grammar School for Girls Academy Trust

## Governance Statement

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### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between the Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has delegated responsibility to Sub Committees for Personnel, Curriculum and Finance & Premises. The Board of Trustees has formally met four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Mark Allwood	4	4
Mrs Joanne Benton	4	4
Mrs Mona Campbell	0	3
Mr Matthew Cannan	1	4
Mrs Hilary Cannan	3	4
Mrs Narinder Chopra-Bown	4	4
Mrs Nicky Lloyd, Chair	4	4
Mr Stephen Millman	4	4
Mr Bhupendra Pattni	3	4
Professor Mark Radford	2	2
Mrs Charlotte Senior	3	4
Mrs Maggie Shackleton (to 23 April 2017)	3	3
Mrs Hannah Tipper	3	4
Mr Nicholas Tuton	4	4

Every September, Trustees undertake a review of the Terms of Reference for each sub-committee and the full Board of Trustees. Dependent upon legislation, these are amended in accordance with DfE guidelines. Together with this, new members to the Board of Trustees are required to complete a self-evaluation of their skills and knowledge with regard to supporting the Board of Trustees. After the initial self-evaluation assessment, Trustees are required to recomplete the assessment every three years.

The Trustees carry out an annual audit of skills and training, in order to ensure appropriate expertise and to address any perceived areas of need. This is also used to inform the membership of sub-committees, based on skills and experience.

Regular updates and data are provided to the sub-committees by relevant members of staff (for example: School Business Manager, Data Manager and Headteacher). In addition, the Curriculum Committee receives a termly presentation from a different Head of Department to update them on current issues, developments and initiatives relevant to that academic department.

In addition to sub-committee meetings, there is a regular dialogue between Trustees and the school, via meetings between staff and Link Governors and/or individuals offering specific skills or expertise.

The Trustees consider that they are kept well informed with good quality data, and this, together with the breadth of skills and experience of individual Trustees, enables the Governing Body to provide a high degree of challenge and support to the school.



# Sutton Coldfield Grammar School for Girls Academy Trust

## Governance Statement (continued)

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### Governance Review

The Trustees have not carried out a formal governance review during the period. However, an internal review of the structure of the governing body is planned for 2017-18 to ensure that it continues to be fit for purpose and to optimise effectiveness.

The **Finance and Premises Committee** is a sub-committee of the main Board of Trustees. Its purpose is to oversee and scrutinise the financial procedures, regulations and management of the Academy Trust's financial budget and to oversee the management of the school facilities. It reports directly to the Board of Trustees and account for their review of the financial statements, budgeting and value for money and monitor, review and evaluate financial propriety.

Attendance during the year at meetings of:

Trustee	Meetings Attended	Out of a possible
Mr Mark Allwood, Chair	5	6
Mrs Hilary Cannan	5	6
Mrs Nicky Lloyd	6	6
Mr Stephen Millman	5	6
Mrs Charlotte Senior	6	6
Mrs Maggie Shackleton (to 23 April 2017)	3	3
Mrs Hannah Tipper	6	6
Mr Bhupendra Pattni	3	6
Mrs Maggie Hunter (Associate)	6	6

The **Personnel Committee** is a sub-committee of the main Board of Trustees. Its purpose is to ensure compliance with all current statutory Human Resources guidance and legislation on the welfare of staff and students, together with ensuring compliance for child protection and safeguarding.

Attendance at the Personnel Committee was as follows:	2	3
Mr Mark Allwood	3	3
Mr Nicholas Tuton, Chair	3	3
Mrs Leigh Long	3	3
Mrs Nicky Lloyd	3	3
Mrs Jo Benton	2	3
Mrs Narinder Chopra-Bown	3	3
Mr Matthew Cannan	3	3
Mrs Hannah Tipper		

The **Curriculum Committee** is a sub-committee of the main Board of Trustees. Its purpose is to ensure compliance with the statutory requirements of the curriculum from Years 7 – 13.

Attendance at the Curriculum Committee was as follows:	3	3
Mr Nicholas Tuton	3	3
Mrs Ruth McIntosh	3	3
Mr Stephen Millman	3	3
Mr Matthew Cannan	3	3
Mrs Jo Benton	3	3
Mrs Charlotte Senior, Chair	3	3
Mrs Narinder Chopra-Bown	2	3
Mrs Maggie Shackleton (to 23 April 2017)	1	1

# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Governance Statement (continued)**

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### **Review of Value for Money**

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money may be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered value for money during the year by inter alia:

- the development of the new classroom block being as energy efficient as possible – in particular with regard to lighting and heating
- the continued refurbishment of the whole school lighting programme – changing to LED energy efficient lamps where possible
- renegotiation of gas and electricity contracts

Planned cost saving measures include the transfer to a new Financial Software program that will assist the Business Office Team in the day to day functions together with providing Governors with detailed Management Accounts and long-term budget forecasts.

### **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 the Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017, prior to this date, and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

# Sutton Coldfield Grammar School for Girls Academy Trust

## Governance Statement (continued)

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### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to review current systems and implement a more robust procedure to assist in this area.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. There has not been an internal audit this financial year but the checks carried out in future will include:

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

Also, in future, the internal auditor will report to the Board of Trustees, through the Finance and Premises Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

### Review of Effectiveness

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

- work of external auditors
- the financial management and governance self-assessment process
- the work of the School Business Manager and Finance Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and plan to address any action points and ensure continuous improvement of the systems is being put in place.

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on its behalf by:



Mrs Nicky Lloyd  
Chair of Board of Trustees



Mrs Cath James  
Accounting Officer (Acting)  
24 April 2017 – 31 August 2017



Dr. Barbara Minards  
Accounting Officer  
Appointed 1 September 2017



## **Sutton Coldfield Grammar School for Girls Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

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As Accounting Officer of the Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the Funding Agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook 2016.

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



**Mrs Cath James**  
**Accounting Officer (Acting)**  
**24 April – 31 August 2017**  
**7 December 2017**



**Dr. Barbara Minards**  
**Accounting Officer**  
**Appointed 1 September 2017**  
**7 December 2017**

# Sutton Coldfield Grammar School for Girls Academy Trust

## Statement of Trustees' Responsibilities

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The Trustees (who act as Governors of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

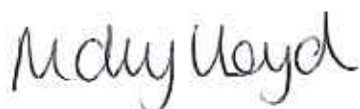
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) 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 Academy Trust will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on its behalf by:



**Mrs Nicky Lloyd**  
Chair of Board of Trustees



# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Sutton Coldfield Grammar School for Girls Academy Trust**

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### **Opinion**

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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



# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Sutton Coldfield Grammar School for Girls Academy Trust**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and 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 strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Sutton Coldfield Grammar School for Girls Academy Trust**

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

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

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

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

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



Simon Atkins FCA (Senior statutory auditor)

for and on behalf of:

#### **PKF Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditors  
Park View, One Central Boulevard,  
Blythe Valley Business Park,  
Solihull  
B90 8BG

Date: 7/12/17

# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to The Sutton Coldfield Grammar School for Girls Academy Trust and the Education and Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the ESFA as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of the Academy Trust's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of the Academy Trust's Funding Agreement with the Secretary of State for Education dated 25 May 2011 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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



**Sutton Coldfield Grammar School for Girls Academy Trust  
Independent Reporting Accountant's Assurance Report on Regularity to  
The Sutton Coldfield Grammar School for Girls Academy Trust and the  
Education and Skills Funding Agency (continued)**

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**Conclusion**

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

*PKF Cooper Parry Group Limited*

Reporting Accountant

PKF Cooper Parry Group Limited

Date: 7/12/17

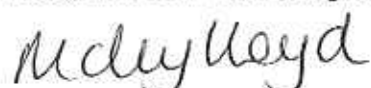
**Sutton Coldfield Grammar School for Girls Academy Trust**  
**Statement of Financial Activities for the Year Ended 31 August 2017**  
**(including Income and Expenditure Account)**

	Note	Un- restricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	55	-	408	463	355
<i>Charitable Activities:</i>						
• Funding for the Academy's educational operations	3	399	4,881	-	5,280	5,328
Other trading activity	4	66	-	-	66	57
Investment income	5	8	-	-	8	17
<b>Total incoming resources</b>		<b>528</b>	<b>4,881</b>	<b>408</b>	<b>5,817</b>	<b>5,757</b>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>	6, 7					
• Academy Trust's educational operations		452	4,961	205	5,618	5,402
<b>Total resources expended</b>		<b>452</b>	<b>4,961</b>	<b>205</b>	<b>5,618</b>	<b>5,402</b>
<b>Net income/ (expenditure) before transfers</b>		<b>76</b>	<b>(80)</b>	<b>203</b>	<b>199</b>	<b>355</b>
Gross transfers between funds	14	(48)	(1,035)	1,083	-	-
<b>Net income/ (expenditure) for the year</b>		<b>28</b>	<b>(1,115)</b>	<b>1,286</b>	<b>199</b>	<b>355</b>
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	14,23	-	(634)	-	(634)	(771)
<b>Net movement in funds</b>		<b>28</b>	<b>(1,749)</b>	<b>1,286</b>	<b>(435)</b>	<b>(416)</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 1 September 2016		612	(734)	13,528	13,406	13,822
<b>Funds carried forward at 31 August 2017</b>		<b>640</b>	<b>(2,483)</b>	<b>14,814</b>	<b>12,971</b>	<b>13,406</b>

**Sutton Coldfield Grammar School for Girls Academy Trust**  
**Balance Sheet as at 31 August 2017**  
 Company Number 07543893

	Notes	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	11	14,814	13,386
<b>Current assets</b>			
Debtors	12	161	100
Cash at bank and in hand		<u>1,210</u>	<u>2,242</u>
		<b>1,371</b>	<b>2,342</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	13	(448)	(331)
<b>Net current assets</b>		<u>923</u>	<u>2,011</u>
<b>Total assets less current liabilities excluding pension liability</b>		<b>15,737</b>	<b>15,397</b>
<b>Net assets excluding pension liability</b>		<u>15,737</u>	<u>15,397</u>
Defined benefit pension scheme liability	23	(2,766)	(1,991)
<b>Total net assets including pension liability</b>		<u>12,971</u>	<u>13,406</u>
<b>Funds of the Academy:</b>			
<b>Restricted income funds</b>			
• Fixed asset fund	14	14,814	13,528
• Restricted Income fund	14	283	1,257
• Pension reserve	14	(2,766)	(1,991)
<b>Total restricted funds</b>		<u>12,331</u>	<u>12,794</u>
<b>Unrestricted income funds</b>	14	640	612
<b>Total funds</b>		<u>12,971</u>	<u>13,406</u>

The financial statements on pages 18 to 38 were approved by the Trustees, and authorised for issue on 7 December 2017 and are signed on their behalf by:



**Mrs Nicky Lloyd**  
 Chair of Trustees



# Sutton Coldfield Grammar School for Girls Academy Trust

## Statement of Cash Flows for the Year Ended 31 August 2017

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	Notes	2017 £000	2016 £000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	18	184	392
<b>Cash flows from investing activities</b>	20	(1,218)	160
<b>Cash flows from financing activities</b>	19	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(1,032)</u>	<u>552</u>
Cash and cash equivalents 1 September 2016/2015		<u>2,242</u>	<u>1,690</u>
<b>Cash and cash equivalents 31 August 2017/2016</b>	21	<u>1,210</u>	<u>2,242</u>

# Sutton Coldfield Grammar School for Girls Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

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### 1. Statement of Accounting Policies

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

#### **Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency, the Charities Act 2011 and the Companies Act 2006.

The Academy Trust meets the definition of a public benefit entity under FRS 102.

#### **Going Concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval 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.

#### **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 period is deducted from income and recognised as a liability.

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

#### ▪ **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### ▪ **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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

# Sutton Coldfield Grammar School for Girls Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

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#### 1. Statement of Accounting Policies (continued)

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

#### **Expenditure**

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

Assets costing £1,000 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 such 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long Leasehold buildings	2% (50 years)
Fixtures and Fittings	10-33.3% (3-10 years)
Computer equipment	33.3% (3 years)



# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017**

### **(continued)**

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#### **1. Statement of Accounting Policies (continued)**

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

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.

#### **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.

#### **Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased Assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### **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 basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. 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 note 13. 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.

#### **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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017**

### **(continued)**

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#### **1. Statement of Accounting Policies (continued)**

##### **Agency Arrangements**

The Academy Trust distributes 16-19 Bursary funds to students as an agent for 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 up to 5% of the 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 26.

##### **Pensions Benefits**

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 quinquennial valuations using a prospective unit credit method. As stated in Note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

##### **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 Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the ESFA/Department for Education 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 ESFA/Department for Education.



# Sutton Coldfield Grammar School for Girls Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

### 1. Statement of Accounting Policies (continued)

#### Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

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 LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Government Actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Capital Grants	-	347	347	355
Donations	55	61	116	-
	<u>55</u>	<u>408</u>	<u>463</u>	<u>355</u>
Total 2016	-	355	355	

### 3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
<b>DfE/ESFA revenue grant</b>				
• General Annual Grant (GAG)	-	4,711	4,711	4,728
• Other DfE/ESFA grants	-	104	104	96
	<u>-</u>	<u>4,815</u>	<u>4,815</u>	<u>4,824</u>
Other Income from the Academy Trust's educational operations	399	66	465	504
	<u>399</u>	<u>4,881</u>	<u>5,280</u>	<u>5,328</u>
Total 2016	446	4,882	5,328	



**Sutton Coldfield Grammar School for Girls Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

**4. Other Trading Activities**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Hire of facilities	18	-	18	7
Other Income	48	-	48	50
	<u>66</u>	<u>-</u>	<u>66</u>	<u>57</u>
Total 2016	<u>57</u>	<u>-</u>	<u>57</u>	

**5. Investment Income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	8	-	8	17
	<u>8</u>	<u>-</u>	<u>8</u>	<u>17</u>
Total 2016	<u>17</u>	<u>-</u>	<u>17</u>	

**6. Expenditure**

	Staff Costs £000	Non-Pay Expenditure Premises £000	Other Costs £000	Total 2017 £000	Total 2016 £000
Academy Trust's educational operations					
• Direct costs	3,190	-	665	3,855	3,859
• Allocated support costs	898	330	535	1,763	1,543
	<u>4,088</u>	<u>330</u>	<u>1,200</u>	<u>5,618</u>	<u>5,402</u>
Total 2016	<u>3,906</u>	<u>282</u>	<u>1,214</u>	<u>5,402</u>	

**Net income/(expenditure) for the period include:**

	2017 £000	2016 £000
Operating lease rentals	-	14
Depreciation	205	229
Fees payable to the auditor for		
• Audit	12	15
• Other services	-	-

**Sutton Coldfield Grammar School for Girls Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

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**7. Charitable Activities – Academy Trust’s educational operations**

	<b>Total</b>	<b>Total</b>
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Direct costs – educational operations	<b>3,855</b>	<b>3,859</b>
Support costs – educational operations	<b>1,763</b>	<b>1,543</b>
<b>Total direct and support costs</b>	<b>5,618</b>	<b>5,402</b>
	<b>Total</b>	<b>Total</b>
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of support costs</b>		
Support staff costs	<b>898</b>	<b>604</b>
Technology costs	<b>55</b>	<b>63</b>
Premises costs	<b>330</b>	<b>282</b>
Other support costs	<b>460</b>	<b>557</b>
Governance costs	<b>20</b>	<b>37</b>
<b>Total Support Costs</b>	<b>1,763</b>	<b>1,543</b>

**Sutton Coldfield Grammar School for Girls Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

**8. Staff**

**a. Staff costs**

	2017 £000	2016 £000
Wages and salaries	3,028	3,107
Social Security Costs	292	260
Operating costs of defined benefit pension schemes	636	472
Apprenticeship Levy	-	-
	<b>3,956</b>	<b>3,839</b>
Supply staff costs	132	60
Staff restructuring costs	-	7
	<b>4,088</b>	<b>3,906</b>

Staff restructuring costs comprise:

Redundancy payments	-	-
Severance payments	-	7
Other restructuring costs	-	-
	<b>-</b>	<b>7</b>

**b. Non statutory / non contractual staff severance payments**

Included in staff restructuring costs are non-statutory / non-contractual severance payments totaling £Nil. (2016: £7,230). Individually the payments were: £Nil (2016: £7,230).

**c. Staff numbers**

The average number of persons employed by the Academy Trust during the period was as follows:

<b>Average Headcount</b>	2017 Number	2016 Number
Teachers	61	66
Administration and support	67	69
Management	7	7
	<b>135</b>	<b>142</b>
<b>Average FTE</b>	2017 Number	2016 Number
Teachers	52	47
Administration and support	40	42
Management	7	7
	<b>99</b>	<b>96</b>

**d. Higher paid staff**

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

	2017 Number	2016 Number
£60,001-£70,000	3	2
£90,001-£100,000	-	1



# Sutton Coldfield Grammar School for Girls Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

#### e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £434,538 (2016: £475,057), all paid from the General Annual Grant funding.

#### 9. Related Party Transactions - Trustees' Remuneration & Expenses

The value of trustees' remuneration and other benefits was as follows:

		Year ended 31 August 2017	Year ended 31 August 2016
Mrs Maggie Shackleton (Headteacher and staff trustee to 23 April 2017)	Remuneration	£55,000 - £60,000	£80,000 - £85,000
	Employer's pension contributions paid	£5,000 - £10,000	£10,000 - £15,000
Mrs Hilary Cannan (Staff trustee to 31 August 2017)	Remuneration	£30,000 - £35,000	£35,000 - £40,000
	Employer's pension contributions paid	£5,000 - £10,000	£5,000 - £10,000
Mr Stephen Millman (Staff trustee)	Remuneration	£45,000 - £50,000	£45,000 - £50,000
	Employer's pension contributions paid	£5,000 - £10,000	£5,000 - £10,000
Mrs Ruth McIntosh (Staff trustee from 1 September 2016)	Remuneration	£40,000 - £45,000	N/A
	Employer's pension contributions paid	£5,000 - £10,000	N/A

During the period ended 31 August 2017, travel and subsistence expenses totalling £Nil were reimbursed or paid directly to 0 Trustees (2016: £37 to 1 trustee).

Other related party transactions involving the Trustees are set out in note 24.

#### 10. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees 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 this insurance is included in the total insurance cost.

**Sutton Coldfield Grammar School for Girls Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

**11. Tangible Fixed Assets**

	Leasehold Land & buildings £000	Fixtures and fittings £000	Computer Equipment £000	Assets Under Construction £000	Total £000
<b>Cost</b>					
At 1 September 2016	13,965	20	337	270	14,592
Additions	-	-	12	1,622	1,634
Transfer between classes	1,799	-	-	(1,799)	-
At 31 August 2017	15,764	20	349	93	16,226
<b>Depreciation</b>					
At 1 September 2016	874	10	323	-	1,207
Charged in period	187	2	16	-	205
At 31 August 2017	1,061	12	339	-	1,412
<b>Net book values</b>					
At 31 August 2016	13,092	10	14	270	13,386
At 31 August 2017	14,703	8	10	93	14,814

**12. Debtors**

	2017 £000	2016 £000
Trade Debtors	2	-
VAT Recoverable	45	20
Prepayments and accrued income	114	80
	<b>161</b>	<b>100</b>

**13. Creditors: amounts falling due within one year**

	2017 £000	2016 £000
Trade Creditors	152	69
Other taxation and social security	81	87
Other creditors	76	72
Accruals and deferred income	139	103
	<b>448</b>	<b>331</b>
<b>Deferred income</b>		
As at 1 September 2016	-	-
Release from previous years	-	-
Resources deferred in year	42	-
Deferred income at 31 August 2017	<b>42</b>	<b>-</b>

At the balance sheet date the Academy Trust was holding funds received in advance for deposits on trips due to take place in 2017/2018.

# Sutton Coldfield Grammar School for Girls Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

#### 14. Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,257	4,711	(4,638)	(1,064)	266
Pupil Premium	-	66	(78)	29	17
Other Grants	-	104	(104)	-	-
Pension Reserve	(1,991)	-	(141)	(634)	(2,766)
	(734)	4,881	(4,961)	(1,669)	(2,483)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	11,498	-	(153)	-	11,345
DfE/ESFA capital grants	1,181	347	(34)	-	1,494
Capital expenditure from GAG	725	-	(15)	1,083	1,793
Restricted donations	124	61	(3)	-	182
	13,528	408	(205)	1,083	14,814
<b>Total restricted funds</b>	<b>12,794</b>	<b>5,289</b>	<b>(5,166)</b>	<b>(586)</b>	<b>12,331</b>
<b>Total unrestricted funds</b>	<b>612</b>	<b>528</b>	<b>(452)</b>	<b>(48)</b>	<b>640</b>
<b>Total funds</b>	<b>13,406</b>	<b>5,817</b>	<b>(5,618)</b>	<b>(634)</b>	<b>12,971</b>

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

Pupil Premium income is included within restricted funds and relates to the funding provided by the ESFA for the School to provide additional support to pupils from low income families.

The balance of £283,000 on the Restricted general funds (excluding the pension reserve) will be used for educational purposes in accordance with the restrictions attached to the funding.

The Pension Reserve of £2,766,000 (overdrawn) represents the Academy Trust's share of the deficit in the West Midlands Pension Fund.

Restricted fixed asset funds relate predominately to the assets acquired on conversion to an Academy Trust, being the properties together with any subsequent funding received and utilised for fixed assets including improvements and new buildings.

The Unrestricted Funds represent the accumulated surplus generated by the Academy Trust from conversion to an Academy Trust and ongoing ancillary activities such as hire of facilities.



# Sutton Coldfield Grammar School for Girls Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

### 15. Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	14,814	14,814
Current assets	640	731	-	1,371
Current liabilities	-	(448)	-	(448)
Pension scheme liability	-	(2,766)	-	(2,766)
<b>Total net assets</b>	<b>640</b>	<b>(2,483)</b>	<b>14,814</b>	<b>12,971</b>

### 16. Capital Commitments

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	50	-

### 17. Commitments under operating leases

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

	2017 £000	2016 £000
Amounts due within one year	14	14
Amounts due between one and five years	8	12
Amounts due after five years	-	-
	<b>22</b>	<b>26</b>

**Sutton Coldfield Grammar School for Girls Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

**18. Reconciliation of Net Income to Net Cash Inflow from Operating Activities**

	2017 £000	2016 £000
Net income/(expenditure) for year (as per SoFA)	199	355
Adjusted for:		
Depreciation charges (note 11)	205	229
Capital grants from DfE and other capital income	(408)	(355)
Interest receivable (note 5)	(8)	(17)
Defined benefit pension scheme less contributions payable (note 23)	100	(55)
Defined benefit pension scheme finance cost (note 23)	40	44
(Increase)/decrease in debtors	(61)	8
Increase in creditors	117	183
<b>Net cash provided by/(used in) operating activities</b>	<b>184</b>	<b>392</b>

**19. Cash flows from financing activities**

	2017 £000	2016 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>-</b>	<b>-</b>

**20. Cash flows from investing activities**

	2017 £000	2016 £000
Dividends, interest and rents from investments	8	17
Purchase of tangible fixed assets	(1,634)	(212)
Capital funding received from DfE/ESFA and others	347	355
Capital funding received from sponsors and others	61	-
<b>Net cash (used in) / provided by investing activities</b>	<b>(1,218)</b>	<b>160</b>

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

	At 1 September 2016 £000	Cash flows £000	At 31 August 2017 £000
Cash in hand and at bank	2,242	(1,032)	1,210
<b>Total cash and cash equivalents</b>	<b>2,242</b>	<b>(1,032)</b>	<b>1,210</b>

# **Sutton Coldfield Grammar School for Girls Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017**

### **(continued)**

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#### **22. Members' Liability**

Each member of the Academy Trust 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.

#### **23. Pension and Similar Obligations**

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 Midland Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS on March 2017.

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £354,900 (2016: £362,666).



# Sutton Coldfield Grammar School for Girls Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

#### 23. Pension and Similar Obligations (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is 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 scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2017 was £213,000 (2016: £286,000), of which employer's contributions totalled £166,000 (2016: £241,000) and employees' contributions totalled £47,000 (2016: £45,000). The agreed contribution rates for future years are 20.9%.

The Academy Trust continues to make additional contributions to offset the LGPS Pension liability – the contribution made for the year ended 31 August 2017 was £58,354 (2016: £44,604).

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

Principal actuarial assumptions	At 31 August 2017	At 31 August 2016
Rate of increase for pensions in payment / inflation	2.70%	2.00%
Rate of increase in salaries	4.20%	3.75%
Inflation assumption (CPI)	2.70%	2.00%
Discount rate for scheme liabilities	2.60%	2.10%

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	21.8	23.1
Females	24.3	25.8
<i>Retiring in 20 years</i>		
Males	24.0	25.3
Females	26.6	28.1

Sensitivity Analysis	At 31 August 2017 £000s	At 31 August 2016 £000s
Discount Rate +0.1%	106	82
Discount Rate -0.1%	(108)	(84)
Mortality assumption – 1 year increase	(185)	(110)
Mortality assumption – 1 year decrease	86	63
CPI rate +0.1%	(20)	(65)
CPI rate -0.1%	20	63

# Sutton Coldfield Grammar School for Girls Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

### 23. Pension and Similar Obligations (continued)

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,735	1,337
Gilts	201	156
Corporate Bonds	106	193
Property	201	179
Cash and other liquid assets	137	145
Other	365	243
<b>Total market value of assets</b>	<b>2,745</b>	<b>2,253</b>

The actual return on scheme assets was £401,000 (2016: £344,000).

### Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost	266	186
Interest cost	40	44
Admin Expenses	1	1
<b>Total amount recognised in SOFA</b>	<b>307</b>	<b>231</b>

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

	2017 £000	2016 £000
As at 1 September 2016	4,244	2,880
Current service cost	266	186
Interest cost	89	113
Employee contributions	47	45
Benefits paid	(39)	(26)
Change in financial assumptions	904	1,046
<b>At 31 August 2017</b>	<b>5,511</b>	<b>4,244</b>

# **Sutton Coldfield Grammar School for Girls Academy Trust** **Notes to the Financial Statements for the Year Ended 31 August 2017** **(continued)**

## **23. Pension and Similar Obligations (continued)**

Changes in the fair value of Academy's share of scheme assets:

	2017	2016
	£000	£000
As at 1 September 2016	2,253	1,650
Interest income	49	69
Return on assets less interest	352	275
Other actuarial gains/(losses)	(82)	-
Employer contributions	166	241
Employee contributions	47	45
Benefits paid	(39)	(26)
Effect of non-routine settlements	-	-
Admin Expenses	(1)	(1)
<b>At 31 August 2017</b>	<b>2,745</b>	<b>2,253</b>

## **24. Related Party Transactions**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

There were no related party transactions in the period of accounts.

## **25. Events after the end of the reporting period**

A new Headteacher, Dr Barbara Minards started on 1 September 2017.

## **26. Agency arrangements**

The Academy Trust distributes 16-19 Bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017, the trust received £13,236 (2016: £14,433) and disbursed £12,045 (2016: £6,561), from the fund. An amount of £9,063 (2016: £7,872) is included in Other Creditors relating to the undistributed funds that are repayable to the ESFA.



