

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

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

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STRATFORD GIRLS' GRAMMAR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Cox A Harvey J Millett D Morse
Trustees	J Millett, Chair of Governors ¹ K Richardson, Staff Governor (resigned 31 August 2019) ¹ I Harwood R Cox ¹ S Bennett J Waters (resigned 8 October 2019) A Harvey C Nicklin P Mcananey, Staff Governor J Cornell, Headteacher and Accounting Officer ¹ N Male, Staff Governor (resigned 13 May 2019) D Welch (appointed 9 October 2019) P Offer ¹ C Pote D Cale, Responsible Officer (resigned 31 August 2019) ¹ D Morse (resigned 31 August 2019) ¹ J Tomkinson ¹ E Stringer (appointed 1 October 2019) N Mackenzie (appointed 27 November 2019) S Humberstone (appointed 27 November 2019) ¹ Designates member of Resources Committee
Company registered number	07646003
Company name	Stratford Girls' Grammar School
Principal and registered office	Shottery Manor Shottery Stratford-upon-Avon Warwickshire CV37 9HA
Company secretary	J Wright
Senior management team	J Cornell, Headteacher J Blackwall, Deputy Headteacher C Hall, Assistant Headteacher A Madden, Assistant Headteacher (to 30 April 2019) J Wright, Business Manager E Bell, Head of Sixth Form (to 31 August 2019)

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

Independent auditor	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Park View One Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG
Bankers	Lloyds Bank plc 22 Bridge Street Stratford-upon-Avon Warwickshire CV37 6AG
Solicitors	Harrison Clark Rickerbys LLP Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

STRATFORD GIRLS' GRAMMAR SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors, who also referred to as Trustees, present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' report and a Directors' report under company law.

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

The Academy Trust operates under a Funding Agreement issued by the Department for Education on 29 July 2011 (as amended on 12 April 2013) and commenced operations on 1 August 2011.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Governors are also the Directors of the charitable company for the purposes of company law. The charitable company is known as the Stratford Girls Grammar School.

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

b. Members' liability

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

c. Trustees' indemnities

The Governors benefit from indemnity insurance purchased by the Academy Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Academy Trust business. The limit of this indemnity is £5,000,000.

d. Method of recruitment and appointment or election of Governors

Parent and staff Governors are elected through a democratic process: when a vacancy exists, nominations are invited from amongst those eligible, and candidates then publish brief statements, on the basis of which the parents (or staff, as appropriate) vote by secret ballot. Community and co-opted governors are recruited from the local community on the basis of the skills they can bring to the governing body, and are generally interviewed by the Head and Chair of Governors.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors (continued)

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

- Six Parent Governor;
- Three Staff Governors:
- the Headteacher;
- Six Community Governors; and
- Three Co-opted Governors.

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

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

e. Policies adopted for the induction and training of Governors

The training and induction provided for new Governors will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Governors also have the opportunity to undertake National Governance Association training and all Governors receive regular National Governance Association updates. As there are normally only a few new Governor appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate. The Academy Trust subscribes to Warwickshire County Council Governor Training, and all Governors are encouraged to attend their courses as appropriate. The DfE Governance Handbook and Competency Framework is circulated to all Governors. From time to time further training is provided for governors on specific matters.

f. Organisational structure

The leadership and management structure consists of the Governors and Senior Leadership Team. The aim of the structure is to devolve responsibility and encourage decision-making at all levels.

The Governors are responsible for the strategic development of the Academy, adopting an annual School Improvement and Development Plan and budget, monitoring the Academy by use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Governors have delegated decision making and monitoring to three Governor Committees – Resources (incorporating Audit), Progress and Wellbeing and Curriculum, Leadership and Management. The sequence of meetings is such that in each half term each committee meets prior to a meeting of the full Board of Governors.

The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, one Assistant Headteacher, and the Business Manager. In addition, a representative of the Middle Leaders of the School is seconded to the Senior Leadership Team each year. The SLT is responsible for the day to day running of the School and for spending within certain agreed limits. Some spending and day to day operating decisions are further devolved to Heads of Department and other Middle Leaders.

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

Structure, governance and management (continued)

f. Organisational structure (continued)

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

The Board of Governors normally meet 6 times each year. The Board of Governors establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Governors and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Governors may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 3 Committees of the Board of Governors as follows:

- Resources
- Progress and Well-being
- Curriculum, Leadership and Management

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

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

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

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

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

The Governors consider the Board of Governors and the Senior Management Team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy on a day to day basis. All Governors give of their time freely and no Governor received any remuneration in the current or prior year, other than those Governors who are also employees of the Academy Trust. Details of Governors' remuneration and expenses are disclosed in note 11 of the financial statements respectively. The pay of the Senior Management Team is reviewed annually by the Resources Committee in line with the Academy's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

The Headteacher's pay is set within a 7 point band according to the School group size as defined by the School Teachers' Pay and Conditions Document (STPCD) and the School's pay policy. Other SLT members are placed on a 5 point band set in relation to parameters defined in the pay policy.

Salaries are reviewed annually in line with the School's pay policy, and pay increments within the bandings are awarded where the review shows sustained high quality of performance in respect of school leadership and management and pupil progress when measured against performance objectives set.

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Academy Trust. The Stratford Girls' Grammar School Fund, is a separate registered charity in which J Cornell is a Trustee. The charity makes donations and contributions to support particular projects and facilities of the Academy Trust and its pupils, and is therefore treated as a related party of the Academy Trust for the purposes of the financial statements. The Governors do not consider the charity to be a connected charity as the Trustees of the charity are not appointed by the Academy Trust or the Governors, are not directed by or accountable to the Governors and as the charity's objects differ to and are wider than those of the Academy Trust.

Objectives and activities

a. Objects and aims

The Academy's main objectives are encompassed in its Vision and Values statement:

We see our school as:

- an outstanding girls' Grammar School with academy status, where sustained high standards are expected and excellence encouraged in all areas
- a place where students are challenged, supported and learn to think for themselves
- a happy, caring and safe community – almost a family – where every individual is valued, respected and nurtured to develop their full academic and personal potential

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

Objectives and activities (continued)

We aim to:

- inspire the love of learning, encouraging a spirit of intellectual enquiry and experimentation
- provide a stimulating learning environment where all achievements are celebrated
- enable students to be independent learners and take responsibility for their own learning
- equip them with the skills for life in the wider local, national and global community beyond school in a world of rapid change
- be responsive to the needs of every individual
- foster enthusiasm for life and eagerness to grow in order that they can realise their dreams, hopes and aspirations
- give students the confidence and courage to face life positively and be valuable members of the wider community

We value:

- the development of the whole person
- the strong community spirit and sense of belonging in the school
- excellence in all things, including high academic standards but equally in other fields
- respect, courtesy and consideration for others, compassion and kindness
- self-discipline, hard work and effort
- self-esteem and self-awareness
- creativity, independence of thought, intellectual curiosity and adaptability
- strength through diversity and involving everyone
- a sense of humour
- high moral standards, including integrity, honesty, truth, reliability, loyalty and a sense of fairness

The Governors of the School intend:

- to maintain the school as a selective girls' Grammar School with academy status
- to provide a caring and disciplined environment in which each student can achieve their full academic and personal potential and be fully prepared for life beyond school
- to provide a supportive working environment for all staff, to value and respect them and their work, and to enable them to provide education of the highest quality
- to promote a sense of community and mutual respect between governors, staff, pupils and parents so that the School continues to develop as a centre of excellence and all-round education.

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

Objectives and activities (continued)

And to these ends, the activities provided by the Academy include the following:

- teaching and learning opportunities across a wide curriculum to enable all students to attain the highest possible standards in academic qualifications;
- an extensive programme of enrichment and extra-curricular activities to enable all students to develop a broad range of skills, interests and experiences;
- continuing professional development opportunities for all staff, to encourage them to be effective models of learning and development, and to provide the best possible education for students;
- and a strong focus on community to allow students to develop as responsible and responsive learners within a supportive and caring environment.

b. Objectives, strategies and activities

The main objectives for the period were to promote excellence and enhance achievement, as stated in the 2018-19 School Improvement and Development Plan (SIDP).

The following nine key priorities were identified in the business plan:

- Students' attainment / achievement / progress: achieve the best possible examination outcomes for all students and ensure that progress measures are as good as they can be for all students; enable students to progress to the best destinations for their chosen courses; and provide the best possible care, guidance and support to ensure student well-being.
- Quality of teaching and learning: ensure high quality teaching and purposeful learning (T&L) over time; and a broad, relevant and appealing curriculum for all students as well as a high quality experience in tutor periods and tutor time.
- Sixth Form: develop and strengthen the sixth form.
- Communications: ensure that assessment, marking and feedback to students is effective; communicate homework effectively to both students and parents and incorporate data into reporting; seek, listen and respond to the voice of stakeholders regularly: students, parents, staff; and develop and improve the website.
- Enrichment: provide a very wide range of extra-curricular opportunities, track the involvement of girls, and ensure opportunities for all.
- Four-form entry: ensure that transition to four-form entry is smooth and plan for successive years to grow successfully.
- Fundraising: build on the success of the "Shottery: the growing school" campaign to ensure funds.
- Finance: maintain a sound financial footing for the school by careful forward planning and managing resources wisely; and by ensuring that healthy numbers are retained/recruited for the sixth form each year.
- Property and facilities: pursue the next phases of the buildings development masterplan, initially Phase 2; make temporary adjustments to spaces to address need as necessary; focus on improving the learning environment for all and further develop IT across the school; ensure H&S compliance.

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

Objectives and activities (continued)

c. Public benefit

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

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

STRATEGIC REPORT

Achievements and performance

a. Results for the year

We are a forward-looking school that is ambitious for every one of our students. Our values underpin all that we do and are reflected in the everyday actions and behaviours of our diverse, inclusive community. Our school is one that inspires its students to be the best they can be and so enables them to go on to do remarkable things in amazing places. We are proud that we offer a traditional curriculum which brings a breadth and depth of study to Year 7 through to A-level. Our academic results are outstanding, as is our position as a top girls' selective school locally and nationally. Enrichment is at our heart as we believe in developing and empowering the whole person. Music, Drama, Art and Sport are all strengths within this school and we have a strong reputation for success in these areas. All of these elements make Stratford Girls' Grammar School an eclectic, vibrant place to be for all involved in the school's daily business.

This year we have celebrated our Diamond Jubilee, which has brought old girls back to the school, as well as our current parents/carers and the wider community who joined us to celebrate this milestone. Alongside this, we have enjoyed phenomenal success in Sports and Music – all of which is evidenced through our Twitter feed @Shottery. The school's production of 'Into the Woods' tested the students' theatrical abilities as they performed in the round and was widely seen as a success. Shottery students travelled to an array of places, exploring the world around them and in which they live as global citizens.

Stratford Girls' Grammar has a wonderful community feel. Our pastoral support is strong and worthy of note in a time when mental health and well-being are prominent in the national agenda. We take the business of supporting our students in their career aspirations and to their preferred destinations seriously, while with us and to some extent beyond. Building relationships and fostering self-belief is very important to us. Over the course of the last year we have strengthened the pastoral progress team with more support staff, our tracking of student performance is embedded and we have in place a whole school approach to positive well-being. We are committed to meeting the needs of our students so that they can maximise their potential.

At the senior end of the school, our sixth form is a highly academic learning community specifically designed for some of the most able young women in the country – not only those who have grown up through the school but also many who join us from elsewhere. Alongside their studies, our older students play a huge role in the development of the whole school through our leadership programme, mentoring younger pupils and leading the school's community activities. Of note this year has been the embedding of the school's buddy system and the introduction of peer to peer academic support; elements that support our whole school approach to well-being.

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

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Academic results

Academic excellence is our core business. It's no secret that our students achieve outstanding results academically and this is evidenced below.

2018-19 saw a further highly successful year of examination results at A-level and particularly at GCSE. Behind the headline statistics which the press and parents/carers still look to, the school has performed exceptionally well in the government measures relating to the progress of its students. The value added measures for Stratford Girls' Grammar are outstanding when compared to other schools in the local area and nationally. The school's provisional Progress 8 score of +0.71 places us second overall in Warwickshire and top of the selective schools in Warwickshire. This again shows that the GCSE students achieved nearly three quarters of a grade more highly than similar students in similar schools. In addition, our provisional Level 3 Value Added measure shows that the school has moved to +0.03 from -0.21 in 2017. This recognises the committed work in school this year to further develop teaching and learning so that all students can meet or exceed their expected outcomes. Of particular note is the progress made by our disadvantaged students – a staggering +0.8 value-added score progress at A-level. We firmly believe that this shows that students from all backgrounds can and do succeed at our school.

Year 13: A-level

	2019	2018**	2017*	2016	2015	2014
A*/E	99.1%	99%	99.7%	99.6%	100%	100%
A*/B	73.5%	79.1%	76.8%	75.7%	87.3%	82%
A*/A	40.9%	56.8%	44.6%	37.1%	50%	54.2%
A*	14.7%	22.6%	14%	13.5%	17.5%	21%

**first tranche of new specifications results*

***second tranche of new specifications*

In 2019 there were 111 students on roll. German's standards remain high (100% A*/B) and impressive. Similarly, Art, Business, Theatre Studies, English Literature, English Language, Psychology, Government and Politics, Maths and Religious Studies continue to achieve outstanding results with their cohorts. 91 students (81% down from 92% in 2018) took the EPQ and 54% achieved A*/A. Our UCAS offer rate was 98%, which is excellent, while 88% achieved places in their chosen institutions or other destinations on the day of results – including four confirmed Oxbridge successes (from seven holding offers)

In terms of national league tables, The Times placed us as 158th state/independent school; 64th State only; 15th Girls' State.

GCSE results

In 2019, there were 120 students on roll and 117 were able to take their examinations. The school is delighted that we continue the strong tradition of exceptional performance at GCSE. 81% of the whole cohort's grades were at 9/7 grades. There were 31% of grades at the new, very challenging 9 grade and a further 28% at grade 8. 11% of the cohort successfully secured 72 points across their best 8 GCSEs.

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

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Measure	2019***	2018**	2017*	2016	2015
5+ A*-C/9-4 grades (including English & Maths)	99.2	100	99	100	100
9	31.0	29.7	21.9		
9/7	80.7	77.5	83.4		
9/6	93.2	91.4	95.5		
9/4	99.8	99.7	100		
A*	62.5	88.1	49	51.7	50.6
A*/A	95.8	100	84.1	82.8	83.9
A*/B	100	77.5	99.7	97	98.2
No of Students inc in Progress 8 Score	100	101	76	71	
Progress 8 Score	0.72	0.88	0.74	0.51	
Est Attainment Ave	71.47	73.04	73.11	69.24	
Attainment 8 Average	78.56	77.87	75.6	75.3	
Average Score per Pupil	83.1	82.68	83.08	637.41	637.07
Av. Score per Entry	7.6	7.5	7.47	53.83	53.94
Achieved EBacc	85.5	87.5	95.51	90.24	
achieved 5 or more A*/A/9-7 grades	88	87.5	92.1	89	92.7
achieved 8 or more A*/A/9-7 grades	73.5	71.7	77.5	82.9	81.7
2 SCIENCE 9/4	100	100	100	100	100

In terms of national league tables our improved performance is recognised. The Times placed us 57th nationally of all state and independent schools; 18th within the State sector; and 8th within the Girls' State schools. Within Warwickshire, we maintained our position as the top girls' school for GCSE results for a further year. While Parent Power placed us a 4th in the West Midlands.

All of these results support our ambition to maintain our position as one of the country's leading educators of girls. Using our specialist knowledge of girls' education and pastoral care, we are dedicated to the enhancement of academic achievement, the celebration of personal success and the development of self-belief for all our students as part of our nurturing community.

b. Key performance indicators

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

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves carried forward. At 31 August 2019, the balance of the unrestricted and restricted income reserves was £45,626 (2018: £8,468), which is after transfers of £45,178 (2018: £39,750) to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 818 which is an increase of 10 from the previous census.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 89% (2018: 87%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 73% (2018: 75%).

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

STRATEGIC REPORT (continued)

Achievements and performance (continued)

c. Going concern

As detailed in the Financial Review and Reserves Policy sections below, the balance of revenue reserves held by the Academy Trust at 31 August 2019 was £45,626. The Governors are aware of the challenges that having limited reserves bring, but along with the ongoing School expansion plans and the expected implementation and benefits from the new National Funding Formula, they continue to review the curriculum and teaching time for each subject and operating costs and efficiencies. The Academy Trust is forecasting in an in year surplus to be generated in each of the next 3 to 5 years, and as such, the Governors are confident the reserves will be rebuilt over this time.

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

Financial review

a. Review of financial performance and position

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

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

For the year ended 31 August 2019, the Academy Trust's total income (excluding capital grants and capital donations) was £4,736,719 (2018: £4,270,625) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £4,654,383 (2018: £4,222,407), resulting in a net surplus for the year of £82,336 (2018: surplus of £48,218).

After the transfer of funds from unrestricted funds to fund capital expenditure in the year, the balance of reserves at 31 August 2019, excluding the restricted fixed asset funds and LGPS liability fund was £45,626 (2018: £8,468). As detailed in the Going Concern section above, the Governors are aware of the challenges that having limited reserves bring. However, as detailed above, the Academy Trust is forecasting in an in year surplus to be generated in each of the next 3 to 5 years, and as such, the Governors are confident the reserves will be rebuilt over this time.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £1,355,000 (2018: £831,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. Further details regarding the deficit in the LGPS at 31 August 2019 are set out in the financial statements.

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

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

STRATEGIC REPORT (continued)

Financial review (continued)

b. Reserves policy

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

The Governors have determined that the appropriate level of free cash reserves should be approximately £100,000 to £200,000 to meet any unbudgeted expenditure (such as major building repairs). The Academy Trust's current level of reserves at 31 August 2019 is £13,071,938 (2018: £13,424,052), of which £43,144 (2018: £8,348) is free reserves (that is, total funds less the amount held in total restricted funds). As detailed in the Going Concern and Financial Review sections above, the Governors are aware of the challenges that having limited reserves bring. However, as detailed above, the Academy Trust is forecasting in an in year surplus to be generated in each of the next 3 to 5 years, and as such, the Governors are confident the reserves will be rebuilt over this time to ensure the targeted reserves can be achieved in these future years.

The value of the restricted fixed asset fund at 31 August 2019 is £14,381,312 (2018: £14,246,584), which is represented by the net book value of fixed assets of £13,559,045 (2018: £13,677,616) that are used exclusively for providing education and associated support services to the pupils and which can only be realised by disposing of the associated tangible fixed assets, together with unspent CIF grants received from the ESFA of £871,387 (2018: £652,028). As allowed under section 2.15 of the Charities SORP 2015, the restricted fixed asset fund includes a deficit of £49,120 (2018: £83,060). This relates to the balance of capital fundraising donations to be received from the Stratford Girls' Grammar School Fund over the next year, which will be received once the pledges made to the School Fund are realised over this time.

The pension reserve fund has a deficit balance at 31 August 2018 of £1,355,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

c. Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategical development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Register is constantly reviewed in light of any new information and formally reviewed annually.

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

Educational

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

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

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

STRATEGIC REPORT (continued)

Financial review (continued)

Safeguarding and child protection

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

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the year, approximately 92% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light continuing changes in to the National Funding Formula for schools.

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

The Governors examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Resources Committee meetings.

Staffing

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

Failures in governance and / or management

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

Fraud and mismanagement of funds

The Academy Trust has engaged D Cale, a Governor, as Responsible Officer to perform a termly program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

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

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

d. Investment policy

The Governors' policy is to invest any surplus funds in low risk short to medium term bank deposits with more than one financial institution where this is possible.

STRATFORD GIRLS' GRAMMAR SCHOOL
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2019.

Plans for future periods

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

The Academy Trust's plans for future periods are:

- To strengthen and hone the SGGS brand within the local area.
- To offer a high quality, broad and relevant (for student and School) curriculum.
- To review, develop and maximise the use of resources, staff and facilities to fulfil the School's potential.
- To continue to implement an IT strategic development plan

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity. The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

Disclosure of information to auditor

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 18 December 2019 and signed on its behalf by:



J Millett
Chair of Governors

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
S Bennett	4	6
D Cale	5	6
J Cornell	5	6
R Cox	4	6
A Harvey	6	6
I Harwood	5	6
N Male	2	4
P Mcananey	4	6
J Millett	5	6
D Morse	5	6
C Nicklin	6	6
P Offer	4	6
C Pote	4	6
K Richardson	4	6
E Stringer	0	0
J Tomkinson	6	6
J Waters	3	6

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

At the end of the academic year three Governors, D Cale, D Morse and K Richardson, retired from the Board of Governors. N Male resigned from the Board of Governors on 13 May 2019. The remaining Governors invited applications from parents of the School with relevant skills to become co-opted Governors.

Resources Committee

The Resources Committee is a sub-committee of the main Board of Governors. This Committee also operates as the Academy Trust's Audit Committee. The key issues dealt with by the Resources Committee during the year were the review of the School's medium term financial forecasts, the actions required to ensure the financial viability of the School and the progress of the CIF projects and applications.

STRATFORD GIRLS' GRAMMAR SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
D Cale	5	6
J Cornell	5	6
R Cox	6	6
J Millett	6	6
P Offer	5	6
K Richardson	4	6
J Tomkinson	5	6

Review of value for money

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

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

- Reviewing the timetabled allocation for teaching staff.
- Investigating and analysing the cost of teaching the curriculum by key stage and subject.
- Working with the Head of sixth form in redesigning the sixth form curriculum in line with Government recommendations in a cost effective way.
- Encouraging external hire of the premises, particularly the new sports hall.

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 Stratford Girls' Grammar School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a termly basis, the reviewer reports to the board of Governors through the Resources Committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

The Responsible Officer has delivered their program of work during the year, encompassing 3 visits to the School, and has not identified any significant control issues from this work.

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Governors on 18 December 2019 and signed on their behalf by:



J Millett
Chair of Governors



J Cornell
Accounting Officer

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Stratford Girls' Grammar School I have considered my responsibility to notify the Academy Trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Governors are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



J Cornell
Accounting Officer

Date: 18 December 2019

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

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

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on 18 December 2019 and signed on its behalf by:



J Millett
Chair of Trustees

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STRATFORD GIRLS' GRAMMAR SCHOOL**

Opinion

We have audited the financial statements of Stratford Girls' Grammar School (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STRATFORD GIRLS' GRAMMAR SCHOOL (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

STRATFORD GIRLS' GRAMMAR SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STRATFORD GIRLS' GRAMMAR SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

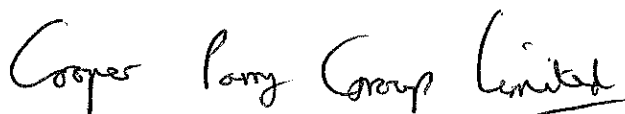
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Simon Atkins FCA (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

20 December 2019

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STRATFORD GIRLS' GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stratford Girls' Grammar School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Stratford Girls' Grammar School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Stratford Girls' Grammar School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STRATFORD GIRLS' GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

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

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

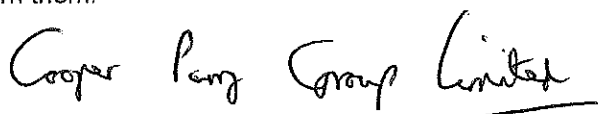
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusions included:

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

Conclusion

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



Reporting Accountant

Cooper Parry Group Limited

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

Date: 20 December 2019

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	101,443	-	426,797	528,240	821,771
Charitable activities		-	3,712,742	-	3,712,742	3,504,694
Other trading activities		308,140	613,261	-	921,401	681,627
Investments	6	1,133	-	-	1,133	184
Total income		410,716	4,326,003	426,797	5,163,516	5,008,276
Expenditure on:						
Raising funds		214,509	607,011	-	821,520	571,731
Charitable activities		-	3,965,863	337,247	4,303,110	4,106,695
Total expenditure		214,509	4,572,874	337,247	5,124,630	4,678,426
Net income/(expenditure)		196,207	(246,871)	89,550	38,886	329,850
Transfers between funds	17	(161,411)	116,233	45,178	-	-
Net movement in funds before other recognised gains/(losses)		34,796	(130,638)	134,728	38,886	329,850
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(391,000)	-	(391,000)	215,000
Net movement in funds		34,796	(521,638)	134,728	(352,114)	544,850
Reconciliation of funds:						
Total funds brought forward		8,348	(830,880)	14,246,584	13,424,052	12,879,202
Net movement in funds		34,796	(521,638)	134,728	(352,114)	544,850
Total funds carried forward		43,144	(1,352,518)	14,381,312	13,071,938	13,424,052

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

The notes on pages 29 to 51 form part of these financial statements.

STRATFORD GIRLS' GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07646003

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	13,559,045	13,677,616
Current assets			
Debtors	14	437,456	496,425
Cash at bank and in hand		640,830	303,064
		<u>1,078,286</u>	<u>799,489</u>
Creditors: amounts falling due within one year	15	(186,644)	(222,053)
Net current assets		891,642	577,436
Total assets less current liabilities		<u>14,450,687</u>	<u>14,255,052</u>
Creditors: amounts falling due after more than one year	16	(23,749)	-
Net assets excluding pension liability		<u>14,426,938</u>	<u>14,255,052</u>
Defined benefit pension scheme liability	24	(1,355,000)	(831,000)
Total net assets		<u><u>13,071,938</u></u>	<u><u>13,424,052</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	14,381,312	14,246,584
Restricted income funds	17	2,482	120
Pension reserve	17	(1,355,000)	(831,000)
Total restricted funds	17	<u>13,028,794</u>	<u>13,415,704</u>
Unrestricted income funds	17	<u>43,144</u>	<u>8,348</u>
Total funds		<u><u>13,071,938</u></u>	<u><u>13,424,052</u></u>

The financial statements on pages 26 to 51 were approved by the Governors, and authorised for issue on 18 December 2019 and are signed on their behalf, by:



J Millett
Chair of Governors

The notes on pages 29 to 51 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	108,860	42,233
Cash flows from investing activities	21	209,254	42,715
Cash flows from financing activities	20	19,652	(1,128)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		337,766	83,820
Cash and cash equivalents at the beginning of the year		303,064	219,244
Cash and cash equivalents at the end of the year	22	<hr/> <hr/> 640,830	<hr/> <hr/> 303,064

The notes on pages 29 to 51 form part of these financial statements

STRATFORD GIRLS' GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

At 31 August 2019, the Academy Trust has revenue reserves of £45,626. The Governors are aware of the challenges that having limited reserves bring. However, with the benefits from the new National Funding Formula, the continued review of the curriculum and teaching time for each subject and operating costs and efficiencies, the Academy Trust is forecasting in an in year surplus to be generated in each of the next 3 to 5 years, and as such, the Governors are confident the reserves will be rebuilt over this time.

After making appropriate enquiries, the Board of Governors, including all Committees, has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the Academy Trust's ability to continue as a going concern. For this reason, the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Taxation

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.4 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

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

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

1.5 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where 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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 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.

1.7 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long leasehold land and buildings	- 50 years for buildings; over the lease term for land
Computer equipment	- 25-33.3% straight line
Fixtures and fittings	- 25% straight line
Motor vehicles	- 25% straight line
Assets under construction	- not depreciated until 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

The Academy Trust also holds funds as custodian for the South Warwickshire Education Partnership (SWEP) Area Behaviour Panel. Related payments received from the SWEP and subsequent disbursements are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the SWEP and included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	101,443	33,940	135,383	120,560
Capital Grants	-	392,857	392,857	701,211
Total 2019	101,443	426,797	528,240	821,771
Total 2018	84,120	737,651	821,771	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Academy Trust's education operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	3,645,216	3,645,216	3,470,664
Other DfE Group Grants	66,857	66,857	28,400
	<u>3,712,073</u>	<u>3,712,073</u>	<u>3,499,064</u>
Other government grants			
Local Authority Grants	669	669	5,630
	<u>3,712,742</u>	<u>3,712,742</u>	<u>3,504,694</u>

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	42,855	-	42,855	35,180
Catering income	235,635	-	235,635	225,840
Other income	29,650	613,261	642,911	420,607
Total 2019	<u>308,140</u>	<u>613,261</u>	<u>921,401</u>	<u>681,627</u>
Total 2018	<u>291,430</u>	<u>390,197</u>	<u>681,627</u>	

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Short term deposits	<u>1,133</u>	<u>1,133</u>	<u>184</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
	91,945	-	729,575	821,520	571,731
Education operations:					
Direct costs	2,659,426	-	348,070	3,007,496	2,932,018
Support costs	694,715	155,735	445,164	1,295,614	1,149,677
Total 2019	3,446,086	155,735	1,522,809	5,124,630	4,653,426
Total 2018	3,278,605	150,875	1,223,946	4,653,426	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education operations	3,007,496	1,295,614	4,303,110	4,106,695
Total 2018	2,932,017	1,174,678	4,106,695	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education operations 2019 £	Total funds 2019 £	Total funds 2018 £
LGPS FRS102 net interest cost	24,000	24,000	25,000
Staff costs	694,715	694,715	605,901
Depreciation	255,872	255,872	255,347
Technology costs	32,692	32,692	25,862
Premises costs	155,735	155,735	150,877
Other costs	118,904	118,904	103,151
Governance costs	13,696	13,696	8,540
Total 2019	1,295,614	1,295,614	1,174,678

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	13,359	14,110
Depreciation of tangible fixed assets	337,247	336,019
Fees paid to auditor for:		
- audit	6,500	5,900
- other services	3,400	2,640

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,639,879	2,495,179
Social security costs	240,668	230,534
Pension costs	560,902	532,598
	<u>3,441,449</u>	<u>3,258,311</u>
Agency staff costs	4,637	15,139
Staff restructuring costs	-	5,155
	<u><u>3,446,086</u></u>	<u><u>3,278,605</u></u>

Staff restructuring costs comprise:

Redundancy payments	<u>-</u>	<u>5,155</u>
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b. Staff numbers

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

	2019 No.	2018 No.
Teachers	49	53
Administration and support	42	44
Management	6	5
	<u>97</u>	<u>102</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	39	42
Administration and support	26	26
Management	6	5
	<u>71</u>	<u>73</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	2	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £480,662 (2018: £479,248).

11. Governors' remuneration and expenses

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

		2019 £	2018 £
J Cornell, Accounting Officer	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000
K Richardson	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
P Mcananey	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
N Male	Remuneration	15,000 - 20,000	-
	Pension contributions paid	0 - 5,000	-
V Harper	Remuneration	-	20,000 - 25,000
	Pension contributions paid	-	0 - 5,000

During the year ended 31 August 2019, no Governor expenses have been incurred (2018 - £654).

12. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £328 (2018 - £328). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	14,927,365	320,143	401,043	19,653	15,668,204
Additions	121,364	17,689	79,623	-	218,676
At 31 August 2019	<u>15,048,729</u>	<u>337,832</u>	<u>480,666</u>	<u>19,653</u>	<u>15,886,880</u>
Depreciation					
At 1 September 2018	1,356,448	265,799	348,688	19,653	1,990,588
Charge for the year	255,871	45,910	35,466	-	337,247
At 31 August 2019	<u>1,612,319</u>	<u>311,709</u>	<u>384,154</u>	<u>19,653</u>	<u>2,327,835</u>
Net book value					
At 31 August 2019	<u>13,436,410</u>	<u>26,123</u>	<u>96,512</u>	<u>-</u>	<u>13,559,045</u>
At 31 August 2018	<u>13,570,917</u>	<u>54,344</u>	<u>52,355</u>	<u>-</u>	<u>13,677,616</u>

14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	9,315	3,249
Other debtors	31,842	21,443
Prepayments and accrued income	396,299	471,733
	<u>437,456</u>	<u>496,425</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	3,797	7,893
Trade creditors	29,149	67,559
Other taxation and social security	58,843	58,633
Other creditors	-	6,676
Accruals and deferred income	94,855	81,292
	<u>186,644</u>	<u>222,053</u>
	2019 £	2018 £
Deferred income at 1 September 2018	58,280	53,162
Resources deferred during the year	87,437	58,280
Amounts released from previous periods	(58,280)	(53,162)
	<u>87,437</u>	<u>58,280</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips taking place in the 2019-20 year.

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

	2019 £	2018 £
Other loans	<u>23,749</u>	<u>-</u>

Included with other loans are:

A loan of £6,766 from Salix: zero interest, repayable over 6 years with biannual repayments of £564.

A loan of £20,780 from Salix: zero interest, repayable over 8 years with biannual repayments of £1,335.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	8,348	410,716	(214,509)	(161,411)	-	43,144
Restricted general funds						
GAG	-	3,645,216	(3,761,449)	116,233	-	-
Pupil Premium	-	17,926	(17,926)	-	-	-
16-19 bursary fund	120	8,719	(6,357)	-	-	2,482
Other restricted funds	-	654,142	(654,142)	-	-	-
Pension reserve	(831,000)	-	(133,000)	-	(391,000)	(1,355,000)
	<u>(830,880)</u>	<u>4,326,003</u>	<u>(4,572,874)</u>	<u>116,233</u>	<u>(391,000)</u>	<u>(1,352,518)</u>
Restricted fixed asset funds						
Fixed assets	13,677,616	-	(337,247)	218,676	-	13,559,045
Capital grants and donations	568,968	426,797	-	(173,498)	-	822,267
	<u>14,246,584</u>	<u>426,797</u>	<u>(337,247)</u>	<u>45,178</u>	<u>-</u>	<u>14,381,312</u>
Total Restricted funds	<u>13,415,704</u>	<u>4,752,800</u>	<u>(4,910,121)</u>	<u>161,411</u>	<u>(391,000)</u>	<u>13,028,794</u>
Total funds	<u><u>13,424,052</u></u>	<u><u>5,163,516</u></u>	<u><u>(5,124,630)</u></u>	<u><u>-</u></u>	<u><u>(391,000)</u></u>	<u><u>13,071,938</u></u>

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17. Statement of funds (continued)

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

(a) Restricted general funds

The General Annual Grant (GAG) is the core funding for the educational activities of the Academy Trust provided via the Education and Skills Funding Agency (ESFA). Under the funding agreement with the Secretary of State, the Academy Trust is not subject to a limit on the GAG that it could carry forward at 31 August 2019.

Other ESFA grants are grants from the ESFA which can only be utilised for the purpose intended.

Other restricted funds generated by the Academy Trust include specific donations and payments made for school trips.

The pension reserve is the deficit in the Local Government Pension Scheme.

(b) Restricted fixed asset fund

This includes fixed assets transferred on Academy conversion, together with capital grants and other capital funds received for the purchase of fixed assets, net of accumulated depreciation on fixed assets. Unspent capital grants and other capital funds are also held in this fund and their use is restricted to the capital projects for which they were provided. As allowed under section 2.15 of the Charities SORP 2015, the Restricted Fixed Asset Funds include a deficit in relation to the balance of capital fundraising donations to be received from the Stratford Girls' Grammar School fund over the next year which will be received once pledges to the School Fund are received over time.

(c) Unrestricted funds

These include surpluses transferred on Academy conversion and any other funds generated by the Academy Trust, or donations received with no specific purpose attached.

(d) Transfers between funds:

These relate to:

- £116,233 transfer from unrestricted funds to offset the deficit on restricted funds for the year.
- £45,178 transfer from unrestricted funds to restricted fixed asset funds in relation to capital expenditure not funded by CIF projects and other capital income.

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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	-	375,734	(226,106)	(141,280)	-	8,348
Restricted general funds						
GAG	-	3,420,980	(3,522,510)	101,530	-	-
Pupil Premium	-	19,505	(19,505)	-	-	-
16-19 bursary fund	-	8,895	(8,775)	-	-	120
Other restricted funds	-	445,511	(445,511)	-	-	-
Pension reserve	(926,000)	-	(120,000)	-	215,000	(831,000)
	<u>(926,000)</u>	<u>3,894,891</u>	<u>(4,116,301)</u>	<u>101,530</u>	<u>215,000</u>	<u>(830,880)</u>
Restricted fixed asset funds						
Fixed assets	13,706,896	-	(336,019)	306,739	-	13,677,616
Capital grants and donations	98,306	737,651	-	(266,989)	-	568,968
	<u>13,805,202</u>	<u>737,651</u>	<u>(336,019)</u>	<u>39,750</u>	<u>-</u>	<u>14,246,584</u>
Total Restricted funds	<u>12,879,202</u>	<u>4,632,542</u>	<u>(4,452,320)</u>	<u>141,280</u>	<u>215,000</u>	<u>13,415,704</u>
Total funds	<u>12,879,202</u>	<u>5,008,276</u>	<u>(4,678,426)</u>	<u>-</u>	<u>215,000</u>	<u>13,424,052</u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	13,559,045	13,559,045
Current assets	43,144	185,329	849,813	1,078,286
Creditors due within one year	-	(182,847)	(3,797)	(186,644)
Creditors due in more than one year	-	-	(23,749)	(23,749)
Provisions for liabilities and charges	-	(1,355,000)	-	(1,355,000)
Total	43,144	(1,352,518)	14,381,312	13,071,938

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,677,616	13,677,616
Current assets	230,401	120	568,968	799,489
Creditors due within one year	(222,053)	-	-	(222,053)
Provisions for liabilities and charges	-	(831,000)	-	(831,000)
Total	8,348	(830,880)	14,246,584	13,424,052

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	38,886	329,850
Adjustments for:		
Depreciation charges	337,247	336,019
Dividend, interest and rents from investments	(1,133)	(184)
Decrease/increase in debtors	58,969	(238,917)
Decrease in creditors	(31,312)	(155,265)
Capital grants from DfE and other capital income	(426,797)	(349,270)
Defined benefit pension scheme cost less contributions payable	85,000	95,000
Defined benefit pension scheme finance cost	48,000	25,000
Net cash provided by operating activities	108,860	42,233

20. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowing	21,349	-
Repayments of borrowing	(1,697)	(1,128)
Net cash provided by/(used in) financing activities	19,652	(1,128)

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	1,133	184
Purchase of tangible fixed assets	(218,676)	(306,739)
Capital grants from DfE Group	426,797	349,270
Net cash provided by investing activities	209,254	42,715

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22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	640,830	303,064
Total cash and cash equivalents	640,830	303,064

23. Contingent assets

In the 2013-14 year, the Stratford Girls' Grammar School Fund raised pledges of over £400,000 through a capital fundraising campaign to parents and friends. The funds raised, which would be realised over a 5 year period under the pledges received, would then be donated to the Academy Trust to assist with various capital projects of the school, but most notably the 'Growing Family' project to expand and redevelop the School's building infrastructure. Due to the nature of the capital projects and the need to proceed with them prior to the pledges being realised by the School Fund, the Academy has had to fund various capital expenditure incurred to 31 August 2019. The total capital project costs funded to date by the Academy Trust are £49,120 (2018: £83,060). These will be funded through future donations to the Academy Trust from the Stratford Girls' Grammar School Fund, once existing pledges of funds to the School Fund are fully realised.

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by on the Teachers' Pension website at <https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £308,000 (2018 - £305,000).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £179,000 (2018 - £164,000), of which employer's contributions totalled £143,000 (2018 - £132,000) and employees' contributions totalled £ 36,000 (2018 - £32,000). The agreed contribution rates for future years are 20.8% per cent for employers and 5.5% to 12.5% per cent for employees. The Academy Trust also pays additional lump sum deficit payments of £21,000.

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.

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24. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.90	3.00
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.4	22.5
Females	23.6	24.7
<i>Retiring in 20 years</i>		
Males	22.4	24.3
Females	25	26.7

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.5%	403	303
Salary increase rate +0.5%	58	49
Mortality assumption - 1 year increase	337	251

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,308,000	1,182,000
Bonds	558,000	413,000
Property	257,000	225,000
Cash	22,000	56,000
Total market value of assets	2,145,000	1,876,000

The actual return on scheme assets was £132,000 (2018 - £79,000).

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24. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(228,000)	(227,000)
Past service cost	(24,000)	-
Interest income	55,000	43,000
Interest cost	(79,000)	(68,000)
Total amount recognised in the Statement of financial activities	(276,000)	(252,000)

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

	2019 £	2018 £
At 1 September	2,707,000	2,598,000
Current service cost	228,000	227,000
Interest cost	79,000	68,000
Employee contributions	36,000	32,000
Actuarial losses/(gains)	456,000	(179,000)
Benefits paid	(30,000)	(39,000)
Past service costs	24,000	-
At 31 August	3,500,000	2,707,000

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

	2019 £	2018 £
At 1 September	1,876,000	1,672,000
Interest income	55,000	43,000
Actuarial gains	65,000	36,000
Employer contributions	143,000	132,000
Employee contributions	36,000	32,000
Benefits paid	(30,000)	(39,000)
At 31 August	2,145,000	1,876,000

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25. Operating lease commitments

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

	Academy 2019 £	Academy 2018 £
Not later than 1 year	16,738	11,204
Later than 1 year and not later than 5 years	31,004	3,355
	<u>47,742</u>	<u>14,559</u>

26. Members' liability

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

27. Agency arrangements

The Academy Trust administered the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £8,719 (2018 - £8,894) and disbursed £6,357 (2018 - £8,775) leaving a balance of £2,482 (2018 - £119) carried forward relating to undistributed funds.

The Academy Trust also previously held funds as custodian for South Warwickshire Education Partnership (SWEP) Area Behaviour Panel. These were not recognised in the statements of financial activities. The funds received in the year were £nil (2018 - £nil) and funds disbursed in the year were £6,675 (2018 - £68,499) leaving a balance of £nil (2018 - £6,675) held at year end as a creditor.

28. Related party transactions

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

The following related party transactions took place in the year:

The Academy Trust received donations in the year totalling £92,380 (2018 - £86,440) from the Stratford Girls' Grammar School Fund (a registered charity number 1069286). The income for the School Fund comes from parental donations for capital and revenue projects, and the Trustees are the Academy's Headteacher, Deputy Headteacher, one of the Assistant Headteacher's and a parent. At the year end, the balance due to the Academy Trust from the School Fund was £25,380 (2018 - £36,440).

