

**Stratford Girls' Grammar School**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

for the year ended  
31 August 2017

Company Registration No. 07646003

# Stratford Girls' Grammar School

## GOVERNORS' REPORT

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Members	R Cox A Harvey J Millett D Morse
Governors (Trustees)	S Bennett (from June 2017) D Cale * J Cornell * (Headteacher and Accounting Officer) R Cox * BK Follett (until July 2017) S Gee (Responsible Officer) * V Harper (Staff Governor) A Harvey P McAnaney (Staff Governor) J Millett * D Morse * C Pote K Richardson * (Staff Governor) J Waters (from June 2017)  * Designates member of Resources committee

Company Secretary P Day

### Senior Leadership Team:

Headteacher	J Cornell
Deputy Headteacher	C Smith
Assistant Headteacher	C Hall
Assistant Headteacher	A Madden
Business Manager	P Day
Head of Sixth Form	E Bell

Principal and Registered Office  
Shottery Manor, Shottery  
Stratford-upon-Avon  
Warwickshire  
CV37 9HA

Company Registration Number  
07646003 (England and Wales)

Independent Auditors  
Whitley Stimpson Ltd  
Penrose House,  
67 Hightown Road,  
Banbury, OX16 9BE

Bankers  
Lloyds Bank plc  
22 Bridge Street  
Stratford-upon-Avon  
CV37 6AG

Solicitors  
Harrison Clark Rickerbys LLP  
Ellenborough House  
Wellington Street  
Cheltenham, GL50 1YD

# Stratford Girls' Grammar School

## GOVERNORS' REPORT

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The governors present their annual report together with the financial statements and auditors' report of the Academy Trust for the period from 1 September 2016 to 31 August 2017. The annual report serves the purpose of both a governors' report, and a directors' report including a strategic 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**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Academy Trust's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as trustees for charitable activities and are also directors of the Academy Trust for the purposes of company law.

Details of the governors who have served during the period are included in the reference and administration section on page 2.

#### **Members' liability**

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

#### **Governors' indemnities**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business (see note 10).

#### **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.

#### **Policies and procedures adopted for the induction and training of governors**

Warwickshire County Council offers induction and training sessions for governors, and all governors are encouraged to attend as appropriate. The DfE Guide to the Law for School Governors is circulated to all governors. From time to time further training is provided for governors on specific matters – eg Ofsted (a registered inspector outlined the most recent framework for governors) or legal responsibilities (the school's solicitors, Harrison Clark Rickerbys, gave a training session for all governors following academy conversion).

#### **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.

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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 two governor committees – Resources (incorporating Audit) and Curriculum and Personnel. The sequence of meetings is such that in each half term each committee meets prior to a meeting of the full governing body.

The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, the two Assistant Headteachers, the Business Manager and the Head of Sixth Form. 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.

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

The key management personnel of the Academy Trust are the Senior Leadership Team (SLT).

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.

### **Risk management**

The governors have responsibility to assess the strategic risks to which the Academy is exposed and have worked with the SLT to produce a Risk Register which is reviewed and updated on a regular basis. Internal controls have been established to minimise exposure to risk.

### **Connected organisations, including related party relationships**

As part of its operations, the Academy liaises with other organisations such as the Local Authority, the South Warwickshire Education Partnership (SWEP), the Association of State Girls' Schools (ASGS), the Grammar School Heads Association (GSHA) of all maintained grammar schools, the Successful Selective Girls' Schools group (SSGS) of twenty high-achieving girls' grammar schools and other educational institutions as appropriate. These links and others are maintained in the interests of supporting good practice and consolidate well established mutually supportive associations.

The Stratford upon Avon Girls Grammar School Fund, a separate registered charity in which J Cornell is a Trustee, makes contributions to support particular projects and facilities of the Academy and its pupils, and is therefore treated as a related party 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 Governors, are not directed by or accountable to the Governing Body of the Academy and as the charity's objects differ to, and are wider than, those of the Academy.

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### **OBJECTIVES AND ACTIVITIES**

#### **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

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

In pursuit of these visions and values, the governors intend:

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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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.

### **Objectives, strategies and activities**

The main objectives for the period were to promote excellence and enhance achievement, as stated in the 2016-17 School Improvement and Development Plan (SIDP). The following nine key priorities were identified in the business plan, and further detail is given of these in the SIDP section below:

1. **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
2. **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
3. **Sixth Form:** develop and strengthen the sixth form
4. **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
5. **Enrichment:** provide a very wide range of extra-curricular opportunities, track the involvement of girls, and ensure opportunities for all
6. **Four-form entry:** ensure that transition to four-form entry is smooth and plan for successive years to grow successfully
7. **Fundraising:** build on the success of the "Shottery: the growing school" campaign to ensure funds
8. **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
9. **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.

### **Public benefit**

In making the above statements, the trustees have complied with the requirement in the Charities Act 2011, to have due regard to the public benefit guidance published by the Charities Commission in exercising their powers or duties.

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## GOVERNORS' REPORT

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### **STRATEGIC REPORT**

#### **ACHIEVEMENTS AND PERFORMANCE**

##### Academic results

2016-17 was another very successful year of examination results, particularly at GCSE. In summary these were:

**A Level**            112 students on roll

- 99.7% pass rate
- 76.8% A\*/B (up a little from 75.7%)
- 44.6 A\*/A (up from 37.1%)
- 13.7% A\* (up marginally from 13.5%)
- 108 (96%, down from 100%) took the EPQ and 40% achieved A\*/A (down from 46%)
- 98% achieved places in their chosen institutions or other destinations – including six confirmed Oxbridge successes (from eight holding offers)

**GCSE** 89 students on roll

The introduction of new GCSEs makes a direct comparison to previous years' outcomes impossible but performance was excellent, placing us as the top school in Warwickshire.

<b>Measure</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
• 5+ A*-C/9-4 grades (including English and Maths)	99%	100%	100%
• A*	49%	51.7%	50.6%
• A*/A	84.1%	82.8%	83.9%
• A*/B	99.7%	97%	98.2%
• 9	21.9%		
• 9/7	83.4%		
• 9/6	95.5%		
• 9/4	100.0%		
• 2 Sciences A*-C	100	100	100
• Achieved 5 or more A*/A/9-7 grades	92.1	89%	92.7%
• Achieved 8 or more A*/A/9-7 grades	77.5	82.9%	81.7%
• Achieved EBacc	95.51	90.24	
• Average Score per Pupil	83.08	637.41	637.07
• Av. Score per Entry	7.47	53.83	53.94
• No of Students inc in Progress 8 Score	76	71	
• Progress 8 Score	0.68	0.51	
• Est Attainment Ave	73.11	69.24	
• Attainment 8 Average	76.7	75.3	

#### **School Improvement and Development Plan (SIDP): fourth year of five-year plan**

Summary outcomes relating to specific SIDP priority areas were as follows:

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Overarching focus for 2016-17: "Aim Zero"	
<ul style="list-style-type: none"> <li>○ Establishment of new senior leadership team, with new Headteacher and Deputy Headteacher</li> <li>○ Key areas of focus:               <ul style="list-style-type: none"> <li>● Pastoral structure</li> <li>● Standards and expectations</li> <li>● Well-being</li> <li>● New curriculum</li> <li>● New assessment practices and measures</li> <li>● Staff structure</li> <li>● Curriculum review</li> </ul> </li> </ul>	
Key Development Priorities	Key Outcomes
Aim 1: Students' Attainment/ Achievement/ Progress	
a. <b>Achieve the best possible examination outcomes for all students</b>	<ul style="list-style-type: none"> <li>● Steady three-year rolling averages (or rising): <i>[see Appendix A]</i> <ul style="list-style-type: none"> <li>– A-level:                   <ul style="list-style-type: none"> <li>○ A*/A: &gt;53%</li> <li>○ A*-B: &gt;85%</li> </ul> </li> <li>– GCSE:                   <ul style="list-style-type: none"> <li>○ A*/A: &gt;83%</li> <li>○ 8+ A*/A: &gt;80%</li> </ul> </li> </ul> </li> <li>● Meeting FFT estimates (though recognising that figure will be lower while science is still not a recognised qualification)</li> </ul>
b. <b>Ensure that progress measures are as good as they can be for all students</b>	<ul style="list-style-type: none"> <li>● Good rates of progress each year eg:               <ul style="list-style-type: none"> <li>– L3VA positive: eg 0.13 (A-level 2015), 0.06 (A2 2014) and 0.16 (A2 2013)</li> <li>– RAISE transition matrices recording high proportions of girls achieving 4+ ("better than expected") levels progress (2015: 94% Eng and 88% Maths; 2014: 74% Eng and 93% Maths; 2013: 68% Eng, 90% Maths)</li> </ul> </li> </ul>
c. <b>Enable students to progress to the best destinations for their chosen courses</b>	<ul style="list-style-type: none"> <li>● 100% of girls to have achieved a destination of their choice by the end of August Y13</li> <li>● &gt;80% UCAS offer rate               <ul style="list-style-type: none"> <li>– 89% of leavers in 2015 took up a place at their Firm or Insurance University</li> <li>– 98% of leavers achieved a place at their chosen Institution/ planned Gap Year on Results Day</li> <li>– UCAS offer rate is 86% for 2016 university entrants</li> </ul> </li> </ul>
d. <b>Maintain the highest levels of attendance</b>	<ul style="list-style-type: none"> <li>● &lt;4% absence overall</li> <li>● &lt;2% persistent absence (over 15% abs)</li> </ul> <p><i>[See Appendix B]</i></p>
e. <b>Provide the best possible care, guidance and support to ensure student well-being and enable optimum achievement</b>	<ul style="list-style-type: none"> <li>● Maintain zero exclusion rate</li> <li>● See also KPIs for 1a</li> </ul>
Aim 2: Quality of Teaching and Learning	



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<p>a. <b>Increase the proportion of teaching that outstanding or good</b></p>	<ul style="list-style-type: none"> <li>• &gt;70% of all teaching in 2016-17 to be outstanding</li> <li>• &gt;85% of all teaching in 2016-17 to be good with outstanding features or better</li> <li>• &lt;3% of all lessons observed in 2016-17 to require improvement</li> </ul> <p>[See Appendix C]</p>
<p>b. <b>Ensure that the quality of teaching over time is outstanding</b></p>	<ul style="list-style-type: none"> <li>• In all depts, and over a three year period:             <ul style="list-style-type: none"> <li>– ALPS scores in the red</li> <li>– Howards show sig+ VA scores</li> <li>– GCSE grades sig+ in RAISE</li> </ul> </li> </ul>
<p>c. <b>Ensure CPD is effective for all staff</b></p>	<ul style="list-style-type: none"> <li>• Very high proportion of staff achieve PM objectives</li> <li>• CPD identified as having had positive impact in almost all PM review papers</li> </ul>
<p>d. <b>Act on the findings of self-evaluation re quality of T&amp;L (eg learning reviews and learning walks)</b></p>	<p>See KPIs for 1a and 2a</p>
<p>e. <b>Ensure a broad, relevant and appealing curriculum for all students - make adjustments as appropriate to our students following the review and changes to the National Curriculum and other developments</b></p>	<ul style="list-style-type: none"> <li>• &gt;85% girls able to take their chosen options at GCSE (including reserve choices)</li> <li>• &gt;85% girls able to take their chosen options at A-level (including reserve choices)</li> </ul> <p>With introduction of A-level blocks, 100% girls could take chosen options at A-level (with exception of Sociology, which wasn't viable, and Computer Science, which we couldn't run 2016).</p> <p>At GCSE, 3 girls were disappointed that Latin did not run; and 6 others had to be counselled when their first choices clashed = 92% success</p>
<p>f. <b>Ensure that all students receive a high quality experience in tutor periods and tutor time</b></p>	<ul style="list-style-type: none"> <li>• Outstanding and good practice observed in tutor periods/time through eg learning walks</li> </ul>
<p><b>Aim 3: Sixth Form</b></p>	
<p><b>Develop and strengthen the sixth form</b></p>	<ul style="list-style-type: none"> <li>• Recruitment healthy: Y12 figures do not drop below 110 – aiming for 125 by 2018 (2015: 118)</li> <li>• Retaining 95% or more from Y12 to Y13 (Retention from Y12 to 13 strong. 4 girls left between Y12 and 13: 1 for mental health issues, 2 to join other schools to repeat Y12, 1 to join another school to continue into Y13 due to friendship/family issues.</li> <li>• Retention from the start of Y12 through Y12 2015-16 very good: 1 girl left in Sept as her twin did not join the school.)</li> <li>• Strong community ethos evident in student voice</li> <li>• Outstanding academic outcomes</li> </ul> <p>See also 1c</p>
<p><b>Aim 4: Communications</b></p>	
<p>a. <b>Ensure that assessment, marking and feedback to students is effective – and that girls understand what they need to do to improve their work</b></p>	<ul style="list-style-type: none"> <li>• Value-added results demonstrate good progress</li> <li>• Feedback from eg Learning Reviews and departmental work trawls demonstrates that assessment, marking and feedback is effective and that girls understand what they need to do to improve their work</li> </ul>
<p>b. <b>Communicate homework effectively to both students and parents</b></p>	<ul style="list-style-type: none"> <li>• &gt;90% positive comments about homework in parent surveys (84.2% positive overall in 2015-16 (85.4% positive from KS3); 89.9% from Y7-9 and Y11-13 in 2014-15)</li> </ul>
<p>c. <b>Incorporate data into reporting to parents</b></p>	<ul style="list-style-type: none"> <li>•</li> </ul>

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<p>d</p> <ul style="list-style-type: none"> <li>- <b>Student voice:</b> eg learning reviews, Student Council</li> <li>- <b>Parent voice:</b> maintain/ increase the number of survey responses overall; respond to the points raised as negatives in PPR surveys</li> <li>- Staff voice – eg through Staff Voice Group</li> </ul>	<ul style="list-style-type: none"> <li>• Students indicate in surveys (eg Y13 survey) that they feel they are listened to</li> <li>• Parents' evenings very well attended</li> <li>• Maintain high rate of return to parent survey overall [60.3% in 2015-16]</li> <li>• Maintain &gt;90% positive responses overall and ensure proportion of negative responses is &lt;10% [no question received a neg &lt;10%. Two of the statements under 90% are bullying and response to concerns, which have a big "don't know" factor - &gt;60% and &gt;25% respectively; four in mid to high 80-% range; seven over 90%]</li> </ul>
<p>e <b>Develop and improve website</b></p>	<ul style="list-style-type: none"> <li>• Monitor number of hits and most visited pages</li> <li>• Positive feedback from all users</li> </ul>
<p>f <b>Ensure all girls have someone they feel they can talk to if they have concerns or problems</b></p>	<ul style="list-style-type: none"> <li>• Improved response rate in student surveys</li> </ul>
<p><b>Aim 5: Enrichment</b></p>	
<p>a. <b>Audit the current extra-curricular offer across the whole school; identify further opportunities; extend the offer</b></p>	<ul style="list-style-type: none"> <li>• Audit completed</li> <li>• &gt;85% parents responding positively to the statement in the parental questionnaire that "There is a good range of activities that my daughter finds interesting and enjoyable" 87.4% in 2015-16, up from 83.7% in 2013-14</li> </ul>
<p>b. <b>Track involvement of all girls in enrichment activities and ensure opportunities for all</b></p>	<ul style="list-style-type: none"> <li>• Tutors aware of tutees' involvement – in the interests of getting to know them and safeguarding</li> <li>• Every girl taking part in at least one enrichment activity in the interests of well-being and developing self-esteem</li> </ul>
<p><b>Aim 6: Four-Form Entry</b></p>	
<p>a. <b>Ensure transition to four-form entry is smooth – from first extra Year 7 form in Sept 2013 through to full roll in Sept 2017</b></p>	<ul style="list-style-type: none"> <li>• Extra numbers to be absorbed without negative impact on performance or ethos:             <ul style="list-style-type: none"> <li>- student attainment outcomes remain outstanding – as reflected in RAISE etc</li> <li>- value-added/ progress scores remain high – as reflected in RAISE and L3VA etc</li> <li>- students remain happy – as measured in surveys</li> </ul> </li> <li>• parental satisfaction remains high – as measured in surveys</li> </ul>
<p>b. <b>Plan for successive years to grow through the school successfully</b></p>	<ul style="list-style-type: none"> <li>•</li> </ul>
<p><b>Aim 7: Fund-Raising</b></p>	
<p>a. <b>Build on success of "Shottery: the growing family" campaign by continuing to fundraise – to ensure funds for subsequent Phases</b></p>	<ul style="list-style-type: none"> <li>• Maintain steady source of extra income from fundraising bids and campaigns</li> <li>• Sufficient funds to maintain the masterplan developments through Phase 3</li> </ul>
<p>b. <b>Support FOS in continuing to raise funds alongside the major fundraising drive</b></p>	<ul style="list-style-type: none"> <li>• FOS continue to raise around £10-£15K per year (£16,091 raised in 2014-15 (see AGM 7.10.16))</li> </ul>
<p><b>Aim 8: Finance</b></p>	
<p>a. <b>Maintain a sound financial footing for the school by careful</b></p>	<ul style="list-style-type: none"> <li>• Staffing costs steady or reducing to &lt;80%</li> </ul>

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<b>forward planning</b>	
<b>b. Maintain a sound financial footing for the school by managing resources wisely</b>	<ul style="list-style-type: none"> <li>• Out-turns in line with forecasts</li> <li>• Positive audit report</li> </ul>
<b>c. Ensure healthy numbers are retained/recruited for the sixth form each year</b>	<ul style="list-style-type: none"> <li>• Y12 figures do not drop below 110 – aiming for 125 by 2018</li> <li>• Retaining 95% or more from Y12 to Y13</li> </ul>
<b>Aim 9: Property and Facilities</b>	
<b>a. Pursue the next phases of the buildings development masterplan: initially Phase 2, and then beyond</b>	<ul style="list-style-type: none"> <li>• Construction proceeds on time and in budget</li> <li>• Phase 2 building completed by Sept 2015</li> <li>• Continuing development to meet the growing school's needs – eg use of F2</li> </ul>
<b>b. Make temporary adjustments to spaces to address specific issues in accommodation as necessary</b>	<ul style="list-style-type: none"> <li>• Effective use made of space</li> </ul>
<b>c. Maintain rolling maintenance/ refurbishment plan for other parts of the school</b>	<ul style="list-style-type: none"> <li>• Plan established and approved by governors</li> </ul>
<b>d. Focus on improving the learning environment for all</b>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>e. Develop IT big-time</b>	<ul style="list-style-type: none"> <li>• Plan established</li> <li>• Strategy groups (staff and students) active and effective</li> </ul>
<b>f. Ensure H&amp;S compliance</b>	<ul style="list-style-type: none"> <li>• Compliance achieved</li> </ul>

### Plans (SIDP) for 2017-18

The main objectives for the next academic year are as stated in the 2017-18 School Improvement and Development Plan/ Business Plan. In summary, these are as follows:

1. To strengthen and hone the SGGS brand within the local area
  - Ensure that progress measures are as good as they can be for all students
  - To develop, consolidate and sustain high quality teaching and learning throughout the school
  - Develop and sustain outstanding personal development, behaviour and welfare
  - Renewed focus on developing and managing the SGGS brand
  - Strengthen and develop the SGGS staff community within school
  - Strengthen and refine the school systems and procedures
  
2. To offer a high quality, broad and relevant (for student and school) curriculum
  - Conduct a full review of the curriculum model across the school
  - Strengthen the existing academic curriculum across the school
  - Consolidate the sixth form offer
  - Strengthen the co-curricular offer across the school
  
- 3a. To review, develop and maximise the use of resources – staff and facilities – to fulfil the school's potential
  - Strengthen the associate staff
  - Strengthen the Governing body
  - Review of all teaching structure TLR structure

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- Develop new fundraising strategy linked to buildings development
  - Maximise use of resources to fit brand and direction of travel of the school
- 3b. To implement an IT strategic development plan
- Enhance the provision for IT and Computing across SGGS
  - Update SGGS IT communications to match local school provision

### FINANCIAL REVIEW

#### **Principal funding**

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received from the DfE during the period ended 31<sup>st</sup> August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for capital expenditure from the DfE. In accordance with the Charities SORP 2015, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

#### **Financial review**

During the period ended 31<sup>st</sup> August 2017 GAG funding from the ESFA and other income totalled £4,631,000 while total expenditure was £4,759,000. Excluding the effect of capital grants, other capital income, depreciation charges and FRS102 LGPS service and interest cost adjustments, the total income for the year was £4,226,000 which was exceeded by the total expenditure for the year of £4,291,000. The governors had planned for this deficit, which was primarily due to the continued lagged funding impact of the Academy's decision to expand to a four form entry, with the deficit being met from the Academy's reserves.

The total reserves at the end of the financial year (restricted funds excluding pensions deficit together with unrestricted funds) are £nil. The Governors are aware of the challenges that having no reserves bring. However, with the ongoing school expansion plan in place and with the end of the lagged funding impact in the 2018-19 year, together with ongoing costs reviews and efficiencies, the Governors are satisfied that the financial position will become more acceptable in subsequent years, with a return to surplus balances during this time.

At 31<sup>st</sup> August 2017 the net book value of fixed assets was £13,707,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Resources Committee of the Governors regularly receive financial reports showing performance against budgets which have been set in line with the Academy's Development Plan, with detailed explanations given for any major variances. The committee has established key performance indicators for monitoring purposes.

During the year the Resources Committee received reports containing detailed financial five year forecasts. These reports made it clear that for the school to be financially sustainable the Governors' preferred route of four-form entry remained essential. They also showed that there was a need to maintain increased sixth form admissions. Governors have ensured that marketing the sixth form has been a priority for the school throughout the year. This strategy has proven to be successful this year, as 114 students started Year 12 at the start of the 2017-18 academic year, an increase over the 2015-16.

# Stratford Girls' Grammar School

## GOVERNORS' REPORT

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In order to provide suitable and sufficient accommodation to house the expanded school, the buildings development masterplan was developed. The first phase of this – a six-classroom block with a new library – was completed in 2013 following a grant received in 2011-12 from the Academies Capital Maintenance Fund (ACMF). The next phase – further teaching space, a sports hall, changing facilities, dining room and refurbished assembly and performance hall – was completed in summer 2015. A further grant from the ACMF and a successful capital fundraising campaign undertaken by the Stratford Girls' Grammar School Fund (raising over £400,000 from parents and friends of the school) have made this possible. This phase of the masterplan has been critical to the expansion plan, and hence to the school's planned future. Further developments during the 2015-16 year included the formation of a new science lab (converted from the former drama studio) and an upgrade of the school's heating infrastructure following a grant from the ESFA's CIF fund. In 2016-17 another CIF grant received has enabled work to start on replacing old windows in the main school teaching blocks.

### **Key financial performance indicators**

The Governors regularly monitor key performance indicators, including staffing and other costs per pupil, staffing and other costs as a percentage of total costs and catering margin.

Governors are aware that the staffing costs at the school are at the high end against benchmarks, but are confident that economies obtainable with the expanding school will go some ways to address this.

	2017	2016
Teaching Cost per pupil	£3,073	£3,204
Staffing & personnel cost per pupil	£3,948	£4,103
Salaries as % of expenditure	84.6%	84.3%
Catering contribution margin	6.9%	7.9%

### **Principal risks and uncertainties**

The Governors and SLT reviewed the Risk Register highlighting the major risks to the Academy. The principal risks were seen as:

- cuts to revenue funding or increased costs outside the control of the school (eg pensions)
- uncertainty in Government policy adversely affecting the grammar school sector
- potential drop in number of students joining or continuing to sixth form
- failure to maintain high standards in a hostile economic climate
- unforeseen and exceptional building repair costs
- failure to safeguard students
- failure to provide sufficient choice of subjects at both GCSE and A-level
- failure to secure Government capital funding for future phases of the school buildings development plan

In the year the Governors:

- Oversaw the introduction of curriculum changes to sixth form provision
- Continued to review the five-year strategy to ensure the long term financial viability of the school
- Oversaw CIF bids for window replacement and security (of which the first was successful)
- Oversaw a relentless recruiting campaign for the school's sixth form
- Continued the planning for the expanding school
- Supported the new Senior Leadership team

# Stratford Girls' Grammar School

## GOVERNORS' REPORT

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### **Reserves policy**

The Governors review the level of reserves of the Academy annually. The review encompasses the nature of income and expenditure streams for the short and medium term, the need to match income with commitments and the nature of reserves. Ideally, reserves of between £100,000 and £200,000 would be desirable to meet any unbudgeted expenditure (such as major buildings repairs).

The balance of revenue reserves held by the Academy at 31 August 2017, excluding the restricted fixed asset fund and restricted funds (including the pension fund reserve) was £nil. The Governors are aware of the challenges that having no reserves bring, and as outlined above, with the ongoing school expansion plan and a continuing review of curriculum and teaching time for each subject, they are confident the reserves situation become more acceptable in subsequent years. The 2017-18 year forecast shows a reasonable in year surplus, and future years' projections continue such surpluses, once the full effect of the expanded school is realised and the new National Funding Formula implemented. Governors are confident that reserves will be positive in years to come.

The restricted fixed asset fund reserve as at 31 August 2017 was £13,806,000. This comprises the net book value of the Academy's tangible fixed assets, including plant, equipment, fixtures and fittings and leasehold land and buildings, which totals £13,707,000, together with the unspent balance of CIF grant funding received from the ESFA of £313,000. As allowed under section 2.15 of the Charities SORP 2015, the restricted fixed asset fund includes a deficit of £214,000. This is largely in relation to the balance of capital fundraising donations to be received from the Stratford Girls' Grammar School Fund over the next 3 years, which will be received once the pledges made to the School Fund are realised over this time. In addition £40,000 was invested in the installation of a temporary building ready for the start of the new academic year in September 2017. The original plan was to lease the building at a cost of £30,000 pa (which was included within the 2017-18 revenue budget). However, through the procurement process it became apparent that it was better value to purchase the building outright. As the annual leasing costs were originally included within the schools operating budget for the 2017-18 year, the funds utilised on the building purchase will be transferred to the restricted fixed asset fund in 2017-18 from the in year surplus generated on the unrestricted fund in that year. These reserves can only be realised by disposing of the related tangible fixed assets, all of which are used for by the Academy in delivering its educational activities.

### **Pension deficit**

The Local Government Pension scheme has a deficit of £926,000 as at 31<sup>st</sup> August 2017. The Governors have agreed to fund this deficit in accordance with the recommendations of the actuarial valuation carried out on 31<sup>st</sup> March 2016.

### **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.

### **Going concern**

As detailed earlier in this report, the balance of revenue reserves held by the Academy at 31 August 2017, excluding the restricted fixed asset fund and restricted funds (including the pension fund reserve) was £nil. The Governors are aware of the challenges that having no reserves bring, but with the ongoing school expansion plan, the expected implementation of the new National Funding Formula, a continuing review of curriculum and teaching time for each subject, and a continuing review of costs and efficiencies, they are confident the reserves will be rebuilt in subsequent years. The 2017-18 year forecast shows a small in year surplus, and future years' projections show continuing in year surpluses, once the full effect of the expanded school and the new National Funding Formula is realised. Governors are confident that reserves will be positive from 2017-18.

The Academy Trust also has net current assets of £99,000 at 31 August 2017.

# Stratford Girls' Grammar School

## GOVERNORS' REPORT

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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. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note in the financial statements.

### **PLANS FOR FUTURE PERIODS**

The Governors have agreed future plans as detailed in the SIDP referred to earlier. These build upon the business plan agreed in 2011 to expand the school to 4 form entry and develop the buildings on the site.

These 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 implement an IT strategic development plan

### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy holds funds as custodian for the South Warwickshire Education Partnership (SWEP) Area Behaviour Panel.

### **AUDITORS**

Whitley Stimpson Ltd have been reappointed as auditors.

### **Statement as to disclosure of information to auditors**

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Governing Board at its meeting on 6 December 2017 and signed on its behalf by:

**John Millett**  
Chair

# Stratford Girls' Grammar School

## GOVERNANCE STATEMENT

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### 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 Governing Body 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. She is also responsible for reporting to the Governing Body 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 Governing Body has formally met six times during the year.

Attendance during the year at meetings of the governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs J Cornell	6	6
Dr S Bennett	1	1
Mrs R Butcher	4	5
Mr D Cale	6	6
Mr R Cox	5	6
Prof B Follett	6	6
Mr S Gee	6	6
Mrs V Harper	6	6
Mrs A Harvey	4	6
Mr P McAnaney	6	6
Mr J Millett	6	6
Dr D Morse	5	6
Mr C Pote	6	6
Mr K Richardson	4	6
Mrs J Waters	1	1

At the end of the academic year one Governor (BK Follett) retired from the Board of Trustees. The remaining Governors invited applications from parents of the school with relevant skills to become coopted Governors.

After a thorough application and interview process S Bennett and J Waters were coopted as Trustees in June 2017. Governors also invited two other applicants with particular skills (S Lowe and P Offer) to become Associate Governors (though not Trustees).

These appointments are seen as strengthening the Governors and broadening their skill base.



# Stratford Girls' Grammar School

## GOVERNANCE STATEMENT

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### Resources

The Resources Committee is a sub-committee of the main governing body. Attendance during the year at meetings of the Committee was as follows:

Governor	Meetings attended	Out of possible
Mrs J Cornell	5	6
Mr D Cale	4	6
Mr R Cox	6	6
Mr S Gee	6	6
Mr J Millett	6	6
Dr D Morse	5	6
Mr K Richardson	6	6

The key issues dealt with by the Resources Committee during the year were the review of the Academy Trust's medium term financial forecasts, the actions required to ensure the financial viability of the Trust and the progress of the CIF projects and applications.

### Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic period, and reports to the Board of governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy has delivered 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 ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy for the period from 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

### Capacity to handle risk

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

# Stratford Girls' Grammar School

## GOVERNANCE STATEMENT

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### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by the Governing Body
- regular reviews by the Resources Committee of reports showing financial performance against forecast, and of major capital and expenditure programmes
- clearly defined purchasing guidelines
- delegation of authority and segregation of duties
- identification and management of risks.

The Governing Body have appointed Mr S Gee as Responsible Officer. His role includes performing a range of checks on the Academy's financial systems. The Responsible Officer reports back to the Resources Committee on the operation of the systems of control and the Governing Body's financial responsibilities on a termly basis.

The Responsible Officer has delivered their program of work during the year, encompassing 3 visits to the Academy, 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. Such review is informed by:

- the work of the Responsible Officer
- the work of the external auditors
- the work of those staff 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 Resource Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 6 December 2017 and signed on its behalf by:

**John Millett**  
Chair

**Jacqui Cornell**  
Accounting Officer

# Stratford Girls' Grammar School

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregular, 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.

**Jacqui Cornell**  
**Accounting Officer**

6 December 2017

# Stratford Girls' Grammar School

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The governors (who act as trustees for charitable activities of Stratford Girls' Grammar School and are also the directors of the Academy Trust for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education 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 Academy Trust and of its incoming resources and application of resources, including its income and, expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016-17;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in business.

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

The governors are responsible for ensuring that in its conduct and operation the Academy Trust 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 the 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 Academy Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on 6 December 2017 and signed on its behalf by:

**John Millett**  
**Chair**

# **INDEPENDENT AUDITORS' 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 2017 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

# **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STRATFORD GIRLS' GRAMMAR SCHOOL**

## **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the 5 directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STRATFORD GIRLS' GRAMMAR SCHOOL**

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

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

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

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

### **Whitley Stimpson Limited**

Chartered Accountants and Registered Auditors

Penrose House  
67 Hightown Road  
Banbury  
Oxfordshire  
OX16 9BE

Date

# Stratford Girls' Grammar School

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the year ended 31 August 2017

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2017 £'000	Total 2016 £'000
<b>INCOME FROM:</b>						
Donations and capital grants	2	68	32	405	505	508
Charitable activities:						
Academy Trust's educational operations	3	-	3,346	-	3,346	3,136
Other trading activities	4	275	505	-	780	645
Investments	5	-	-	-	-	1
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total income		343	3,883	405	4,631	4,290
<b>EXPENDITURE ON:</b>						
Charitable activities:						
Academy Trust's educational operations	6	198	4,209	352	4,759	4,816
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		198	4,209	352	4,759	4,816
<b>NET INCOME/EXPENDITURE BEFORE TRANSFERS</b>						
		145	(326)	53	(128)	(526)
<b>TRANSFERS</b>						
Gross transfers between funds	14	(149)	210	(61)	-	-
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial (losses)/gains on defined benefit pension scheme	23	-	534	-	534	(476)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET MOVEMENT IN FUNDS</b>		(4)	418	(8)	406	(1,002)
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		4	(1,344)	13,814	12,474	13,476
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>	14	-	(926)	13,806	12,880	12,474
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

The Statement of Financial Activities includes all gains and losses recognised during the period.



# Stratford Girls' Grammar School

## BALANCE SHEET

31 August 2017

Company Registration No.07646003

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>FIXED ASSETS</b>					
Tangible assets	11		13,707		13,900
<b>CURRENT ASSETS</b>					
Debtors	12	258		403	
Cash at bank and in hand		219		128	
		<u>477</u>		<u>531</u>	
CREDITORS: Amounts falling due within one year	13	(378)		(613)	
			99		(82)
<b>NET CURRENT ASSETS</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,806</u>		<u>13,818</u>
Creditors – amounts falling due after more than one year			-		-
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			13,806		13,818
Defined benefit pension scheme liability	23		(926)		(1,344)
<b>NET ASSETS</b>			<u>12,880</u>		<u>12,474</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	14		13,806		13,814
Restricted income fund	14		-		-
Pension reserve	14		(926)		(1,344)
<b>TOTAL RESTRICTED FUNDS</b>			<u>12,880</u>		<u>12,470</u>
UNRESTRICTED INCOME FUNDS	14		-		4
<b>TOTAL FUNDS</b>			<u>12,880</u>		<u>12,474</u>

The financial statements on pages 24 to 47 were approved by the Governors and authorised for issue on 6 December 2017, and are signed on their behalf by:

**John Millett**  
Chair

# Stratford Girls' Grammar School

## CASH FLOW STATEMENT

for the year ended 31 August 2017

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	Notes	2017 £'000	2016 £'000
CASH FLOWS FROM OPERATING ACTIVITIES	19	(155)	(86)
Cash flows from investing activities	20	246	41
Cash flows from financing activities		-	-
		<hr/>	<hr/>
CHANGE IN CASH & CASH EQUIVALENTS	21	91	(45)
		<hr/>	<hr/>
CASH & CASH EQUIVALENTS AT START OF YEAR		128	173
		<hr/>	<hr/>
CASH & CASH EQUIVALENTS AT END OF YEAR		219	128
		<hr/>	<hr/>

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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### 1 ACCOUNTING POLICIES

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

#### **BASIS OF PREPARATION**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stratford Girls' Grammar School meets the definition of a public benefit entity under FRS 102.

#### **GOING CONCERN**

The Governors assess whether the using of the going concern basis of accounting is appropriate (i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern). The Governors make this assessment in respect of a period of at least one year from the date of approval of these financial statements.

Whilst the Academy Trust has revenue reserves (excluding the restricted fixed asset fund and restricted funds (including the pension fund reserve)) at 31 August 2017 of £nil, it has net current assets of £99,000. The Governors are aware of the challenges that having no reserves bring, but with the ongoing school expansion plan, the expected implementation of the new National Funding Formula, a continuing review of curriculum and teaching time for each subject, and a continuing review of costs and efficiencies, they are confident the reserves will be rebuilt in subsequent years. The 2017-18 year forecast shows a reasonable in year surplus and future years' projections show similar in year surpluses, once the full effect of the expanded school is realised. There will therefore be a small surplus at the end of 2017-18, and Governors are confident that reserves will continue to be positive beyond that.

As such, 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'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.

#### **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 reliability.

#### Grants receivable

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.

The General Annual Grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

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

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

Other income including hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

### **EXPENDITURE**

All expenditure is recognised in the period in which a liability is incurred, being once there is a legal or constructive obligation to transfer economic benefits to a third party, the transfer of economic benefits is probable and the amount of the obligation can be measured reliably. Expenditure has been classified under activity category headings that aggregate all costs related to that activity category. Where costs cannot be directly attributed to particular activity category headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### **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 General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and Department for Education, where the asset acquired or created is held for a specific purpose. As allowed under section 2.15 of the Charities SORP 2015, the Restricted Fixed Asset Funds includes a deficit in relation to the balance of capital fundraising donations to be received from the Stratford Girls' Grammar School Fund over the next 3 years, which will be received once the pledges made to the School Fund are realised over this time.

### **TAXATION**

The Academy Trust is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore meets the definition of a Academy Trust for United Kingdom corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

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or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **TANGIBLE FIXED ASSETS**

Tangible fixed assets costing £1,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, as follows:

Long leasehold land	- over the life of the lease
Long leasehold buildings	- 50 years straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 25% -33.3% straight line
Motor vehicles	- 25% straight line
Assets under course of 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.

### **LEASED ASSETS**

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

### **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.

### **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.

### **LIABILITIES**

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

### **PROVISIONS**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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

### **FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

### **PENSION BENEFITS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

### **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

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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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.

### **CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

#### *Critical accounting estimates and assumptions:*

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

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

#### *Critical areas of judgement:*

There are no key judgements that the academy trust has made which have a significant effect on the financial statements.

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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### 2 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Capital Grants	-	355	355	405
Capital donations	-	50	50	54
Other donations	68	32	100	49
	<u>68</u>	<u>437</u>	<u>505</u>	<u>508</u>

In 2016, of the total income from donations and capital grants, £493,000 was to restricted funds and £15,000 was to unrestricted funds.

### 3 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
DfE/ESFA grants:				
General Annual Grant	-	3,311	3,311	3,112
Other Dfe/ESFA grants	-	32	32	22
	<u>-</u>	<u>3,343</u>	<u>3,343</u>	<u>3,134</u>
Other Government grants:				
Local Authority Grants		3	3	2
Other income from educational operations	-	-	-	-
	<u>-</u>	<u>3,346</u>	<u>3,346</u>	<u>3,136</u>

In 2016, of the total income from educational operations, £3,136,000 was to restricted funds.



# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

### 4 OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Hire of facilities	23	-	23	13
Catering income	229	-	229	192
Other income	23	505	528	440
	<u>275</u>	<u>505</u>	<u>780</u>	<u>645</u>

In 2016, of the total income from other trading activities, £406,000 was to restricted funds and £239,000 was to unrestricted funds.

### 5 INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Short term deposits	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

In 2016, of the total investment income, £1,000 was to unrestricted funds.

### 6 EXPENDITURE

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Catering	77	-	121	198	166
Other	-	-	467	467	367
	<u>77</u>	<u>-</u>	<u>588</u>	<u>665</u>	<u>533</u>
Expenditure on trading activities	77	-	588	665	533
Academy Trust's educational operations					
Direct costs	2,623		361	2,984	2,906
Allocated support costs	586	139	385	1,110	1,377
	<u>3,286</u>	<u>139</u>	<u>1,334</u>	<u>4,759</u>	<u>4,816</u>

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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### 6 EXPENDITURE (continued)

Of the total expenditure for the year, £4,561,000 (2016: £4,635,000) was to restricted funds and £198,000 (2016: £181,000) was to unrestricted funds.

Net outgoing resources for the year include	2017 £'000	2016 £'000
Operating lease rentals	9	9
Depreciation	352	376
Loss on disposal of fixed assets (demolition of part of community building)	-	320
Fees payable to auditor for		
- audit services	9	6
- other non-audit services	-	-
	<u>          </u>	<u>          </u>

### 7 EXPENDITURE ON CHARITABLE ACTIVITIES

	2017 £'000	2016 £'000
Direct costs – educational operations	2,984	2,906
Support costs – educational operations	1,110	1,377
	<u>          </u>	<u>          </u>
	4,094	4,283
	<u>          </u>	<u>          </u>

Of the total expenditure on direct costs for the year, £2,984,000 (2016: £2,906,000) was to restricted funds.

Of the total expenditure on support costs for the year, £1,110,000 (2016: £1,377,000) was to restricted funds.

#### ANALYSIS OF SUPPORT COSTS

Support staff costs	586	518
Loss on disposal of assets	-	320
Depreciation	243	241
Technology costs	46	43
Premises costs	139	144
Other support costs	87	104
Governance costs	9	7
	<u>          </u>	<u>          </u>
	1,110	1,377
	<u>          </u>	<u>          </u>

**Stratford Girls' Grammar School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2017

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8 STAFF COSTS

(a) Staff costs during the period were:

	2017 £'000	2016 £'000
Wages and salaries	2,484	2,417
Social security costs	228	193
Pension costs	560	481
	<u>3,272</u>	<u>3,091</u>
Supply teacher costs	14	5
	<u>3,286</u>	<u>3,096</u>

(b) There were no staff severance payments during the year (2016: £NIL).

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

	2017 No	2016 No
Educational operations		
Teachers	54	51
Administration and support	42	41
Management	6	6
	<u>102</u>	<u>98</u>

The average number of persons employed by the Academy Trust during the year expressed as full-time equivalents was as follows:

	2017 No	2016 No
Educational operations		
Teachers	40	40
Administration and support	28	28
Management	6	6
	<u>74</u>	<u>74</u>

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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### 8 STAFF COSTS (*continued*)

#### (d) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2017	2016
	No	No
£60,001 - £70,000	2	2
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1

#### (e) Key management personnel

The key management personnel of the Academy Trust comprise the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £428,000 (2016:£443,000).

### 9 GOVERNORS' REMUNERATION AND EXPENSES

One or more governors have been paid remuneration or have 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 and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors.

The value of the Headteacher's remuneration and other benefits was as follows:

	2017	2016
	£'000	£'000
J Cornell		
Remuneration	80-85	-
Pension contributions paid	10-15	-
	2017	2016
K Barnett	£'000	£'000
Remuneration	-	95-100
Pension contributions paid	-	15-20

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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### 9 GOVERNORS' REMUNERATION AND EXPENSES (continued)

The governors who were also staff members of the Academy were V Harper, P McAnaney and K Richardson and the value of their remuneration and other benefits were as follows:

#### Remuneration

	2017	2016
	No	No
£15,001 - £20,000	1	1
£40,001 - £45,000	2	2
	<u>          </u>	<u>          </u>

#### Pension contributions

	2017	2016
	No	No
£0 - £5,000	1	1
£5,001 - £10,000	2	2
	<u>          </u>	<u>          </u>

During the year ended 31 August 2017, travel and subsistence expenses totalling £ NIL (2016: £ NIL ) were reimbursed to governors.

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

### 10 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £328 (2016: £321 ). The cost of this insurance is included in the total insurance cost.

# Stratford Girls' Grammar School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

### 11 TANGIBLE FIXED ASSETS

	<i>Long leasehold land and buildings</i>	<i>Fixtures and fittings</i>	<i>Computer equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
At 1 <sup>st</sup> Sept 2016					
Cost	14,522	306	354	20	15,202
Additions	129	10	20	-	159
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2017	14,651	316	374	20	15,361
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation					
1 September 2016	858	154	270	20	1,302
Charged in the year	243	64	45	-	352
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2017	1,101	218	315	20	1,654
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value					
31 August 2016	13,664	152	84	-	13,900
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31 August 2017	13,550	98	59	-	13,707
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 12 DEBTORS

	2017 £'000	2016 £'000
Trade debtors	13	5
VAT recoverable	23	35
Prepayments	222	363
	<hr/>	<hr/>
	258	403
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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13	CREDITORS: Amounts falling due within one year	2017 £'000	2016 £'000
	Trade creditors	105	83
	Other taxation and social security	52	56
	ESFA Creditor (Salix loan)	9	1
	Other creditors	87	82
	Accruals and deferred income	125	392
		<hr/>	<hr/>
		378	613
		<hr/> <hr/>	<hr/> <hr/>
	 Deferred income	 £'000	 £'000
	Deferred income at 1 September 2016	157	57
	Released from previous years	(157)	(47)
	Resources deferred in year	53	147
		<hr/>	<hr/>
	Deferred income at 31 August 2017	53	157
		<hr/> <hr/>	<hr/> <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for trips taking place in the year 2017-18.

## 14 FUNDS

	<i>At 1 September 2016 £'000</i>	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>At 31 August 2017 £'000</i>
<b>RESTRICTED</b>					
<b>GENERAL FUNDS</b>					
General Annual Grant (GAG)	-	3,311	(3,500)	189	-
Pupil Premium	-	20	(20)	-	-
16-19 bursary	-	7	(7)	-	-
Other restricted funds	-	545	(566)	21	-
Pension reserve	(1,344)	-	(116)	534	(926)
	<u>(1,344)</u>	<u>3,883</u>	<u>(4,209)</u>	<u>744</u>	<u>(926)</u>
<b>RESTRICTED FIXED</b>					
<b>ASSET FUNDS</b>					
DfE/ESFA capital grants	4,415	355	(204)	(61)	4,505
Donations	569	50	(6)	-	613
Inherited on conversion	8,819	-	(131)	-	8,688
Purchased from unrestricted funds	11	-	(11)	-	-
	<u>13,814</u>	<u>405</u>	<u>(352)</u>	<u>(61)</u>	<u>13,806</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u><u>12,470</u></u>	<u><u>4,288</u></u>	<u><u>(4,561)</u></u>	<u><u>683</u></u>	<u><u>12,880</u></u>
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>4</u>	<u>343</u>	<u>(198)</u>	<u>(149)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u><u>12,474</u></u>	<u><u>4,631</u></u>	<u><u>(4,759)</u></u>	<u><u>534</u></u>	<u><u>12,880</u></u>

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 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 2017.

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

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



14 FUNDS (*continued*)

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 includes a deficit in relation to the balance of capital fundraising donations to be received from the Stratford Girls' Grammar School Fund over the next 3 years, which will be received once the pledges made to the School Fund are realised over this time.

(c) Unrestricted Funds

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

(d) The transfers between funds relate to:

- £21,000 transfer from restricted fixed asset funds to restricted funds relating to revenue expenditure incurred as part of the heating infrastructure project funded by the CIF grants.
- £40,000 transfer from restricted fixed asset funds to unrestricted funds relating to capital expenditure funded during the year that relates to a temporary building purchased ready for September 2017, which will be funded from the unrestricted funds surplus generated during the 2017-18 year.
- £189,000 transfer from unrestricted funds to restricted funds to offset the deficit on restricted funds income and expenditure in the year.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	13,707	13,707
Current assets	81	83	313	477
Current liabilities	(81)	(83)	(214)	(378)
Pension scheme liability		(926)		(926)
	-----	-----	-----	-----
TOTAL NET ASSETS AT 31 AUGUST 2017	- =====	(926) =====	13,806 =====	12,880 =====

16	CAPITAL COMMITMENTS	2017 £'000	2016 £'000
	Contracted for, but not provided in the financial statements	-	43
		<u>          </u>	<u>          </u>

17 CONTINGENT ASSET

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 as 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 incurred to 31 August 2017. The total capital project costs funded to date by the Academy are £173,000. These will be funded through future donations to the Academy from the Stratford Girls' Grammar School Fund, once existing pledges of funds to the School Fund are fully realised realised.

18 OPERATING LEASE COMMITMENTS

At 31 August the total of the academy's future minimum lease payments under non-cancellable operating leases were:

	2017 £'000	2016 £'000
Amounts due within one year	14	14
Amounts due within one and five years	15	29
	<u>          </u>	<u>          </u>
	29	43
	<u>          </u>	<u>          </u>

19 RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £'000	2016 £'000
Net income / (expenditure) (as per SOFA)	(128)	(526)
Depreciation (note 11)	352	376
Loss on disposal of fixed assets	-	-
Capital grants from DfE and other capital income	(405)	(468)
Interest receivable	-	(1)
Defined benefit pension scheme cost less contributions payable	89	27
Defined benefit pension scheme finance cost	27	30
(Increase)/decrease in debtors	145	199
Increase/(decrease) in creditors	(235)	(43)
	<u>          </u>	<u>          </u>
NET CASH FLOW FROM OPERATING ACTIVITIES	(155)	(86)
	<u>          </u>	<u>          </u>

20	CASH FLOWS FROM INVESTING ACTIVITIES	2017 £'000	2016 £'000
	Interest received	-	1
	Purchase of fixed assets	(159)	(428)
	Capital grants from ESFA/DfE	355	414
	Other capital funding	50	54
		<hr/>	<hr/>
	NET CASH FLOW FROM INVESTING ACTIVITIES	246	41
		<hr/> <hr/>	<hr/> <hr/>

21	ANALYSIS OF CASH AND CASH EQUIVALENTS	2017	2016
	Cash in hand and at bank	219	128
		<hr/> <hr/>	<hr/> <hr/>

## 22 MEMBERS' LIABILITY

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

## 23 PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

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

### Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1% The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer pension costs paid to TPS in the year amounted to £308,000 (2015: £305,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £176,000 (2016: 148,000) of which employer's contributions totalled £135,000 (2016: £120,000) and employees' contribution totalled £41,000 (2016: £28,000). Following the actuarial valuation in 2016, revised employer contribution rates were agreed which included lump sum payments.

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.

23 PENSION AND SIMILAR OBLIGATIONS (*continued*)

Principal actuarial assumptions

	2017	2016
Rate of increase in salaries	3.0%	4.1%
Rate of increase for pensions in payment	2.4%	2.1%
Discount rate	2.5%	2.0%
Inflation assumption	RPI	3.1%
	CPI	2.1%
Commutation of pensions to lump sums	50%	50%

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

	2017 years	2016 years
Retiring today:		
Males	22.5	22.4
Females	24.7	24.4
Retiring in 20 years:		
Males	24.3	24.3
Females	26.7	26.6

**Sensitivity analysis**

	At 31 August 2017 £'000	At 31 August 2016 £'000
Discount rate – 0.5%	2,884	2,863
Salary increase rate + 0.5%	2,649	2,661
CPI rate + 0.5%	2,828	2,746

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equity instruments	1,087	787
Debt instruments	368	278
Property	184	133
Cash	33	12
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>1,672</b>	<b>1,210</b>

The actual return on scheme assets was £292,000 (2016: 145,000)

23 PENSION AND SIMILAR OBLIGATIONS (*continued*)

<b>Amounts recognised in the statement of financial activities</b>	2017 £'000	2016 £'000
Current service cost (net of employee contributions)	(224)	(147)
Net interest cost	(27)	(30)
	<hr/>	<hr/>
Total operating charge	(251)	(177)
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £'000	2016 £'000
At 1 September	2,554	1,713
Current service cost	224	147
Interest cost	53	66
Employee contributions	41	28
Actuarial (gain)/loss	(242)	621
Benefits paid	(32)	(21)
	<hr/>	<hr/>
At 31 August	2,598	2,554
	<hr/> <hr/>	<hr/> <hr/>

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

At 1 September	1,210	902
Interest income	26	36
Actuarial (loss)/gain	292	145
Employer contributions	135	120
Employee contributions	41	28
Benefits paid	(32)	(21)
	<hr/>	<hr/>
At 31 August	1,672	1,210
	<hr/> <hr/>	<hr/> <hr/>

24 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £7,132 and disbursed £7,132.

The Academy holds funds as custodian for the South Warwickshire Education Partnership (SWEP) Area Behaviour Panel. These are not recognised in the statement of financial activities. The funds received for the year were £417,623 and funds disbursed were £413,466 leaving a balance of £75,174 which is held a creditor.

25 RELATED PARTIES

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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

The Academy received donations in the year totalling £124,000 (2016: £82,000) from the Stratford Girls' Grammar School Fund (a registered charity number 1069286) in support of capital projects undertaken by the academy. 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 Headteachers and a parent. At the year end, the balance due to the Academy from the School Fund was £7,000 (2016: £nil).

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

In accordance with the terms of our engagement letter dated 18 October 2016 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stratford Girls' Grammar School during the period from 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Stratford Girls' Grammar School and the ESFA in accordance with the terms of our engagement letter dated 18 October 2016. Our work has been undertaken so that we might state to Stratford Girls' Grammar School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stratford Girls' Grammar School and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Stratford Girls' Grammar School Limited'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 1 August 2011 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw our conclusions included:

- A review of internal control policies and procedures implemented by the Academy Trust and an evaluation of their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;



- A review of 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 a review of 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 suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Whitley Stimpson Limited**

Chartered Accountants

Penrose House  
67 Hightown Road  
Banbury  
Oxfordshire  
OX16 9BE

Date 21 December 2017