

Wirral Grammar School for Girls

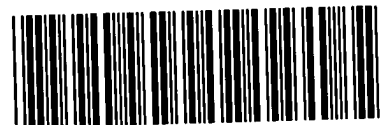
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2017

**Company Registration Number:
07695736 (England and Wales)**

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Wirral Grammar School for Girls

Report and financial statements for the year ended 31 August 2017

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Wirral Grammar School for Girls

REFERENCE AND ADMINISTRATIVE INFORMATION

Governors / Trustees

G.Dougherty – (Chairman)

J Kingston Davies

J Gillard

N Hayward

R James

T Harney

C Todd

S Bridge

C Field

E Mok

A Cooper (appointed from 01.11.16)

Dr R Smith

F Barrick

J Forshaw

J Schwarz (Responsible Officer)

E De Boorder – (Teaching Staff Governor- appointed from 01.09.16)

P Walton (Non-Teaching Staff Governor)

E Cogan (Headteacher and Accounting Officer)

Company Secretary

P.Haggart

Senior Management Team

- Headteacher – Mrs E Cogan
- Deputy Headteacher – Mrs J Taylor
- Deputy Headteacher – Mr M Loveland
- Assistant Headteacher – Mr T Johnson
- Assistant Headteacher - Mr M Mc Sweeney
- Assistant Headteacher - Mr J Reynolds

Company Name

Wirral Grammar School For Girls

Principal and Registered Office

Heath Road, Bebington, Heath Road, Wirral, Merseyside, CH63 3AF

Company Registration Number

07695736 (England & Wales)

Independent Auditor

BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

Bankers

Lloyds Bank, 19 Arrowe Park Road, Upton, Wirral, CH49 0BU

Solicitors

Browne Jacobson, 44 Castle Gate, Nottingham, NG1 7BJ

Wirral Grammar School for Girls

Governors' (Trustees) report for the year ended 31 August 2017

The Governors (Trustees) present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017.

The annual report serves the purpose of both a Governors' (Trustees') report and a directors' report under company law.

The charitable company was incorporated on 6 July 2011 and took over the trade and assets of the Wirral Grammar School for Girls (a foundation school) from the Wirral Local Authority on 1 August 2011.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust herewith referred to as Wirral Grammar School for Girls.

The Governors act as Trustees for the charitable activities of Wirral Grammar School For Girls Academy Trust Limited and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Wirral Grammar School for Girls.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the School Trust has purchased insurance to protect Trustees, local governors and officers from claims arising due to negligent acts, errors or omissions occurring on school business.

Method of Recruitment and Appointment or Election of Trustees

There are currently 18 governors representing various local stakeholders, 4 elected parent governors from the prevailing parent body, 2 elected staff governors and the headteacher, and 11 appointed governors (reflecting the skills required of a modern academy as determined by the other governors).

Mr A Cooper has recently been appointed to the parent governor vacancy and Mrs E De Boorder has just been appointed as a staff governor replacing Mrs Arnold. Staff governors are voted for by staff at the School every four years.

Governors are appointed after an audit of skills has identified any areas of need. This appointment is either through recommendation or by external advert. Potential governors are expected to come along to the Governing Body meeting and talk about what they can contribute to the Governing Body and School. Existing governors then vote to accept or decline the candidate.

Policies and Procedures Adopted for the Induction and Training of Trustees

Governors undertake an induction programme in line with the School's Induction Policy for Governors including meetings with the Headteacher.

Wirral Grammar School for Girls

Governors' (Trustees') report for the year ended 31 August 2017 (continued)

Organisational Structure

The organisational structure is one governing body who are all directors of the trust.

The key purposes of the Governing Body (GB) are:

- monitoring the Schools' financial and academic performance;
- developing strategic policies which reflect the School's vision and ethos;
- promoting the School and fostering links with the local community

In fulfilling the above purposes, the GB discharges the following responsibilities:-

- develop and review the School Improvement Plan;
- review and monitor the School's financial position on a regular basis and consider any significant contractual matters;
- monitor the educational performance of the School in line with outcomes and success criteria; approve and review the implementation and effectiveness of key operational policies;
- monitor the effectiveness of staffing policies;
- participate in marketing and communication with parents and the local and wider communities;
- monitor the effective management of the School site and buildings;
- maintain an overview of the School's risk management procedures.

The School's Leadership Team consists of the Headteacher, 2 Deputy Headteachers and 3 Assistant Headteachers. These leaders manage the School at an executive level implementing the policies laid down by the Governing Body.

Arrangements for setting pay and remuneration of key management personnel

A remuneration committee exists which meets three times a year. This Committee agrees the Pay Policy after consultation has taken place with staff and their professional association / trade union representatives.

The directors / trustees do not receive any remuneration in respect of their roles as directors / trustees of the school.

The senior leaders have an appraisal every 6 months, and the Headteacher has an appraisal every 4 months with external School Improvement Partners and a Performance Management Governors Group.

The only members of the Governing Body / Board of Trustees who received remuneration from the Academy in 2016-17, were Mrs Cogan in her role as Headteacher, Mrs Elizabeth De Boorder as Head of Department and Mrs Walton for some exam invigilation work.

Related Parties and other Connected Charities and Organisations

The Governing Body works closely with Wirral Borough Council, the Department for Education (DfE), the Education & Skills Funding Agency (ESFA), primary schools and other local organisations including neighbouring secondary schools.

Objectives and Activities

Objects and Aims

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

Wirral Grammar School for Girls

Governors' (Trustees') report for the year ended 31 August 2017 (*continued*)

Objectives, Strategies and Activities

Each year the School produces a School Development Plan (SDP).

The current SDP identifies all key issues around teaching & learning and staff development including the rationale and objectives. It includes the action to be taken, which staff will be undertaking the work, the time frame and the resources required. An evaluation process is also identified for each key issue.

Public Benefit

The academy trust trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit) in exercising their powers or duties.

Strategic Report

Achievements and Performance

2016-17 has seen excellent A Level and GCSE results as follows:

GCSE Level

The pupils of Wirral Grammar School for Girls are again celebrating the most wonderful GCSE results. 100% of the girls attained at least 5 A* - C grades and 59% of all grades were awarded at the very highest grades of A*/A. It was immensely satisfying to record that, against the national trend, A* grades held steady at 27% and that 89% of all grades were A* - B. An exceptional 34 pupils gained 10 or more A* to A grades.

The Headteacher attributed the wonderful success at both GCSE and 'A' level to the self-motivation of the students, the very high standards of teaching and learning within the school, leading to high aspirations and desire of those in Year 11 to remain at the school and achieve further success in Sixth Form along with highly motivated pupils from other schools in the area.

We pride ourself upon the superb pastoral care offered to pupils, the outstanding range of extra-curricular opportunities we provide and the opportunity for pupils to establish friendships for life.

Mrs Cogan paid tribute to the teaching and learning within the school and made the point that these results are also a testament to the support received from parents, staff and governors.

There is no doubt that results at 'A' level last week were outstanding and best in Wirral. To follow those results with these outstanding GCSE results is immensely satisfying and a true reward of the commitment displayed by pupils, staff, governors and all associated with this outstanding school.

Wirral Grammar School for Girls

Governors' (Trustees') report for the year ended 31 August 2017 (*continued*)

A-level results

A total of 108 girls achieved A* and A grades in their A level examinations. Over 120 girls achieved or exceeded their aspirational targets, including 42 who did so in all of their subjects. The overall pass rate at A*-A was 49% and at A*-B it was 79%.

The Headteacher accredited the high success rate to rigorous tracking of progress, the outstanding commitment and subject knowledge of the staff, consistent hard work from girls throughout the two years of A level courses, the desire of pupils to achieve, and the sharing of a strong ethos between school, home and the wider community.

Mrs Cogan said: "I am thrilled that today has gone so well. The girls have had superb pastoral care, an outstanding range of extra-curricular opportunities and have built friendships that will last them a lifetime. I am extremely proud of the achievements of all the girls. It is a true testament to the hard work and dedication of all the pupils, staff and parents. This success endorses the Liverpool Echo's recent judgement of our school as Secondary School of the Year."

Wirral Grammar School for Girls

Governors' (Trustees') report for the year ended 31 August 2017 (continued)

Key Performance Indicators

The School will sustain appropriate staffing levels to deliver a broad and balanced curriculum that meets the interests and aspirations of its students. The School will sustain strong performance in external examinations and will provide a physical environment that is safe and secure for all.

From a financial point of view the School takes every step to reach its admission numbers and therefore the total value of its General Annual Grant (GAG), as well as maximising third party funding through new lettings.

We currently have 1,186 pupils in school as the start of the 2017-18 academic year, compared with 1,179 twelve months ago. We have admitted 177 pupils into Y7 this September and 150 pupils have commenced 6th Form.

Although the School is using £46,000 of its reserves to support the budget in 17-18, it will endeavour to take every step to remain within this budget by way of regular budget monitoring of the accounts.

Comparative financial benchmarking information will be sought to identify areas where cost savings could be made in the future and these will be referred the Finance Committee / Governing Body for approval.

Going Concern

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

Financial Review

The Finance Committee of the School met three times during the course of 2016-17. At each of these meetings a detailed budget monitoring report was issued to members as well as a number of other reports relating to funding and budgets projections for future years.

The financial position of the Academy is strong with net assets of £1,121,000 (including pension liability of £1,158,000). As such, the academy is able to cover all possible expenditure for the foreseeable future. It is worth noting that the pension liability is not a current liability. As a result of the triennial review undertaken by Mercers, our Fixed Deficit charge and our employer's contributions relating to the Merseyside Pension Fund will both increase over the next three years.

The main source of funding is of course through the GAG, details of which can be found in Note 3. The expenditure, see Notes 6-9 shows how this money is used to support the key objectives of the Academy Trust.

Wirral Grammar School for Girls

Governors' (Trustees') report for the year ended 31 August 2017 (continued)

Reserves Policy

Governors review the level of reserves annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies' Financial Handbook produced by the ESFA in September 2017 (para 3.10 Managing General Annual Grant).

The School received a deed of variation dated 23 July 2013 relating to its Funding Agreement. Clause 78 of the Funding Agreement has been deleted and replaced with the following clause.

At the beginning of any Academy Financial Year the Academy Trust may hold unspent GAG from previous Academy financial Years amounting to such percentage (if any) as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust prior to the beginning of that Academy Financial Year of the total GAG payable for the Academy in the Academy Financial Year just ended or such higher amount as may from time to time be agreed. The Academy Trust shall use such carried forward amount for such purpose, or subject to such restriction on its use, as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust"

Total Funds as at the 31 August 2017 are **£1,121,000**. This is **net** of the Pension Reserve. The School's pension liability however is £1,158,000, but there are sufficient liquid assets to cover this figure.

It is the Governors' policy to build up unrestricted reserves which can be used for future education purposes in line with each academy's development plan. The value of **free reserves** as at 31 August 2017 is **£781,000**, and is the equivalent to the sum of our **Unrestricted Fund**. This would be sufficient to support approximately 7 weeks of operating costs.

The balance of our **restricted general funds** (excluding pension reserve) plus the balance on **unrestricted funds** as at 31 August 2017 is **£1,973,000** (£1,192,000 + £781,000).

The ESFA previously set a limit on the sum of GAG that could be carried forward from one year to the next. The limit has now been removed so the Academy Trusts can keep the money aside for when it is needed and build up reserves, for example for long term capital projects.

An updated report has been prepared on reserves and was presented to members of the Finance Committee at a meeting held on 15th November 2017.

Investment Policy

The School currently has £781,000 invested in two separate accounts; a Virgin Charity Deposit Account and a Yorkshire / Clydsdale Deposit to spread the risk.

Principal Risks and Uncertainties

The principal risks for the School are the PFI contract and the uncertainty surrounding the prediction of future funding of the School from central government. The DfE has deferred the full introduction of the National Funding Formula until 2020-21.

The private finance initiative (PFI) contract remains a principal risk for the School, due to the lack of control the School has in the final contract value. The contract is subject to a periodic benchmarking process. The five yearly "Value for Money" Testing exercise, as set out in the Project Agreement, will due to be implemented by August 2018. There has been no growth in the unit rate of pupil funding since 2010-11 and much of the additional funding provided to the School when it converted to an Academy in 2011 has now ended. At the same time the School has been faced with a significant increase in its expenditure caused by factors which are outside of its control (national insurance, pensions and PFI costs).

Wirral Grammar School for Girls

Governors' (Trustees') report for the year ended 31 August 2017 (*continued*)

Plans for Future Periods

The vast majority of the Schools funding is provided by way of grant received from the ESFA & referred to as GAG. This size of the grant is largely determined by the number of pupils attending the school.

Although the School receives its allocations directly from the ESFA, the Pre 16 element reflects the simplified formula which Wirral Council, in consultation with its Schools Forum, uses to allocate all of its Dedicated Schools Grant (DSG) to LA maintained schools. As an Academy we have in the past received some extra funding to reflect the additional responsibilities we are faced with in this respect. This additional grant is currently referred to as the Education Services Grant (ESG).

Over recent years all Local Authorities have been required to simplify their formula and they have been limited to a relatively small number of formula factors. These changes have been introduced to enable consistency between Local Authorities and to help with the progression towards a National Funding Formula.

The vast proportion of our school formula allocation for Pre 16 is made up of the Basic Entitlement and the Lump Sum. We receive very little by way of the other main formula factors which include:

- Deprivation
- Looked After Children
- Low Cost High Incidence Special Educational Needs (SEN)
- EAL

Since the School converted to an Academy in the summer of 2011, there have been a lot of changes to the allocations received by the School. Although the pupil population of the School has increased the total value of the grant received has not increased by the same proportion, for a number of different reasons.

The unit rate of funding each Local Authority has received over the past few years from Central Government has been static, and the only real growth in funding has been via the Pupil Premium, not GAG. This has meant that this school like all other schools in England has had to meet any expenditure pressures including pay awards from a funding base which has not increased.

For 2017-18 funding purposes our "funded" pupil numbers are 1,179 compared with 1,167 in 2016-17. This represents a small increase of 12 pupils.

Our final GAG for 2017-18 of £5,752 (000's) is higher than the cash figure we received in 2016-17 mainly due to changes in which the PFI Affordability Gap is recorded, rather than a "real" increase in funding.

The budget for the 2017/2018 financial year has been set and agreed by the Governors. This confirms that the School will use £46,000 of its reserves to balance the 2017-18 budget.

In July 2017 Justine Greening announce an additional £1.3 billion for schools. An extract of the statement is as follows...

"School funding is at a record high because of the choices we have made to protect and increase school funding even as we faced difficult decisions elsewhere to restore our country's finances, but we recognise that at the election people were concerned about the overall level of funding for schools as well as its distribution. As the Prime Minister has said, we are determined to listen. That is why I am today confirming our plans to get on with introducing a national funding formula in 2018-19. I can announce that will now be supported by significant extra investment into the core schools budget over the next two years.

The additional funding I am setting out today, together with the introduction of a national funding formula, will provide schools with the investment they need to offer a world-class education to every child. There will therefore be £1.3 billion for schools and high needs across 2018-19 and 2019-20 in addition to the schools budget set at spending review 2015. This funding is across the next two years as we transition to the national funding formula. Spending plans for the years beyond 2019-20 will be set out in a future spending review.

Wirral Grammar School for Girls

Governors' (Trustees') report for the year ended 31 August 2017 (continued)

As a result of this investment, core funding for schools and high needs will rise from almost £41 billion in 2017-18 to £42.4 billion in 2018-19. In 2019-20 it will rise again to £43.5 billion. This represents £1.3 billion in additional investment: £416 million more than was set aside at the last spending review for the core school budget in 2018-19, and £884 million more in 2019-20. It will mean that the total schools budget will increase by £2.6 billion between this year and 2019-20, and per pupil funding will now be maintained in real terms for the remaining two years of the Spending Review period to 2019-20.

For this Government, social mobility and education are a priority. The introduction of the national funding formula — from which previous Governments shied — backed by the additional investment in schools we are confirming today, will be the biggest improvement to the school funding system in well over a decade.

I said when I launched the consultation last December that I was keen to hear as many views as possible on this vital reform. I'm grateful for the engagement on the issue of fairer funding and the national funding formula. We received more than 25,000 responses to our consultation, including from members from across the House. We have listened carefully to the feedback we have received and we will respond to the consultation in full in September, but I can today tell the House that the additional investment we are able to make in our schools will allow us to do several things, including:

- Increasing the basic amount that every pupil will attract in 2018-19 and 2019-20;
- For the next two years, this investment will provide for up to 3% gains a year per pupil for underfunded schools, and a 0.5% a year per pupil cash increase for every school;
- We will also continue to protect funding for pupils with additional needs, as we proposed in December.

Given this additional investment, we are able to increase the percentage allocated to pupil led factors, something I know honourable members were keen to happen. This formula settlement to 2019-20 will provide at least £4,800 per pupil for every secondary school, which I know Members in a number of areas will particularly welcome.

The national funding formula will therefore deliver higher per pupil funding in respect of every school, and in every local area. These changes, building on the proposals that we set out in December, will provide a firm foundation as we make historic reforms to the funding system, balancing fairness and stability for schools. It remains our intention that a school's budget should be set on the basis of a single, national formula, but a longer transition makes sense to provide stability for schools. In 2018-19 and 2019-20, the national funding formula will set indicative budgets for each school, and the total schools funding received by each local authority will be allocated according to our national fair funding formula and transparently for the first time.

Local authorities will continue to set a local formula to distribute that funding, and to determine individual schools' budgets in 2018-19 and 2019-20, in consultation with schools in the area. I will shortly publish the operational guide to allow them to begin that process. To support local authorities planning, I am also confirming now that in 2018-19, all local authorities will receive some increase to the amount they plan to spend on schools and high needs in 2017-18. We will confirm gains for local authorities, based on the final formula, in September.

The guide will set out some important areas that are fundamental to supporting a fairer distribution through the national funding formula. For example, we will ring-fence the vast majority of funding provided for primary and secondary schools although local authorities, in agreement with their local schools forum, will be able to move some limited amounts of funding to other areas, such as special schools, where this better matches local need.

As well as this additional investment through the national funding formula, I am confirming our commitment to doubling the physical education and sports premium for primary schools. All primary schools will receive an increase in their PE and sports premium funding in the next academic year.

The £1.3 billion additional investment in core schools funding which I am announcing today will be funded in full from efficiencies and savings I have identified from within my Department's existing budget, rather than higher taxes or more debt. This of course requires difficult decisions, but it is right to prioritise core schools funding, even as we continue the vital task of repairing the public finances. I am maximising the proportion of my Department's budget which is allocated directly to frontline headteachers — who can then use their professional expertise to ensure that money is spent where it will have the greatest possible impact. I have challenged my civil servants to find efficiencies, just as schools are having to

Wirral Grammar School for Girls

Governors' (Trustees') report for the year ended 31 August 2017 (continued)

The School Development Plan has been fully costed, and sufficient provision made available within the 2017-18 Budget Forecast.

Budget projections for 2018-19 & 2019-20 will be updated to reflect the estimates of pupil numbers and the latest impact of the National Funding Formula. LA's will continue to set local formula, as they do now for determining individual schools' budgets in 2018-19 and 2019-20. Wirral LA has yet to decide how quickly it moves to a NFF, and if it top slices to manage high needs pressures. At this point in time it is prudent to work on a 0.5% increase, which is the minimum increase in the NFF for all schools.

Funds Held as Custodian Trustee on Behalf of Others

The School does not hold funds on behalf of others.

Auditor

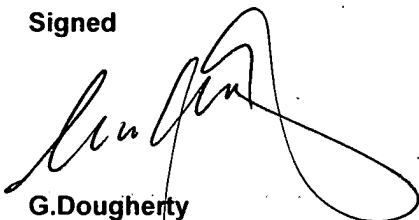
BDO LLP is the independent auditor for the School.

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 29th November 2017 and signed on the board's behalf by:

Signed



G. Dougherty
Chair of Governors

Wirral Grammar School for Girls

Governance statement for the year ended 31 August 2017

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors (Trustees) has formally met 4 times during the year.

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

Governors / Trustees	Meetings attended	Out of a possible
G. Dougherty (Chairman)	4	4
J Kingston Davies	1	4
J Gillard	3	4
N Hayward	2	4
R James	3	4
T Harney	3	4
C Todd	2	4
S Bridge	3	4
C Field	4	4
R Ward (Resigned July 2016)	N/A	N/A
E Mok	3	4
Dr R Smith	3	4
F Barrick	4	4
J Forshaw	4	4
J Schwarz (Responsible Officer)	0	4
C Arnold (Resigned 31/08/2016)	N/A	N/A
P Walton (Staff Governor)	4	4
E Cogan (Headteacher and Accounting Officer)	4	4
A Cooper (Appointed September 2016)	3	3
E De Boorder (Staff Governor – Appointed September 2016)	3	3

There are currently no vacancies on the Governing Body

Wirral Grammar School for Girls

Governance statement for the year ended 31 August 2017 (*continued*)

The Finance Committee is a sub-committee of the main Board of Governors (Trustees)
Its purpose is to:

1. To consider the Academy's indicative funding, notified annually by the DfES, and to assess its implications for the Academy, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
2. To consider and recommend acceptance/non-acceptance of the Academy's budget, at the start of each financial year.
3. To contribute to the formulation of the Academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, with the stated and agreed aims and objectives of the academy.
4. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
5. To liaise with and receive reports from the staffing/remuneration and curriculum committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
6. To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfES, drawing any matters of concern to the attention of the Governing Body.
7. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
8. To ensure that the financial statement is prepared to form part of the annual report of the governing body to parents and for filing in accordance with Companies Act and Charity Commission requirements.
9. To receive auditors' reports and to recommend to the Full Governing Body action as appropriate in response to audit findings.
10. To recommend to the Full Governing Body the appointment or reappointment of the auditors of the academy.
11. Review letting policy.
12. To assist the Governing Body and Headteacher to discharge their responsibilities on all matters relating to the School premises, grounds and security.
13. Annually to inspect the buildings, grounds and equipment and prepare a statement concerning maintenance and development of these for approval of the Governing Body, and a monitored list of priorities.
14. To ensure that the School complies with health/safety regulations and that procedures are in place for the regular monitoring of these.
15. To ensure that governors' responsibilities are discharged regarding litter under the Environmental Protection Act 1990.
16. To ensure any necessary liaison with Wirral Schools Services Limited (WSSL) and SPIE.
17. To approve the Financial Handbook and recommend to the Governing Body that the Financial Handbook is adopted.
18. Headteacher to be given the delegated powers of signing the PFI invoices Terms of Reference

Wirral Grammar School for Girls

Governance statement for the year ended 31 August 2017 (continued)

Attendance at meetings in the year was as follows:

Governor / Trustee	Meetings Attended	Out of a possible
J Kingston Davies	0	3
N Hayward	3	3
S Bridge	1	3
J Forshaw	3	3
R James	1	3
C Field	3	3
E Cogan (Headteacher and Accounting Officer)	3	3

The audit committee is also a sub-committee of the main board of governors (trustees). Its purpose is to assist the Governing Body in fulfilling its oversight responsibilities and to make appropriate comments and recommendations on such matters, to the Full Governing Body on a regular basis. Major issues will be referred to the Full Governing Body for ratification.

Attendance at meetings in the year was as follows:-

Governor / Trustee	Meetings Attended	Out of a Possible
S Bridge	1	1
C Field	1	1
J Schwarz	1	1
E Cogan (Headteacher and Accounting Officer)	1	1

Review of Value for Money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. In the past twelve months, value for money has been achieved in the following ways:

- Continued pressure has been placed on the PFI contractor SPIE and WSSL to deliver the specific service required by individual schools as contained within the terms of the PFI contract. Regular meetings have been hosted by WGSG, attended by senior officers of the relevant organisations. School representatives constantly challenge the quality & performance delivered by the contractor and when this falls below agreed levels performance deductions accrue.
- Officers at Wirral Council have undertaken a comprehensive comparative exercise between PFI schools & non PFI schools to determine whether there is a case for additional budget resources to be transferred as a result. The Council has consulted with all schools on the PFI Affordability Gap and PFI Facilities Management Costs, with the result that additional funding has been provided to the 9 PFI schools in Wirral. WGSG has gained an additional £48,261 in 2017-18 as a result of this exercise.
- The school tries to maximise the use of the FFE budget managed by SPIE, rather than its own school budget in the first instance.

Wirral Grammar School for Girls

Governance statement for the year ended 31 August 2017 (*continued*)

-
- A Financial Administration Manual is updated each year to remind staff, with the appropriate responsibilities, of what is required of them in respect of purchasing, seeking quotes, & tendering to ensure that the School receives value for money.
 - The School is proactive in seeking additional funding when the opportunities arise. This is evidenced by the success in obtaining Admission Appeals Funding of £10k from the ESFA in the past twelve months.
 - The School is proactive in seeking quotes from alternative fuel oil suppliers and will drive down the unit cost on this basis when placing its orders.
 - The IT team always seek quotes and negotiate prices with suppliers of IT equipment.
 - An additional bus service has been arranged to encourage those from further afield not to use distance as a factor in not considering the school. This helps to keep pupil numbers up.
 - A member of the teaching staff has been trained through Quallsafe to become a fully qualified First Aid trainer who can now offer both an enhanced curriculum and train school staff in First Aid. Thus significantly reduces the cost of having to send staff on external courses etc.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wirral Grammar School for Girls for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor although an audit committee will meet and make appropriate recommendations.

Wirral Grammar School for Girls

Governance statement for the year ended 31 August 2017 (*continued*)

In addition to this the governors have appointed J Schwarz, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

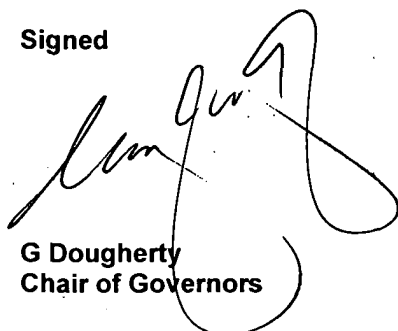
As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

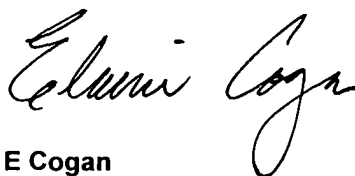
Approved by order of the members of the board of trustees on 29th November 2017 and signed on its behalf by:

Signed



G Dougherty
Chair of Governors

Signed



E Cogan
Headteacher/Accounting Officer

Wirral Grammar School for Girls

Statement on regularity, propriety and compliance

As Accounting Officer of Wirral Grammar School for Girls I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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

Signed



E Cogan
Headteacher/Accounting Officer

Date 29.11.17

Wirral Grammar School for Girls

Statement of Trustees' responsibilities for the year ended 31 August 2017

The Trustees (who act as governors of Wirral Grammar School For Girls and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 29th November 2017 and signed on its behalf by:

Signed


G Dougherty
Chair of Governors

Wirral Grammar School for Girls

Independent Auditor's report on the financial statements to the Board of Trustees of Wirral Grammar School For Girls

Opinion

We have audited the financial statements of Wirral Grammar School for Girls ("the Academy") for the year ended 31 August 2017 which comprise the statement of financial activities (incorporating income and expenditure account), balance sheet, 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the Education & Skills Funding Agency ("the ESFA").

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy'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 and the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the EFA.

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 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's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the 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.

Wirral Grammar School for Girls

Independent Auditor's report on the financial statements to the Board of Trustees of Academy Trust Limited

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, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Wirral Grammar School for Girls

Independent Auditor's report on the financial statements to the Board of Trustees of Academy Trust Limited

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool
United Kingdom
Date 8/12/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Wirral Grammar School for Girls

Independent Reporting Accountant's Assurance Report on Regularity to Wirral Grammar School For girls and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 17 October and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in Part 9 of the Academies Accounts Direction 2016 to 2017 (SORP 2015), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wirral Grammar School for Girls during the year 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 Wirral Grammar School for Girls and to the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wirral Grammar School for Girls and to 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 Wirral Grammar School for Girls and to the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Wirral Grammar School for Girls accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wirral Grammar School for Girls 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 (SORP 2015). We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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 work in accordance with the Academies Accounts Direction 2016 to 2017 (SORP 2015) 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's income and expenditure.

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

Wirral Grammar School for Girls

Independent Reporting Accountant's Assurance Report on Regularity to Wirral Grammar School for Girls and the Education & Skills Funding Agency (*continued*)

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 year 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.

BDO LLP

BDO LLP

Reporting Accountant

Liverpool

United Kingdom

Date 8/12/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Wirral Grammar School for Girls

Statement of financial activities for the year ended 31 August 2017

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from:						
Donations & capital grants	2	-	-	25	25	25
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	-	5,477	-	5,477	5,437
Other trading activities	4	71	90	-	161	145
Investments	5	8	-	-	8	9
Total		79	5,567	25	5,671	5,616
Expenditure on:						
Raising Funds	6	39	87	-	126	119
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	5,279	29	5,308	5,399
Total		39	5,366	29	5,434	5,518
Net income / (expenditure)		40	201	(4)	237	98
Transferred between funds		-	-	-	-	-
Other recognised gains and losses						
Actuarial / gain / (losses) on defined benefit pension schemes	23	-	352	-	352	(481)
Net movement in funds		40	553	(4)	589	(383)
Reconciliation of funds						
Total funds brought forward at 1 September 2016	16	741	(519)	310	532	915
Total funds carried forward at 31 August 2017		781	34	306	1,121	532

All of the academy's activities derive from continuing operations during the above two financial periods. The notes on pages 28 to 48 form part of these financial statements.

Wirral Grammar School for Girls

Balance sheet
at 31 August 2017

Company number 07695736

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	12		104		100
Current assets					
Current asset investment	13	263		257	
Debtors	14	175		154	
Cash at bank and in hand		2,110		1,867	
		<u>2,548</u>		<u>2,278</u>	
Liabilities					
Creditors: amounts falling due within one year	15	373		390	
Net current assets			<u>2,175</u>		<u>1,888</u>
Total assets less current liabilities			<u>2,279</u>		<u>1,988</u>
Creditors: amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>2,279</u>		<u>1,988</u>
Defined benefit pension scheme liability	23		(1,158)		(1,456)
Total Net assets			<u>1,121</u>		<u>532</u>
Funds of the academy trust					
Restricted funds					
Fixed asset fund	16	306		310	
General fund	16	1,192		937	
Pension reserve	16	(1,158)		(1,456)	
Total restricted funds		<u>340</u>		<u>(209)</u>	
Unrestricted income funds					
General fund	16	781		741	
Total unrestricted funds		<u>781</u>		<u>741</u>	
Total funds			<u>1,121</u>		<u>532</u>

The notes on pages 28 to 48 form part of these financial statements.

The financial statements on pages 25 to 27 were approved by the trustees, and authorised for issue on 29th November 2017 and are signed on their behalf by:

Signed

G Dougherty
Chair of Governors

Wirral Grammar School for Girls

Statement of Cash Flows for the year ended 31 August 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by operating activities	19	243	253
Cash flows from investing activities	20	0	28
Cash flow from financing activities		-	-
Change in cash and cash equivalents in the reporting period		243	281
Cash and cash equivalents at 1 September 2016		1,867	1,586
Cash and cash equivalents at 31 August 2017	21	2,110	1,867

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017

1. Statement of accounting policies

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

Wirral Grammar School for Girls constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017

1.5 Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried 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 there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

• Leasehold improvements	Over the life of the lease
• Fixtures, fittings and equipment	20 %
• ICT equipment	25% - 50% straight line

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.6 PFI Agreement

The Academy occupies buildings which are owned by Wirral Borough Council and utilised by the Academy under a PFI agreement. The Academy pays revenue contributions in respect of facilities management. The Academy does not have rights or obligations of ownership in respect of these assets and therefore they are not included on the Academy's balance sheet. The revenue payment is recognised in the SOFA.

1.7 Investments

Current asset investments concern cash held on deposit with a maturity date of less than one year from the balance sheet date. Investments are initially and subsequently measured at the amount of the cash deposit.

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions 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 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 are measured at the best estimate of the amounts required to settle the obligation.

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017

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.

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.12 Leased Assets

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

1.13 Taxation

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

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

1.14 Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by 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 in 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.

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017

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

1.15 Fund Accounting

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

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

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

1.16 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 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 pension 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 actuarial valuation performed at 31 March 2013 has been used in valuing the pension 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.

- The most important factor in determining the amount of GAG the school receives each year is the number of pupils on roll. Regular reports are provided to members of the Finance Committee estimating the size of the School Budget. These are updated as & when changes take place with regards to intakes, particularly Y7 & Y12 numbers.
- A significant factor in determining the amounts reflected in the financial statements would be any decision to become a Multi Academy Trust. This decision has not yet been taken by the school although the situation is constantly monitored by the Governing Body of the school.

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (*continued*)

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	25	25	25
	-	25	25	25
<i>2016 Total</i>	-	25		25

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	5,343	5,343	5,306
Other DfE/ESFA grants	-	102	102	87
	-	5,445	5,445	5,393
Other Government grants				
Local authority grants	-	26	26	37
Special educational projects	-	6	6	7
	-	32	32	44
	-	5,477	5,477	5,437
<i>2016 Total</i>	-	5,437		5,437

4 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of Facilities	27	-	27	11
Language College Evening Classes	-	-	-	15
Sundry Income	44	90	134	119
	71	90	161	145
<i>2016 Total</i>	69	76		145

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (continued)

5 Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Interest Receivable	8	-	8	9
2016 Total	9	-		9

6 Expenditure

	Staff costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds	19	14	93	126	119
Academy's educational operations:					
Direct costs	3,555	29	311	3,895	4,019
Allocated support costs	506	576	331	1,413	1,380
	4,080	619	735	5,434	5,518

Total expenditure was £5,434,000 (2016: £5,518,000) which £39,000 (2016: £44,000) was unrestricted, £5,366,000 restricted (2016: £5,441,000) and £29,000 restricted fixed assets (2016: £33,000).

Net expenditure for the year includes:

	2017 £000	2016 £000
Operating leases		
- plant and machinery	9	10
- other leases	4	5
- land & buildings	501	509
Fees payable to auditor for:		
- audit	12	12

Included within expenditure are the following transactions.

	Total £	Individual items above £5,000 Amount £	Reason £
Compensation payments	-	-	N/A

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (*continued*)

7 Charitable activities

	Total 2017 £000	Total 2016 £000
Direct costs – educational operations		
Teaching and educational support staff costs	3,555	3,675
Depreciation	29	33
Technology costs	53	68
Educational supplies	113	85
Examination fees	100	109
Staff development	22	16
Other direct costs	23	33
	3,895	4,019
Support costs – educational operations		
Support staff costs	506	538
PFI Charges	496	504
Other support costs	188	130
Recruitment and support	12	37
Maintenance of premises and equipment	12	5
Cleaning	14	16
Rent and rates	27	27
Energy costs	22	12
Insurance	35	39
Catering	17	16
Other interest (pension)	54	30
Tower Block Lease	5	5
Governance Costs	25	21
	1,413	1,380
Total direct and support costs	5,308	5,399

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (continued)

8 Governance costs

	Total 2017 £000	Total 2016 £000
Legal and professional fees	13	9
Auditors' remuneration:		
- Audit of financial statements	10	10
- Accounts Assistance (pensions note)	1	1
- Audit of Teachers Pension & Academies Accounts Returns	1	1
	<u>25</u>	<u>21</u>

9 Staff

	2017 £000	2016 £000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	3,201	3,329
Social security costs	299	287
Pension Costs	523	541
Fixed LG Pension Deficit Charge	38	37
	<u>4,061</u>	<u>4,194</u>
Supply staff costs	19	13
Staff restructuring costs	-	32
	<u>4,080</u>	<u>4,239</u>

b. Non statutory/non-contractual staff severance payments

There are no staff restructuring cost in 2017 (2016 - £22,400).

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (*continued*)

9 Staff (*continued*)

c. Staff numbers

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

	2017 Number	2016 Number
Charitable activities		
Teachers	60	63
Administrations and support	24	24
Management	6	7
	<hr/>	<hr/>
	90	94
	<hr/>	<hr/>

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2017 Number	2016 Number
£60,001 - £70,000	2	3
£100,001 - £110,000	1	1

All of the above employees participated in the Teachers' Pension Scheme.

e. Key Management Personnel

The key management personnel of the academy trust comprise the trustees and members of the senior management team as listed on page 3.

In 2016-17 the Senior Management Team consisted of six staff, the Headteacher, two deputy Headteachers and three Assistant Headteachers. Two other trustees also received employee benefits from the school. The total amount of employee benefits (including employer pension contribution and employer national insurance contribution) received by these eight key management personnel for their services to the academy trust was £565,000 (2016; £604,000).

Disclosure of prior year key management personnel employee benefits has been restated to include employers national insurance contribution.

10 Related Party Transactions – Trustees remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

E.Cogan (Headteacher and trustee):

Remuneration £105,000 - £110,000 (2016 - £105,000 - £110,000)

Employers' pension contributions £15,000 - £20,000 (2016 - £15,000 - £20,000)

E De Boorder (staff trustee):

Remuneration £45,000 - £50,000 (2016 – N/A)

Employers' pension contributions £5,000 - £10,000 (2016 – N/A)

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017 (*continued*)

10 Related Party Transactions – Trustees remuneration and expenses (*continued*)

P.Walton (staff trustee):

Remuneration £0 - £5,000 (2016 - £0 - £5,000)

Employers' pension contributions £0 - £0 (2016 - £0 - £0)

C Arnold (staff trustee):

Remuneration N/A (2016 - £20,000 - £25,000)

Employers' pension contributions N/A (2016 - £0 - £5,000)

During the period ended 31 August 2017, travel and subsistence expenses totalling £169.26 (2016 - £747.62) were reimbursed or paid directly to 1 trustee (2016 - 2 trustees).

Other related party transactions involving the trustees are set out in Note 24.

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017 (*continued*)

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31st August 2017 was included within the commercial insurance package purchased by the Academy. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the Academy's insurance premium, which is a combined policy.

12 Fixed Assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer Equipment £'000	Total £'000
<i>Cost</i>				
At 1 September 2016	77	76	117	270
Additions	-	-	33	33
Transfer	-	(8)	8	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	77	68	158	303
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 September 2016	17	45	108	170
Charge in the year	4	13	12	29
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	21	58	120	199
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2017	56	10	38	104
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2016	60	23	17	100
	<hr/>	<hr/>	<hr/>	<hr/>

During the year it was identified that a fixed asset had been incorrectly categorised as furniture and equipment when it should have been shown as computer equipment. The cost associated with this asset has now been transferred to the correct category in the current year. Accumulated depreciation is unaffected.

13 Investments

	2017 £'000	2016 £'000
Cash held on deposit	263	257
	<hr/>	<hr/>
	263	257
	<hr/>	<hr/>

The amount shown under cash held on deposit above relates to cash held in fixed term deposits.

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (*continued*)

14 Debtors

	2017 £'000	2016 £'000
Trade debtors	4	4
VAT recoverable	4	6
Other debtors	12	8
Prepayments and accrued income	155	136
	<hr/>	<hr/>
	175	154
	<hr/>	<hr/>

15 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	-	67
Taxation and social security	80	84
Other creditors	157	117
Accruals and deferred income	136	122
	<hr/>	<hr/>
	373	390
	<hr/>	<hr/>

Deferred income

	2017 £000
Deferred income(National Non Domestic Rates) at 1 September 2016	17
Resources deferred in the year	3
Amounts released from previous years	(17)
	<hr/>
Deferred income at 31 August 2017	3
	<hr/>

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (*continued*)

16 Funds

	Balance at 31 August 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and Transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	786	5,343	(5,091)	-	1,038
Other Grants	26	102	(102)	-	26
Other DfE/ESFA grants	12	32	(32)	-	12
Other Trading Activities	113	90	(87)	-	116
Pension reserve	(1,456)	-	(54)	352	(1,158)
	(519)	5,567	(5,366)	352	34
Restricted fixed asset funds					
DfE/ESFA capital grants	140	25	(25)	25	165
Capital grants from GAG	23	-	(4)	-	19
Transfer on Conversion	147	-	-	(25)	122
	310	25	(29)	-	306
Total restricted funds	(209)	5,592	(5,395)	352	340
Unrestricted funds					
Unrestricted funds	741	79	(39)	-	781
Total unrestricted funds	741	79	(39)	-	781
Total funds	532	5,671	(5,434)	352	1,121

Restricted Funds have increased by £549,000 during the year due mainly to factors relating to the Pension Liability, details of which are provided in Note 23. Excluding the pension reserve, the balance on restricted general funds plus the balance on unrestricted funds as at 31 August 2017 is £1,973,000.

Lettings Income, and Sundry Income are the main factors behind the movement in Unrestricted funds for the school.

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

16 Funds (continued)

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

Under the original funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward.

The School received a deed of variation dated 23 July 2013 relating to its Funding Agreement. Clause 78 of the Funding Agreement has been deleted and replaced with the following clause.

"At the beginning of any Academy Financial Year the Academy Trust may hold unspent GAG from previous Academy financial Years amounting to such percentage (if any) as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust prior to the beginning of that Academy Financial Year of the total GAG payable for the Academy in the Academy Financial Year just ended or such higher amount as may from time to time be agreed. The Academy Trust shall use such carried forward amount for such purpose, or subject to such restriction on its use, as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust"

17 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	104	104
Current assets	781	1,565	202	2,548
Current liabilities	-	(373)	-	(373)
Pension scheme liability	-	(1,158)	-	(1,158)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	781	34	306	1,121
	<hr/>	<hr/>	<hr/>	<hr/>

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

18 Financial commitments

Operating leases

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

	2017 £'000	2016 £'000
Amounts due within one year	845	529
Amounts due within one & five years	3,562	2,085
Amounts due after 5 years	8,898	5,106
	<u>13,305</u>	<u>7,720</u>

Included in operating lease commitments is £13,274,000 (2016: £7,608,000) which relates to revenue contributions for facilities management in respect of the PFI arrangement under which the buildings are occupied by the Academy.

19 Reconciliation of net income to net cash inflow from operating activities

	2017 £000	2016 £000
Net income	237	98
Depreciation (note 12)	29	34
Capital grants from DfE and other capital income (note 2)	(25)	(25)
Interest receivable (note 5)	(8)	(9)
FRS 17 pension cost less contribution payable (note 23)	22	(5)
FRS 17 pension finance income (note 23)	32	35
Decrease/(increase) in debtors	(21)	43
Increase/(decrease) in creditors	(17)	87
(Increase) in current asset investments	(6)	(5)
	<u>243</u>	<u>253</u>
Net cash provided by operating activities		

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (*continued*)

20 Cash flows from investing activities

	2017 £'000	2016 £'000
Purchase of tangible fixed assets	(33)	(6)
Capital grants from DfE/ESFA	25	25
Interest received	8	9
	<hr/>	<hr/>
Net cash provided by investing activities	0	28
	<hr/>	<hr/>

21 Analysis of cash and cash equivalents

	At 31 August 2017 £'000	At 31 August 2016 £'000
Cash in hand and at bank	2,110	1,867
	<hr/>	<hr/>

22 Members liability

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

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

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 Mercer. 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £58,578 (2016 - £61,286) were payable to the schemes at 31 August 2017 and are included within creditors.

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

The Teachers Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay: in line with current regulations, not including the additional 0.08% employers pay for the cost of the Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

Wirral Grammar School for Girls

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

23 Pension and similar obligations (continued)

Total contributions paid to TPS in the period amounted to £719,552 (2016 - £747,904) of which employers contributions totalled £441,861 (2016 - £459,212) and employees contributions totalled £277,691 (2016 - £288,692).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £145,000 (2016: £145,000), of which employer's contributions totalled £119,000 (2016 £118,000) and employees' contributions totalled £26,000 (2016 £27,000).

The contribution rate employees pay is based on how much they are paid. The rate that is paid depends on the band that the employee falls into. In 2017-18 there are currently 9 pay bands with contributions ranging from 5.5% to 12.5% of pensionable pay.

The employer's rate for the school is currently 19.5% (from 18.7%) This rate has been set for three years commencing April 2017, based upon a recent Actuarial Valuation of the scheme.

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.

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (continued)

23 Pension and similar obligations (continued)

Principal actuarial assumptions	2017	2016
Rate of increase in salaries	3.70%	3.30%
Rate of increase in pensions in payment / deferment	2.20%	1.90%
Discount rate for scheme liabilities	2.40%	2.10%
Inflation assumption (CPI)	2.20%	1.80%
Commutation of pensions to lump sums	50.00%	50.00%

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

	2017	2016
Retiring today		
Males	21.6 years	22.5 years
Females	24.7 years	25.4 years
Retiring in 20 years		
Males	24.2 years	24.9 years
Females	27.7 years	28.2 years

Sensitivity analysis

	As at 31 August 2017 £'000	As at 31 August 2016 £'000
+ 0.1% p.a. discount rate	2,372	2,636
+ 0.1% p.a. inflation	2,451	2,734
+ 0.1% p.a. pay growth	2,415	2,698
1 year increase in life expectancy	2,457	2,732

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	656	645
Government Bonds	43	56
Other Bonds	152	145
Property	100	101
Cash/liquidity	60	45
Other	242	236
Total	1,253	1,228

Wirral Grammar School for Girls

Notes forming part of the financial statements
for the year ended 31 August 2017 (continued)

23 Pension and similar obligations (continued)

The actual return on scheme assets was £133,000 (2016 - £190,000)

Amounts recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost (net of employee contributions)	(150)	(113)
Net Interest Cost	(30)	(33)
Administration expenses	(2)	(2)
	<hr/>	<hr/>
Total operating charge	(182)	(148)
	<hr/>	<hr/>

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

	2017 £'000	2016 £'000
At 1 September	2,684	1,858
Current service cost	150	113
Interest cost	58	71
Employee contributions	26	27
Actuarial (gain)/loss	(527)	633
Benefits paid	20	(18)
	<hr/>	<hr/>
At 31 August	2,411	2,684
	<hr/>	<hr/>

Changes in the fair value of academy trust's share of scheme assets

	2017 £'000	2016 £'000
At 1 September	1,228	913
Expected return on assets	28	38
Actuarial gain/(loss)	(175)	152
Administrative expenses	(2)	(2)
Employer contributions	128	118
Employee contributions	26	27
Benefits paid	20	(18)
	<hr/>	<hr/>
At 31 August	1,253	1,228
	<hr/>	<hr/>

24 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.