

Lancaster Girls' Grammar School
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2016

Lancaster Girls' Grammar School

Annual Report and Financial Statements for the year ended 31st August 2016

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Lancaster Girls' Grammar School

Reference and administrative details for the year ended 31st August 2016

Trustees / Members	Mrs S Bain (Vice Chair) Mrs J Cahalin (Head teacher & Accounting Officer) Prof A Chetwynd Mr I Dodd Mrs S Haythornthwaite Mrs S Hodgson (Vice Chair) Mr S Jackson Mrs S Keith Dr J Lavelle (Chair of Trustees) Mrs M Lingard Mrs A Norfolk Mrs S Randall-Paley Mrs J Stables Mr R Taylor Mrs A Whittaker
Secretary	Mrs J Mason
Senior Leadership Team	Mrs J Cahalin (Head teacher) Miss S Bellin (Deputy Head) Mr D Green (Assistant Head) Mrs S Hutchinson (Assistant Head) Mrs J Pardoe (Assistant Head) Mr K Strachan (Assistant Head) Mrs J Mason (Business Manager)
Principal and Registered Office	Regent Street Lancaster LA1 1SF
Company Registration Number	07441463
Independent Auditor	CWR Chartered Accountants 20 Mannin Way Lancaster Business Park Caton Road Lancaster LA1 3SW
Bankers	Lloyds Bank PO Box 1000 Andover BX1 1LT

Lancaster Girls' Grammar School

Reference and administrative details (continued)

Solicitors

Lancashire Legal Services
County Hall
Preston
PR1 0LD

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Surveyors

Cassidy and Ashton
7 East Cliff
Preston
PR1 3JE

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2015 to the 31st August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The Trust operates an Academy for students aged 11 to 18 serving a catchment area from where the Academy is situated. It has a pupil capacity of 1065 and had a roll of 887 on 14th January 2016.

1. Structure, Governance and Management

1.1 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, being registered on 16th November 2010.

The Trustees of Lancaster Girls' Grammar School are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Lancaster Girls' Grammar School. The Trustees also make up the Governing Body of the Academy and each Trustee is a Governor of the Academy.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 2.

1.2 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.

1.3 Trustees' Indemnities

In accordance with normal company practice, the Academy has purchased insurance to protect Trustees and Officers for claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £2,000,000 on any one claim (see note 10).

1.4 Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall not be less than three but shall not be subject to any maximum.

The Members may appoint Staff Trustees through such process as they may determine, providing the total number of Trustees (including the Head teacher) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

The Head teacher shall be treated for all purposes as being an ex officio Trustee.

The Parent Trustees shall be elected by parents of registered pupils at the Academy. Where a vacancy for a Parent Governor is required to be filled by election the Board of Trustees shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at that election, and given an opportunity to do so.

The Trustees may appoint up to 3 Co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are given an introductory pack on appointment with information about the membership of the various committees. The Academy is a member of the National Governors Association (NGA) which can support and advise any Trustee in school. The school subscribes to GEL (Governors E-Learning), which allows Trustees to access online training modules. There is also a Google documents site for Trustees where they can find all the relevant LGGS documentation and other useful resources. Full Trustees and Committee Meetings are also used to provide updates for Trustees on key governance issues e.g. Safeguarding, Radicalisation and Reporting and Analysis for Improvement through school Self-Evaluation (RAISEonline).

1.6 Organisational Structure

The management structure in place for the year consisted of a Head teacher, one Deputy Head teacher, four Assistant Head teachers and the School Business Manager (SBM). These seven posts constituted the Academy's Senior Leadership Team (SLT).

The Senior Leadership Team of the Academy is responsible for the day to day management of the school, for acting on the strategic decisions taken from the Board of Trustees and sub-committees, and ensuring a School Improvement Plan is set out, monitored and carried out successfully.

1.7 Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay decisions are made by the Pay Policy/Strategy Committee of the Governing Body, which meets at least once a year. The Pay Policy is reviewed annually. Pay of key management personnel is linked to progress against appraisal targets and key school performance indicators.

1.8 Related Parties and Other Connected Charities and Organisations

Connected to the Academy is an entity called Lancaster Girls' Grammar School Fund, a charity registered with the Charity Commission whose charity number is 1142061. The objects of this Charity are to assist the furtherance and advancement of the education of the students who attend Lancaster Girls' Grammar School.

The Trustees of the Charity will continue to make donations to the Academy for specific purposes as money is raised within the Charity through fundraising activities.

2. Objectives and Activities

2.1 Objects and Aims

The Academy Trust's object is 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 (from Articles of Association).

2.2 Objectives, Strategies and Activities

In accordance with the Funding Agreement dated 1st January 2011, made under Section 1 of the Academies Act 2010 between the Secretary of State for Education and the Academy Trust, the Academy is governed by the Board of Trustees which exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the school. The Funding Agreement specifies the admission arrangements, amongst other items, and that the curriculum, in substance, complies with the statutory requirements of Section 78 of the Education Act 2002.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

The Academy's main objective is to provide the highest quality education that meets the needs of able girls. Our vision is for a school in which all girls are supported and challenged as they grow in knowledge and confidence; enabling them to reach their full academic and personal potential.

The **values**, which underpin this vision include:

Challenge

A school, which is ambitious for its students and staff, encouraging aspirations and promoting high achievement. The high quality teaching and enrichment opportunities foster enthusiasm for learning and encourage students to realise their dreams and hopes for their futures.

Community

A cohesive learning community, where everyone works with and for others. The school's family ethos is combined with an outward looking approach and strong international links.

Confidence

Providing self-confidence and courage to face life positively, respond to change and be valuable members of society.

Equality

Celebrating diversity, ensuring that all members of the school community feel valued and respected.

Excellence

Encouraging continuous improvement for all members of the school community, striving to achieve the best we can in all we do.

Participation

Providing opportunities for students to lead, contribute and inspire through participation in a wide range of activities.

Support

Ensuring the all-round development of our students through effective pastoral systems and a wide range of opportunities so that they may enjoy their learning in a safe and caring environment

We are dedicated to preparing them for success and fulfilment in their futures as resilient, happy and responsible young women, who will make a positive contribution to society.

The Academy's main strategy is to raise standards of achievement through a continued focus on improvement of all aspects of the Academy. The core purpose of the Academy is the teaching and learning of its pupils and the resources are consistently measured by their contribution to the overall quality of teaching, learning and therefore standards by which the pupils achieve.

The main strategies and activities of the Academy during the period ended 31st August 2016 are summarised below:

1. To raise standards and support subjects with below school average performance at KS4 and KS5.
 - Support plans in place at both GCSE and A level for subjects with below school average performance.
 - Training and development opportunities implemented.
2. Continue to develop the tracking of progress of students in KS4 and the sixth form, putting in place intervention when necessary.
 - Academic mentoring programme for at risk Year 11 and sixth form students.
 - Parent/student revision evenings taken place with positive feedback.
 - English intervention for targeted Year 11 with small group sessions.
 - Easter revision sessions for Year 11 in Maths, English and Science.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

3. Improve monitoring of KS3 students and introduce a new monitoring system for Year 7 not based on levels.
 - Meetings with Head of KS3 and Head Teacher to discuss support and intervention for KS3 students who are under performing following each data event have taken place.
 - New tracking system for Year 7 implemented. Information for parents provided at the welcome evening, followed up with information sheet for staff for the Year 7 parents' evening.
4. Continue to monitor the performance of 'vulnerable groups' at all key stages and ensure all teachers are aware of these students and the support they may need.
 - Monitoring of groups has taken place at each data event.
 - Dyslexia screening for all new Year 12 and Year 10.
 - Year 12 learning review focused on vulnerable groups.
 - Special Educational Needs Co-ordinator (SENCO) and exams officer have ensured all students who are eligible have the special arrangements in place for their mocks.
5. Ensure students manage their workload effectively, meet deadlines and achieve to their full potential in their controlled assessments/ coursework.
 - Green Room being used as a quiet study area when supervised.
 - Head of KS4 worked closely with teachers to monitor the students who are behind with GCSE coursework.
 - Use of lunchtime and after school supported study effective for Year 11 in helping them manage deadlines.
6. Plan for new A level specifications and the new post 16 curriculum offer.
 - Teachers attended training and developed new schemes of work.
 - Decision made about AS entry policy for Sept 2016 intake.
7. Plan for new GCSE specifications and KS4 curriculum.
 - New GCSEs in place for Maths and English.
 - Technology recruited for both Product and Electronics in the Year 9 options.
 - Teachers attended training, made decisions about syllabuses and planned new schemes of work.
8. Review KS3 subject curriculum to ensure sufficient challenge and preparation for new GCSEs.
 - Review of KS3 curriculum time carried out.
 - Some good practice already seen in KS3 in terms of preparing for new specifications - Modern Foreign Language (MFL).
9. To implement teaching and learning strategies which maximise learning opportunities.
 - New moodle chosen and working group established.
 - Most departments have made progress with material on the new moodle.
 - Whole school INSET on developing resilience taken place.
10. Embed recommendations from the assessment review to act on quality feedback through dedicated individual reflection time.
 - Homework review carried out.
 - Any issues with the quality and frequency of marking and feedback addressed.
 - New homework policy.
11. To promote well-being and ensure all students are aware of support available in school.
 - Anti-bullying mentors have led assemblies and tutorials.
 - New opportunities for Year 10 students to represent the school and take on additional responsibilities.
 - Changes made to KS3 and KS4 Citizenship programme to incorporate resilience and wellbeing.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

- Staff training has continued to focus on wellbeing issues.
 - Form tutors provided with guidance booklet about their role.
12. To further improve attendance rates aiming at all year groups at 96% and above; reducing the number of persistent absentees.
- Attendance at 96%.
 - Persistent absenteeism down.
 - Effective provision in place for students not able to access LGGS at the moment.
13. To continue to ensure safeguarding reflects excellent practice.
- Safeguarding meeting for every key stage has taken place termly.
 - New e-safety topics introduced Year 8. E-safety policy rewritten.
 - Safeguarding assemblies taken place.
 - Staff refresher training taken place – Safeguarding L1.
14. To ensure students have access to a variety of extra-curricular and enrichment opportunities.
- New Duke of Edinburgh (D of E) programme trialled successful at bronze level.
 - International Award successfully gained.
 - Audit took place of Year 9 participation.
15. To further improve our monitoring of the quality of teaching, learning and assessment.
- SLT review programme with student focus groups taken place with different areas of focus homework, new Year 12, Pupil Premium, SEN, pupils of concern in KS4.
 - Consultation taken place with Head of Departments (HoD's) about most effective ways to monitor student work and seek student feedback leading to new systems.
 - Art open day promoted peer observations as a CPD tool and scope to develop this.
16. To plan for the increase in Pupil Admission Number (PAN) September 2016.
- Planning took place, decisions made about form groups, staffing, transition, house system.
 - Some adaptations to building including new toilets.
17. To demonstrate in all areas outstanding leadership and management and promote a positive staff culture.
- Staff code of conduct implemented.
 - New staff workload group established.
 - Changes made to HoD's meetings.
 - Three Prince's Trust programmes implemented.

2.3 Public Benefit

In setting the objectives and planning the Academy's activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The key public benefit delivered by the Trust is the provision of a high quality of education to its students. The attainment at KS4 is well above national averages. Almost all Year 11 students stay on to study A levels at LGGS. The sixth form also attracts around 50 students new to the school. Attainment at A level is also well above national averages with the vast majority of students progressing onto Higher Education.

The school also offers exceptional opportunities for personal as well as academic success. The wide ranging programme of extracurricular opportunities and extensive range of extracurricular trips and visits show excellent participation rates. There is a culture of student leadership within the school, especially for sixth formers. The extended sixth form leadership team, the House system and the form mentor programme continue to offer a range of leadership opportunities. For younger students the School Council, anti-bullying projects, roles within the form and sports teams also offer many leadership opportunities.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

3. Strategic report

3.1 Achievements and Performance

Standards remain very high and are well above the national average. Although the % of A*-A grades at GCSE dipped in 2016 to 69%, a reduction in the % of A*-A grades compared to 2015 was expected given the lower prior attainment of the year group.

Standards and achievement across a broad range of GCSE option subjects is consistently strong, and this is a significant strength of the school. Exceptionally high performing subjects included RS, Computing, Product Design, Electronics, PE and Art.

Progress 8, is + 0.3 which is above national average, showing the school adds value to its pupils.

A level grades at A*-B were at 71% with a 2% decrease in A* grades from 2015 to 16%. A number of subjects achieved upper quartile value added (grade 3 ALPS or better). Subjects with large entries and upper quartile value added included Biology, English Language, English Literature and Theatre Studies.

The vast majority of Year 11 pupils stayed at LGGS for their A level education. Out of 153 Year 13 students, 151 have confirmed their university destinations (144), art college (2) apprenticeship (3) or employment (2). This includes successes in the most competitive courses and institutions, including 8 successful Oxbridge applications and 11 students gaining places for Medicine. Our students and parents rate the extensive programme of talks and our excellent links with universities including residential to Durham, Oxford and Cambridge very highly.

Pupils continued to benefit from a wide range of enrichment and extracurricular activities. The school was awarded International School status. An increasingly important feature of LGGS life is the society programme, organised by sixth formers. These societies attract speakers into school and encourage debate and deeper learning.

Raising money for charities and a concern for others remain key aspects of LGGS life. We have been recognised as one of the main fundraising schools for Children in Need. We should also not forget the many hours LGGS students spend volunteering in the local community as part of their Duke of Edinburgh award.

Pupil well-being continues to be a top priority. Key school policies have been reviewed to ensure they promote emotional health and resilience. A new homework policy has clarified expectation about homework, we have reduced the amount of homework set for pupils in years 7 and 8. Sport at LGGS continues to play an important role in promoting well-being. Our range of extra-curricular activities has been greatly strengthened with a more diverse offer of sporting activities and more opportunities with the joint cadet force.

Changes were made to our Continuing Professional Development (CPD) programme to allow personalised learning and enhance sharing of best practice. Staff had refresher training in L1 safeguarding. The key focus for subject leaders was gaining more knowledge of the changes planned in GCSE and A levels.

In terms of self-evaluation there was a programme of learning reviews as well as lesson observations. We focused on the middle ability students in the sixth form, homework and marking, students at risk of under achievement in KS4, Pupil Premium and SEN pupils in KS3. Questionnaires were carried out and evaluated from parents, pupils and staff.

During 2015-16 we were unsuccessful in gaining any Condition Improvement Funding but used school reserves for a major roofing project which is still on going.

3.2 Key Performance Indicators

The Academy monitors its performance on examination results achieved and Ofsted reports received. It complies with all the terms and conditions of its funding agreement with the EFA and manages its reserves in line with the policies set out below.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

3.3 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 Accounting Policies note of the financial statements (note 1).

4. Financial Review

4.1 Operating and Financial Review

The academy complies with the terms and conditions of the funding agreement. The level of General Annual Grant (GAG) surplus at 31st August 2016 is £437,000 (2015 - £409,000).

The financial statements reflect a 12 month accounting period of operation as an Academy Trust. The majority of income received is obtained from the Education Funding Agency (EFA) in the form of recurrent (GAG) funding, the use of which is restricted for the day to day running of the Academy Trust. Total grants received from the EFA are set out in the statement of financial activities.

During the year ended 31st August 2016, total expenditure of £4,771,000 (2015 - £5,015,000) (before depreciation) was more than covered by grant funding from the EFA together with other incoming resources.

The Trustees are concerned by the very large deficit that the Local Government Pension Fund is reporting (see note 26 to the financial statements) and continue to consider the potential impact on contributions at the next valuation.

4.2 Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £300,000. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves is £316,000 (2015 - £308,000) and the Trustees will continue to maintain this level of free reserves in the future.

4.3 Investment Policy

The Academy follows a Treasury Management Policy for investing any surplus balances, which are agreed by the Finance Committee. Investment is only with the same financial institution with which the bank account is held.

4.4 Principal Risks and Uncertainties

The current risks to the Academy are a reduction in sixth form funding, a rise in staffing costs and a lack of specialist accommodation for growing numbers.

The Academy has a risk policy and risk register, which includes assessments of financial risk. A Financial Management and Governance Evaluation (FMGE) was submitted to the EFA in 2012. This will continue to be followed in future even though it is no longer a requirement. Unexpected items are considered in line with the reserves policy.

5. Plans for Future Periods

The 2016-17 annual development plan has been drawn up and is summarised below. The school's core purpose is to continue to deliver exceptional opportunities for personal and academic success for its students.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

Achievement

- Improve levels of achievement at GCSE for all pupils and increase the % of A* -A grades to 80%.
- Establish a new post of KS4 Learning Mentor.
- Increase awareness of pupils of concern using SISRA and Attitude to Learning grades with the implementation of structured support enabling pupils to get back on track, considering what forms of intervention have had most success in the past.
- Implement support plans for any subjects in KS4 identified as under achieving.
- Improve high levels of achievement at A level with an emphasis on increasing the % of A* grades to 20%.
- Further improve sixth form use of independent study time through a structured study skills' programme. This will draw on expertise from higher education, universities of Lancaster, Leeds and Future Choices programme.
- Ensure all staff use target setting data and Attitude to Learning grades to monitor progress and identify students who are at risk of not making sufficient progress, implement appropriate intervention.
- Ensure internal assessment is rigorous and accurate, especially given the change to linear exams
- Implement support plans for any subjects in KS5 identified as under achieving.
- Effectively use data from SISRA to track individual and groups of students, as well as other measures including teacher judgement, attendance data and Attitude to Learning grades.
- Use departmental meetings to monitor the impact of intervention for pupils at risk of not achieving their target grades.
- Earlier identification and intervention of KS3 pupils not making expected progress, referrals to head of department/ head of KS3/ SENCO as appropriate.
- Introduce more regular briefing/ meetings for staff to share information about individual pupils.
- Ensure all staff are aware of Pupil Premium students – monitor, mentor, target for intervention if appropriate.
- Monitor carefully the progress of Special Educational Needs (SEN) students, ensure effective referrals to the SENCO promptly with specific concerns.
- Provide more staff training on SEN support. Ensure that Individual Education Plan's (IEP's) are fit for purpose and reflect the individual needs of the student whilst providing staff with effective strategies.

Teaching and Learning

- Embed a culture of improvement and best practice in teaching and learning.
- Continue to develop a range of methods by which excellent teaching is both recognised and shared, including learning reviews, peer observations, open door.
- Prioritise areas identified for teaching and learning development from the 2015-16 self-evaluation.
- Ensure that teaching and learning strategies reflect the demands of the new exam specifications and effectively prepare the students for linear exams.
- Develop our new Moodle 2 virtual learning environment.
- Re-introduce opportunities for research-based focused staff development for developing the most effective approaches to teaching, learning and assessment.
- Further develop assessment procedures at KS3 following on from the trial of assessment without levels.
- Review assessment practice and criteria in Year 7 and Year 8.
- Ensure assessment pattern fits the school assessment calendar-there should be an assessment before each term's expected grade.
- Ensure consistency through departmental moderation of key assessments.
- Ensure that parents receive timely and useful information about their daughter's progress through reviewing our reporting and parents evening systems.
- Continue to develop a range of strategies to maximise the impact of assessment whilst retaining a realistic workload; Assessment for Learning (AFL) strategies, peer assessment, pupil record sheets and self-reflection, recording verbal feedback etc.

Curriculum

- Ensure that the new specifications at GCSE and A level to be planned in order to promote progress, enhance the quality of teaching, ensure effective assessment and stretch and challenge for high ability pupils.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

- Collaborative planning of new schemes of work with time built into the calendar.
- Ensure that the LGGS curriculum offer retains a clear focus on ensuring a supportive, creative, happy and successful environment for all of our pupils within the context of a high ability school.
- Monitor the new sixth form curriculum offer and ensure there are high quality enrichment opportunities to enhance the programmes of study for sixth formers studying 3 A levels.
- Introduce and review the changes to the KS3 curriculum following the 2015-16 review. Consider the implementation of more wide spread change for 2016-17.
- Provide a structured opportunity for Year 12 students to review their choices of A levels in the first half term and receive good quality advice on any changes.
- Review the range of extra-curricular opportunities at LGGS ensuring they are available to all students and have educational and personal benefit.
- Continue to promote opportunities in and enjoyment of Science, Technology, Engineering and Mathematics (STEM) subjects including Science week.

Well-being

- Promote well-being and ensure all students are aware of support available in school.
- Further develop an anti-bullying culture through extending the anti-bullying mentor programme successfully introduced in 2015-16.
- Continue to develop opportunities for pupil leadership in KS3 and KS4, introducing the new role of KS4 e-safety leaders.
- Support the newly formed Equality group in promoting and raising awareness of equality issues, working towards the Stonewall School Champions Award.
- Develop the role of the Well-Being Committee in school and continue to seek the best ways to provide help and support for pupils, staff and parents. Sign up to and promote The Time to Change campaign.
- Update Personal, Social and Health Education (PSHE) / Citizenship programmes with new materials, This Girl Can (KS3) and healthy relationships /exploitation (KS4).
- Continue to promote resilience in assemblies, through curriculum challenges and PSHE, core Religious Studies (RS).
- Introduce a new rewards system for KS4 pupils following consultation.
- Further develop the role of the form tutor T.13 To further improve attendance rates aiming at all year groups at 96% and above, reducing the number of persistent absentees. Continue to monitor the support for students with severe individual needs that disrupt their learning - access to outside agency support - procedure for reintegration.
- Promote independent learning/moodle resources for students with long-term absences.
- Continue to ensure safeguarding reflects excellent practice with safeguarding meetings for Designated Safeguarding Leaders (DSL's) calendared every term.
- Staff and student training / education on modern values and the threat of radicalisation and extremism.
- Yearly update for all staff on safeguarding and Keeping Children Safe in Education as well as updates on any key safeguarding concerns.
- Provide high quality careers advice and guidance to prepare students for adult life.
- Organise a careers evening and use alumni contacts to extend work experience placements for sixth formers.
- Develop a new careers programme for the Year 8 carousel.
- Develop a programme of study to support sixth formers on work experience/volunteering placements.
- Look to work towards a nationally recognised Careers Quality mark/award.
- Ensure students have access to a variety of extra-curricular and enrichment opportunities.
- Seek an alternative to the Year 7 French trip to foster the school ethos and develop friendships.
- Introduce new style D of E programme following the success of the new style Bronze programme piloted in 2015-16 and develop participation in the joint cadet force.

Leadership and Management

- Continue to improve the quality of whole school self-evaluation through targeted learning reviews.
- Carry out a full scale review of the effectiveness of our tracking and reporting systems.
- Continue to improve the quality of subject monitoring and evaluation through supporting heads of department and sharing of good practice.

Lancaster Girls' Grammar School

Trustees' Report for the year ended 31st August 2016 (Continued)

- To implement five form entry, ensuring that the school is fit for purpose in terms of the quality of the learning environment and in creating enough spaces for the expected rise in student numbers. This will include a review of the use of all accommodation in school and further efforts to raise funds for a building programme.
- Implement and monitor the new form/house structure in Year 7.
- Continue to develop the leadership potential and capacity of SLT, Governors and subject leaders through further training, developing partnerships with other school and agencies, peer learning opportunities and sharing best practice.
- Provide opportunities for aspiring subject and pastoral leaders through training, shadowing opportunities and research projects.
- Develop a more regular pattern of Governor engagement with parents, staff and pupils.
- Develop and encourage more Sixth Form Leadership roles defined to support key areas of the school and increase engagement.
- Monitor staff workload and the additional stresses on staff in the light of the financial efficiencies and scale of curriculum and qualification changes. Develop Well Being group.
- Ensure meetings and time are managed effectively and maintain a focus on providing support for staff.
- Continue to review our staffing and curriculum offer in the light of the school's five year financial plan.
- Seek ways of increasing collaboration with other schools and consider the advantages and disadvantages of forming/joining a multi academy trust.

6. Funds held as Custodian Trustee on behalf of others

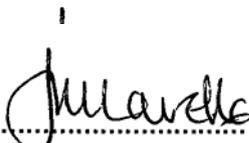
During the year ending the 31st August 2016 Lancaster Girls' Grammar School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

7. Auditor

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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on the 1st December 2016 and signed on the board's behalf by:



.....
Dr J Lavelle
Chair of Trustees

Lancaster Girls' Grammar School

Governance Statement for the year ended 31st August 2016

1. Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Head teacher, 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 Lancaster Girls' Grammar School 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.

2. Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statements of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF POSSIBLE
Mrs S Bain	4	5
Mrs J Cahalin	5	5
Prof A Chetwynd	3	5
Mr I Dodd	5	5
Mrs S Haythornthwaite	4	5
Mrs S Hodgson	5	5
Mr S Jackson	4	5
Mrs S Keith	4	5
Dr J Lavelle	5	5
Mrs M Lingard	2	5
Mrs A Norfolk	5	5
Mrs S Randall-Paley	4	5
Mrs J Stables	5	5
Mr R Taylor	3	5
Mrs A Whittaker	4	5

The Finance Committee is a sub-committee of the main Board of Trustees. This committee is responsible for all financial matters related to the Trust. Attendance at meetings in the year was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF POSSIBLE
Mrs S Bain	6	6
Mrs J Cahalin	4	6
Mrs S Hodgson	5	6
Mrs A Norfolk	6	6
Mrs S Randall-Paley	4	6

The Academic Committee met four times. The Committee monitors progress towards achievement targets and contributes to whole school evaluation in particular teaching and learning issues, assessment and achievement.

Lancaster Girls' Grammar School

Governance Statement for the year ended 31st August 2016 (continued)

The Students, Parents and Community Committee met four times. The key roles for this committee are the evaluation of the school's well-being and support systems, including safeguarding, parental engagement and community links. It also monitors student attendance and behaviour. The Committee also looks in detail at disadvantaged students and evaluates Special Educational Needs and Disabilities (SEND) provision.

The Buildings Committee oversees major building projects, which included putting together a bid to the Condition Improvement Fund (CIF) and monitors the management and development of the school site. This Committee met formally twice.

The Health and Safety Committee, which met five times, carries out a rolling programme of health and safety checks around school. It also oversees Educational Visits.

The Strategy committee, which incorporates the Pay Committee and looks at strategic issues, met in November to carry out the pay review.

The Senior Leadership Team of the Academy is responsible for the day-to-day management of the school as well as ensuring the annual development plan is carried out successfully. The Senior Leadership Team in place for the year ended 31st August 2016 consisted of the Head teacher, one Deputy Head teacher, four Assistant Head teachers and the Business Manager.

3. Review of Value for Money

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

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

Improving educational outcomes:

Standards remain very high and are well above the national average. Although the % of A*-A grades at GCSE declined in 2016 to 69%, a reduction in the percentage of top grades was expected given the lower prior attainment of the year group. Progress 8 at +0.3 is above the national average, showing LGGS pupils make good progress.

Standards and achievement across a broad range of GCSE option subjects is consistently strong, and this is a significant strength of the school. Exceptionally high performing subjects include Additional Maths, RS, Computing, Drama and both Technology specifications (Electronics and Product design).

A level grades at A*-B were at 71% with A* grades at 16%. Subjects with large entries and upper quartile value added included Biology, English Language, English Literature and Theatre Studies.

The vast majority of Year 11 pupils stayed at LGGS for their A level education. Out of 163 Year 13 students, 151 have confirmed their university destinations, apprenticeship or employment, including 11 successful medicine applications and 8 Oxbridge.

Targeted improvement:

Subjects where performance was not as strong as the school average were supported. Student well being was another target area for improvement with training for staff, a focus on resilience and improved links with external agencies. We changed our tracking system at KS3 in the light of national changes to the use of levels.

Lancaster Girls' Grammar School

Governance Statement for the year ended 31st August 2016 (continued)

Focus on individual pupils:

We targeted disadvantaged pupils and used Pupil Premium money to finance Easter revision, additional small group intervention, counselling services and access to extra-curricular opportunities. We significantly improved the identification of students with specific learning difficulties and improved the support in place for them.

Collaboration:

We worked with LRGS to share the delivery of A level Music. We are a strategic partner in the Ripley Teaching School Alliance and benefitted from a series of training opportunities hosted by the Alliance. We also work with the South Cumbria School Centred Initial Teacher Training (SCITT).

New initiatives:

The school is working with the Prince's Teaching Institute with a leadership and two subject programmes. LGGS successfully gained International School status. We launched our new virtual learning environment, which was designed and implemented in house. This was a cost effective measure, which has enabled us to develop a virtual learning environment (vle/moodle), which meets our needs. A major focus has been preparing for the new GCSE and A level courses.

Quantifying improvements:

The Progress 8 data for 2016 results confirmed that pupils at LGGS make above national average progress. Attendance at 96% is above national average. Behaviour records and both pupil and parental surveys show that behaviour is very good. These improvements were made while keeping to budget.

Financial governance and oversight:

The Finance Committee is made up of specialists with considerable legal and financial experience. They hold detailed discussions and challenge financial information at Finance Committee and full governing body. The Finance Committee is given regular management accounts to track, and hold to account, the finances of the Academy. These reports are used to make informed decisions about the best use of the Academy funds. A schedule of delegation is reviewed and ratified each academic year by the Finance Committee, as is the risk register.

In addition to External Auditors, Responsible Officer (RO) checks are undertaken termly on the school's finances and a report submitted to the Finance Governors' Committee. Benchmarking is undertaken with the Finance Committee to compare expenditure on key cost items with similar schools.

Better purchasing:

We have made some savings through joint purchasing with Lancaster Royal Grammar School on a new cleaning contract.

Maximising income generation:

We have not been successful in the last two bidding opportunities for the Condition Improvement Fund. The Annual Fund, which is funded from parental donations is very helpful in enhancing opportunities for LGGS pupils.

Lessons learned (reviewing operations to maximise resources):

We have been able to make savings through reducing our staffing expenditure and rationalising the curriculum. This means that there are very few uneconomical teaching groups at Key Stage 4. A full curriculum review was carried out

Lancaster Girls' Grammar School

Governance Statement for the year ended 31st August 2016 (continued)

in 2015-16 to ensure our curriculum is broad enough to meet the needs of our students whilst still ensuring it is cost effective.

We have used reserves to re-roof the oldest part of the school. This was a considerable financial outlay for the school. It shows our commitment to using reserves for the benefit of our students. A priority now is to ensure we start to build up funds again for new projects and further develop our income generating strategies.

4. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 Lancaster Girls' Grammar School for the period from the 1st September 2015 to the 31st August 2016 and up to the date of approval of the annual report and financial statements.

5. Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from the 1st September 2015 to the 31st August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

6. The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance 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, and;
- Identification and management of risks.

The Board of Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees have appointed CWR Chartered Accountants, 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. On a termly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

The RO function has been fully delivered in line with the EFA's requirements and no material control issues arose as a result of the RO's work.

Lancaster Girls' Grammar School

Governance Statement for the year ended 31st August 2016 (continued)

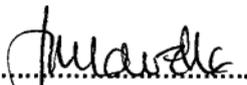
7. Review of Effectiveness

As Accounting Officer, Mrs J Cahalin 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 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 the 1st December 2016 and signed on its behalf by:


.....
Dr J Lavelle
Chair of Trustees


.....
Mrs J Cahalin
Accounting Officer

Lancaster Girls' Grammar School

Statement on Regularity, Propriety and Compliance for the year ended 31st August 2016

As Accounting Officer of Lancaster Girls' Grammar School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

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 EFA.


.....
Mrs J Cahalin
Accounting Officer

Date: 1st December 2016

Lancaster Girls' Grammar School

Statement of Trustees' Responsibilities for the year ended 31st August 2016

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 2015 to 2016;
- make judgements and 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 operation.

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.

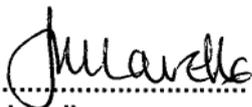
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

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.

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 the 1st December 2016 and signed on its behalf by:



.....
Dr J Lavelle
Chair of Trustees

Lancaster Girls' Grammar School

Independent Auditor's Report to the Members of Lancaster Girls' Grammar School for the year ended 31st August 2016

We have audited the financial statements of Lancaster Girls' Grammar School for the year ended 31st August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

(Continued)

Lancaster Girls' Grammar School

Independent Auditor's Report to the Members of Lancaster Girls' Grammar School for the year ended 31st August 2016 (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Mr Phillip Dennison FCCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 14th December 2016

Lancaster Girls' Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Lancaster Girls' Grammar School and the Education Funding Agency for the year ended 31st August 2016

In accordance with the terms of our engagement letter dated 8th August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lancaster Girls' Grammar School during the year from 1st September 2015 to 31st August 2016 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 Lancaster Girls' Grammar School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lancaster Girls' Grammar School and EFA 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 Lancaster Girls' Grammar School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lancaster Girls' Grammar School Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Lancaster Girls' Grammar School funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2015, 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 2015 to 2016. 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 from the 1st September 2015 to the 31st August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 9.4 of the Academies Accounts Direction 2015 to 2016 issued by EFA; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

(Continued)

Lancaster Girls' Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Lancaster Girls' Grammar School and the Education Funding Agency for the year ended 31st August 2016 (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 from the 1st September 2015 to the 31st August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Phillip Dennison FCCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 14th December 2016

Lancaster Girls' Grammar School

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st August 2016

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
Income and endowments from:						
Donations and capital grants	2	-	349	21	370	656
Charitable activities:						
Funding for the Academy Trust's educational operations	5	-	4,218	-	4,218	4,422
Other trading activities	3	148	20	-	168	147
Investments	4	3	-	-	3	3
Total		151	4,587	21	4,759	5,228
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust's educational operations	6,7	143	4,628	132	4,903	5,292
Other		-	-	-	-	-
Total		143	4,628	132	4,903	5,292
Net income/(expenditure)		8	(41)	(111)	(144)	(64)
Transfers between funds	16	-	29	(29)	-	-
Other recognised gains/(losses)						
Actuarial (losses) on defined benefit pension schemes	16, 26	-	(437)	-	(437)	(32)
Net movement in funds		8	(449)	(140)	(581)	(96)
Funds brought forward at 1 st September 2015	16	308	(441)	13,427	13,294	13,390
Total funds carried forward at 31st August 2016		316	(890)	13,287	12,713	13,294

All income and expenditure derive from continuing activities.

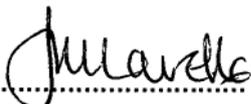
The statement of financial activities includes all gains and losses recognised during the year.

Lancaster Girls' Grammar School

Balance Sheet as at 31st August 2016

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	11		13,258		13,387
Current assets					
Stocks	12	3		3	
Debtors	13	83		260	
Cash at bank and in hand		1,097		1,001	
		<u>1,183</u>		<u>1,264</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(344)</u>		<u>(438)</u>	
Net current assets			<u>839</u>		<u>826</u>
Total assets less current liabilities			14,097		14,213
Creditors: Amounts falling due after more than one year	15		(33)		(42)
Net assets excluding pension liability			<u>14,064</u>		<u>14,171</u>
Defined benefit pension scheme liability	26		(1,351)		(877)
Net assets including pension liability			<u>12,713</u>		<u>13,294</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	16	13,287		13,427	
General fund	16	461		436	
Pension reserve	16	<u>(1,351)</u>		<u>(877)</u>	
Total restricted funds			12,397		12,986
Unrestricted income funds	16		316		308
Total funds			<u>12,713</u>		<u>13,294</u>

The financial statements on pages 25 to 49 were approved by the Trustees, and authorised for issue on the 1st December 2016 and are signed on their behalf by:



.....
Dr J Lavelle
Chair of Trustees

Company Limited by Guarantee
 Registration Number: 07441463

Lancaster Girls' Grammar School

Statement of Cash Flows for the year ended 31st August 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	81	167
Cash flows from investing activities	22	21	62
Cash flows from financing activities	21	(6)	(3)
Change in cash and cash equivalents in the reporting period		<u>96</u>	<u>226</u>
Cash and cash equivalents at 1st September 2015		1,001	775
Cash and cash equivalents at 31st August 2016	23	<u>1,097</u>	<u>1,001</u>

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of Lancaster Girls' Grammar School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Lancaster Girls' Grammar School for the year ended 31st August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 29.

Going Concern

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

Income

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

- **Grants receivable**

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

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

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

Income (continued)

Grants receivable (continued)

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided goods or services.

- **Donated goods, facilities and services**

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

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

Expenditure

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

- **Expenditure on raising funds**

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

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific restrictions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold buildings	Over 50 years straight line
Fixtures, fittings and equipment	Over 3 years straight line
ICT equipment	Over 3 years 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.

The buildings have been revalued in the period and the comparative accounts restated. The building valuation represents the value of freehold assets as per the EFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the freehold buildings were valued at £13,256,000. The assets were valued using a depreciated replacement cost model and the buildings element is to be depreciated over a 50 year period (note 11).

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

Liabilities

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

Provisions

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

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

Leased Assets

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

Stocks

Stock consists of unused catering and stationery stores and are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Notes to the Financial Statements for the year ended 31st August 2016

1 Statement of accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2013 has been used by the actuary in valuing the pensions liability at 31st August 2016. 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.

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	21	21	59
Trips and other non-public funds	-	317	317	337
Donations towards hockey pitch resurfacing	-	-	-	163
Other donations	-	32	32	97
	<u>-</u>	<u>370</u>	<u>370</u>	<u>656</u>

Income from donations and capital grants was £370,000 (2015 - £656,000) of which £nil (2015 - £nil) was attributable to unrestricted funds, £349,000 (2015 - £554,000) was attributable to restricted general funds and £21,000 (2015 - £102,000) was attributable to restricted fixed asset funds.

£21,000 (2015 - £59,000) of government grants were received for capital and maintenance works.

3 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Catering income	98	-	98	89
Sale of educational goods and services	34	-	34	30
Insurance claim	-	20	20	13
Exam re-sit fees	16	-	16	15
	<u>148</u>	<u>20</u>	<u>168</u>	<u>147</u>

Income from other trading activities was £168,000 (2015 - £147,000) of which £148,000 (2015 - £134,000) was attributable to unrestricted funds, £20,000 (2015 - £13,000) was attributable to restricted general funds and £nil (2015 - £nil) was attributable to restricted fixed asset funds.

4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	3	-	3	3
	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>

Investment income was £3,000 (2015 - £3,000) of which £3,000 (2015 - £3,000) was attributable to unrestricted funds, £nil (2015 - £nil) was attributable to restricted general funds and £nil (2015 - £nil) was attributable to restricted fixed asset funds.

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

5 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	4,182	4,182	4,380
Other DfE/EFA grants	-	33	33	34
	<u>-</u>	<u>4,215</u>	<u>4,215</u>	<u>4,414</u>
Other Government grants				
Local Authority grants	-	3	3	3
Special educational projects	-	-	-	5
	<u>-</u>	<u>3</u>	<u>3</u>	<u>8</u>
Other income from the Academy Trust's educational operations	-	-	-	-
	<u>-</u>	<u>4,218</u>	<u>4,218</u>	<u>4,422</u>

Funding for Academy Trust's educational operations was £4,218,000 (2015 - £4,422,000) of which £nil (2015 - £nil) was attributable to unrestricted funds, £4,218,000 (2015 - £4,422,000) was attributable to restricted general funds and £nil (2015 - £nil) was attributable to restricted fixed asset funds.

£4,218,000 (2015 - £4,422,000) of government grants were received for the purposes of the day to day running costs of the academy and its charitable objectives.

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2016 £000	Total 2015 £000
		Premises £000	Other Costs £000		
Expenditure on raising funds	-	-	-	-	-
Academy Trust's educational operations					
Direct costs	3,160	6	623	3,789	4,027
Allocated support costs	360	436	318	1,114	1,265
	<u>3,520</u>	<u>442</u>	<u>941</u>	<u>4,903</u>	<u>5,292</u>

£143,000 (2015 - £141,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £4,628,000 (2015 - £4,874,000) was attributable to restricted general funds and £132,000 (2015 - £277,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

	2016 £000	2015 £000
Operating lease rentals	26	23
Depreciation	132	147
(Gain)/loss on disposal of fixed assets	-	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy Trust educational operations)	-	-
Fees payable to the auditor for:		
Audit	4	4
Other services	7	6
	<u>169</u>	<u>180</u>

No transactions have taken place under Section 3.1.7 and 3.1.8 of the 2015 Academies Financial Handbook which require additional disclosure.

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

7 Charitable activities

		Total 2016 £000	Total 2015 £000
Direct costs – educational operations		3,789	4,027
Support costs – educational operations		1,114	1,265
		<u>4,903</u>	<u>5,292</u>
Analysis of support costs	Educational operations £000	Total 2016 £000	Total 2015 £000
Support staff costs	360	360	377
Depreciation	124	124	130
Premises costs	312	312	422
Other support costs	307	307	326
Governance costs	11	11	10
Total support costs	<u>1,114</u>	<u>1,114</u>	<u>1,265</u>

Included within governance costs are any costs associated with the strategic as opposed to day to day management of the academy's activities. This will include the cost of any administrative support provided to the Trustees and costs relating to the statutory requirements including audit and preparation of statutory accounts.

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

8 Staff

(a) Staff costs

	2016	2015
	£000	£000
Staff costs during the period were:		
Wages and salaries	2,726	2,893
Social security costs	223	207
Operating costs of defined benefit pension schemes	510	475
	<u>3,459</u>	<u>3,575</u>
Supply staff costs	34	8
Staff restructuring costs	27	-
	<u>3,520</u>	<u>3,583</u>
Staff restructuring costs comprise:		
Redundancy payments	23	-
Severance payments	-	-
Other restructuring costs	4	-
	<u>27</u>	<u>-</u>

(b) Staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £nil (2015: £nil).

(c) Staff numbers

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

	2016	2016	2015	2015
	Number	Full-time equivalent	Number	Full-time equivalent
Teachers	57	45	62	51
Administration and support	54	30	61	32
Management	7	7	7	7
	<u>118</u>	<u>82</u>	<u>130</u>	<u>90</u>

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

8 Staff (continued)

(d) Higher paid staff

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

	2016 No.	2015 No.
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>2</u>	<u>2</u>

(e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £476,000 (2015: £441,000).

9 Related party transactions - Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or have 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:

J Cahalin (Head teacher and Trustee):	
Remuneration	£90,000 - £95,000 (2015: £85,000 - £90,000)
Employers' pension contributions	£15,000 - £20,000 (2015: £10,000 - £15,000)
J Stables (Staff Trustee):	
Remuneration	£15,000 - £20,000 (2015: £15,000 - £20,000)
Employers' pension contributions	£0 - £5,000 (2015: £0 - £5,000)
S Keith (Staff Trustee):	
Remuneration	£30,000 - £35,000 (2015: £25,000 - £30,000)
Employers' pension contributions	£5,000 - £10,000 (2015: £0 - £5,000)

During the year ended 31st August 2016, no travel and subsistence expenses were reimbursed to Trustees (2015: £nil).

No other transactions with Trustees were undertaken during the course of the year ended 31st August 2016.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2016 was £812 (2015: £788). The cost of this insurance is included in the total insurance cost.

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

11 Tangible fixed assets

	Freehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
Cost				
At 1 st September 2015	13,482	70	33	13,585
Additions	-	3	-	3
At 31 st August 2016	<u>13,482</u>	<u>73</u>	<u>33</u>	<u>13,588</u>
Depreciation				
At 1 st September 2015	113	54	31	198
Charged in period	113	17	2	132
At 31 st August 2016	<u>226</u>	<u>71</u>	<u>33</u>	<u>330</u>
Net book values				
At 31 st August 2015	13,369	16	2	13,387
At 31 st August 2016	<u>13,256</u>	<u>2</u>	<u>-</u>	<u>13,258</u>

12 Stocks

	2016 £000	2015 £000
Stationery	2	2
Catering	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

13 Debtors

	2016 £000	2015 £000
VAT recoverable	32	20
Other debtors	8	194
Prepayments and accrued income	<u>43</u>	<u>46</u>
	<u>83</u>	<u>260</u>

14 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	20	7
Other taxation and social security	62	59
Other creditors	129	132
Accruals and deferred income	<u>133</u>	<u>240</u>
	<u>344</u>	<u>438</u>

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

15 Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Other creditors	33	42
	<u>33</u>	<u>42</u>

Other creditors relate to a Salix loan received in order to fund boiler improvements in the school. The term of the loan is 8 years with repayments commencing from May 2015.

The total repayable after more than five years is £9,000 (2015 - £15,000).

16 Funds

	Balance at 1 st September 2015 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 st August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	409	4,182	(4,183)	29	437
Pupil premium	19	31	(36)	-	14
Other DfE/EFA grants	-	2	(2)	-	-
Local Authority grants	-	3	(3)	-	-
Other restricted funds	8	369	(367)	-	10
Pension reserve	(877)	-	(37)	(437)	(1,351)
	<u>(441)</u>	<u>4,587</u>	<u>(4,628)</u>	<u>(408)</u>	<u>(890)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	40	21	-	(32)	29
Other restricted fixed asset funds	-	-	-	-	-
Other capital grants	-	-	-	-	-
Other capitalised assets	18	-	(19)	3	2
EFA building valuation	13,369	-	(113)	-	13,256
	<u>13,427</u>	<u>21</u>	<u>(132)</u>	<u>(29)</u>	<u>13,287</u>
Total restricted funds	<u>12,986</u>	<u>4,608</u>	<u>(4,760)</u>	<u>(437)</u>	<u>12,397</u>
Total unrestricted funds	<u>308</u>	<u>151</u>	<u>(143)</u>	<u>-</u>	<u>316</u>
Total funds	<u>13,294</u>	<u>4,759</u>	<u>(4,903)</u>	<u>(437)</u>	<u>12,713</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2016. At the year end the carry forward of GAG funding was £437,000.

Other DfE/EFA Grants include Pupil premium and other monies received outside of GAG funding and these Grants are all related to the furtherance of education within the Academy. £14,000 remains unspent at the year end and is carried forward to the next accounting period.

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

16 Funds (continued)

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council. This includes funds which relate specifically to Special Educational Needs (SEN) funding. As at the 31st August 2016 these funds had been spent in full.

Other restricted funds include monies from trips & non public funds, assisted musical instrument purchases and donations from Lancaster Girls' Grammar School Fund (charity no. 1142061) predominantly towards computer purchases and gymnasium floor repairs. During the year the trips & non public funds had no excess expenditure over income.

The other donations received are for restricted purposes and as at the year end £10,000 of the donations received remained unspent.

The pension reserve represents the value of the academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit had risen to £1,351,000 at the 31st August 2016.

DfE/EFA capital grants represent capital monies received during the year from the EFA. £29,000 remains unspent at the year end and is carried forward to the next accounting period.

Capitalised assets post conversion represents the value of assets purchased since conversion to academy status. These will be depreciated in line with the accounting policies set out in note 1.

The EFA building valuation represents the value of leasehold assets as per the EFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the freehold buildings were valued at £13,256,000. The assets were valued using a depreciated replacement cost model and the building element is to be depreciated over a 50 year period.

Unrestricted funds represents funds generated via activities such as the sale of materials to students, catering, payments from other schools for the provision of teaching staff. It also includes the brought forward surplus on conversion to Academy status. The surplus on this fund at the year end was £316,000 and these funds can be used at the discretion of the Governors to meet the charitable objectives of the Academy.

17 Analysis of net assets between funds

Fund balances at 31st August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	13,258	13,258
Current assets	316	838	29	1,183
Current liabilities	-	(344)	-	(344)
Non-current liabilities	-	(33)	-	(33)
Pension scheme liability	-	(1,351)	-	(1,351)
Total net assets/(liabilities)	316	(890)	13,287	12,713

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

18 Capital commitments

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	<u>227</u>	<u>-</u>

19 Commitments under operating leases

Operating leases

At 31st August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Amounts due within one year	11	18
Amounts due between one and five years	7	3
Amounts due after five years	-	-
	<u>18</u>	<u>21</u>

20 Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2016 £000	2015 £000
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)	(144)	(64)
Adjusted for:		
Depreciation (note 11)	132	277
Capital grants from DfE and other capital income	(21)	(102)
Interest receivable (note 4)	(3)	(3)
Defined benefit pension scheme cost less contributions payable (note 26)	6	5
Defined benefit pension scheme finance cost (note 26)	31	30
Decrease/(increase) in debtors	177	(131)
(Decrease)/increase in creditors	(97)	155
Net cash provided by operating activities	<u>81</u>	<u>167</u>

21 Cash flows from financing activities

	2016 £000	2015 £000
Repayments of borrowing	(6)	(3)
Cash inflows from borrowing	-	-
Net cash provided (used in) financing activities	<u>(6)</u>	<u>(3)</u>

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

22 Cash flows from investing activities

	2016	2015
	£000	£000
Dividends, interest and rents from investments	3	3
Purchase of tangible fixed assets	(3)	(43)
Capital grants from DfE/EFA	21	59
Capital funding received from others	-	43
Net cash provided by investing activities	<u>21</u>	<u>62</u>

23 Analysis of cash and cash equivalents

	2016	2015
	£000	£000
Cash at bank and in hand	<u>1,097</u>	<u>1,001</u>
Total cash and cash equivalents	<u>1,097</u>	<u>1,001</u>

24 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any capital asset for which a Government Capital grant was received, the School is required to either re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State, as the Secretary of State may require.

25 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.

26 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 the Lancashire County Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31st March 2012 and of the LGPS 31st March 2013.

Contributions amounting to £60,288 (2015: £56,332) were payable to the schemes at 31st August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

Notes to the Financial Statements for the year ended 31st August 2016

26 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31st March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9th June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £563,000 (2015: £540,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31st August 2016 was £160,000 (2015: £156,000), of which employer's contributions totalled £124,000 (2015: £123,000), and employees' contributions totalled £36,000 (2015: £33,000). The agreed contribution rates for future years are 16.4% for employers and the rate for employees remains dependent on the salary of the employee.

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

Notes to the Financial Statements for the year ended 31st August 2016

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Principal Actuarial Assumptions

	At 31 st August 2016	At 31 st August 2015
Rate of increase in salaries	3.3%	3.7%
Rate of increase for pensions in payment / inflation	1.9%	2.2%
Discount rate for scheme liabilities	2.1%	3.9%
Inflation assumption (CPI)	1.8%	2.2%
Commutation of pensions to lump sums	50%	50%

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

	At 31 st August 2016	At 31 st August 2015
<i>Retiring today</i>		
Males	23.0	22.9
Females	25.6	25.4
<i>Retiring in 20 years</i>		
Males	25.2	25.1
Females	27.9	27.8

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

	Fair value at 31 st August 2016 £000	Fair value at 31 st August 2015 £000
Equity instruments	563	369
Government Bonds	-	59
Other Bonds	37	28
Property	139	97
Cash/liquidity	51	14
Debt instruments	-	-
Other	670	504
Total market value of assets	1,460	1,071

The actual return on scheme assets was £281,000 (2015: £41,000).

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2016	2015
	£000	£000
Current service cost (net of employee contributions)	128	126
Net interest cost	-	-
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	<u>128</u>	<u>126</u>

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

	2016	2015
	£000	£000
At 1st September	1,948	1,725
Current service cost	128	126
Past service cost	-	-
Interest cost	75	68
Employee contributions	36	33
Actuarial (gain)/loss	673	35
Benefits paid	(49)	(39)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31st August	<u>2,811</u>	<u>1,948</u>

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

	2016	2015
	£000	£000
At 1st September	1,071	915
Interest income	-	-
Return on plan assets (excluding interest income)	44	38
Assets distributed on settlements	-	-
Actuarial gain/(loss)	236	3
Employer contributions	124	123
Employee contributions	36	33
Benefits paid	(49)	(39)
Administration expenses	(2)	(2)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31st August	<u>1,460</u>	<u>1,071</u>

Lancaster Girls' Grammar School

Notes to the Financial Statements for the year ended 31st August 2016

27 Related Party Transactions

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

No related party transactions with Trustees took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

During the period of account the Academy transacted with Lancaster Girls' Grammar School Fund, a charity registered with the Charities Commission whose charity number is 1142061.

The objects of this Charity are to advance the education of pupils at Lancaster Girls' Grammar School. During the year ended the 31st August 2016 the Charity made numerous donations to the Academy totalling £19,000. These donations were for a variety of educational purposes.

As at the 31st August 2016 the Academy had fully utilised these donations.

28 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31st August 2016 the trust received £21,170 (2015: £23,163) and disbursed £24,158 (2015: £20,175) from the fund. This included the distribution of the funds brought forward amounting to £2,988.

An amount of £nil (2015: £2,988) is included in other creditors relating to undistributed funds which have subsequently been distributed after the end of the year.

Notes to the Financial Statements for the year ended 31st August 2016

29 Explanation of transition to FRS102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31st August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1st September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds	1st September 2014 £000	31st August 2015 £000
Total funds under previous UK GAAP	12,041	11,945
Revaluation of freehold buildings	1,349	1,349
Total funds reported under FRS102	<u>13,390</u>	<u>13,294</u>

The value of the buildings has been rebased from the insurance valuation to the EFA valuation. The EFA building valuation represents the value of freehold assets as per the EFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the freehold buildings were valued at £13,256,000. The assets were valued using a depreciated replacement cost model and the building element is to be depreciated over a 125 year period. Comparative figures have been restated accordingly.

Reconciliation of net income / expenditure	31st August 2015 £000
Net expenditure previously reported under UK GAAP	(46)
Change in recognition of LGPS interest cost	(18)
Employee benefits accrual	-
Net movement in expenditure reported under FRS102	<u>(64)</u>

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1st September 2014 or 31st August 2015. The effect of the change has been to increase the debit expense by £18,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.

Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. A small number of employees are entitled to carry forward unused holiday entitlement at the reporting date. The expense in relation to this is wholly immaterial and therefore no retrospective adjustment has been made in the accounts at 31st August 2016.