

Bishop Vesey's Grammar School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2016

Company Registration Number:
7986921 (England and Wales)

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COMPANIES HOUSE

BISHOP VESEY'S GRAMMAR SCHOOL

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BISHOP VESEY'S GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31ST AUGUST 2016

Trustees & Directors

Dr John Craggs (Chairman) 01/04/12 - *
Mr P Dines 01/04/12 - 24/01/16
Mrs C Robinson 19/09/12 - *
Mr P Singh 11/03/13 -
Mr D Robson (Headteacher) 01/09/12 - *
Mrs L J Overton (Staff Trustee) 19/09/12 - 31/08/16*
Mrs H J M Storey (Staff Trustee) 19/09/12 -
Mr D J Carter 03/10/12 - *
Mr S P Wade 01/04/12 - *
Mrs F C Nicholl 08/07/13 -
Mr D J Wheeldon 13/05/13 - 31/12/15
Mr B Ahmed 08/07/13 - *
Mr G Pallister 25/10/13
Mr A Moore 07/07/14 - *
Mrs J Davis 07/07/14 -
Mrs J Robson 07/07/14 -
Mr T Williams 23/01/15 - *
Mrs S Salh 06/11/15 -
Dr R Heitmar 09/05/16 -
Dr S Haider 09/05/16 -
Mr I Myatt 09/05/16 -
Mr M Uddin 09/05/16 -

* Members of the Finance and Estates Committee

Company Secretary

Mr K Osbourne

Senior Management Team

Mr D Robson (Headteacher)
Miss R Hearn (Deputy Headteacher)
Mr R Bowen (Deputy Headteacher)
Mr G Swindells (Finance Director & School Business Manager)
Mrs B Gilbert (Assistant Headteacher)
Mr S Baugh (Assistant Headteacher)
Mr D Goodwin (Assistant Headteacher)
Miss K Steadman (Assistant Headteacher)

Principal & Registered Office

46 High Street
Sutton Coldfield
West Midlands
B72 1UL

Company Registration Number

7986921 (England and Wales)

Independent Auditor

Harwoods Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
West Midlands
B72 1TX

Bankers

Lloyds TSB
12 Newhall Street,
Edmund House,
Birmingham
B3 3EW

Solicitors

Eddowes, Perry & Osbourne
46 High Street
Sutton Coldfield
West Midlands
B72 1UL

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016

The trustees present their annual report together with the audited financial statements of the academy trust for the period 1st September 2015 to 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 as Bishop Vesey's Grammar School and is a selective entry state secondary school for students aged 11-18, with 663 male students on roll aged 11-16 and an agreed admission number of 160. The School has a mixed sixth form with capacity for around 400 students. The School has an overall capacity of 1072 and there was a total of 1026 students at the school in September 2015.

Students are drawn from the wider Birmingham and Midlands areas in accordance with the published admissions criteria and policy for the school.

The Academy Trust's principal activity (objects) is specifically restricted to the following:

- To advance for public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- Promoting facilities for recreation or other leisure time occupation in the interests of social welfare and improving the condition of life for the inhabitants of Sutton Coldfield.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Bishop Vesey's Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bishop Vesey's Grammar School.

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

The full Governing Body meets at least once a term. The work of the Governing Body is delegated to sub committees that are formally constituted with terms of reference; namely

Finance and Estates Committee (incl Audit & Investments Committee)
People, Pay and Development Committee
Learning and Teaching Committee
Membership & Appointments Committee
Admissions Committee

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.

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

Trustees' Indemnities

The Academy Trust purchases indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

Method of Recruitment and Appointment or Election of Trustees

The Academy trust shall have the following Trustees:

- The Principal (Headteacher - ex-officio)
- 9 Vesey Community Trustees - Appointed by the Vesey Trustees
- Up to 3 Staff Trustees
- Up to 3 Parent Trustees
- Up to 5 Appointed Trustees

New Trustees are recruited through the Membership and Appointments Committee who manage appointments to the vacancies that are available in the Governing Body and appoint Trustees to committees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governing Body have a Governors Induction Pack and Governor mentoring is available. A skills audit is completed as part of the induction procedures. Training and development courses are available from Birmingham City Council and other training providers and these are circulated to all Trustees on a regular basis. The school also purchases the School and Governor Support Package from Birmingham City Council which offers advice to Trustees on a range of issues.

Trustee's experiences and skills and abilities are taken into account when they are appointed to Sub Committees.

Trustees are kept up to date with their legislative obligations and good practice through the above support services and from support and advice from the Clerk to Governors/Company Secretary.

Organisational Structure

The Governing Body is responsible for all major decisions about the Academy.

The Governing Body is responsible for setting all policies covering Curriculum, Human Resource, Health & Safety and Financial aspects of the Academy and monitors accordingly against these policies. The Governing Body receives regular reports from the Senior Leadership Team including budget monitoring reports and other data which includes teaching and learning and achievement and standards.

The Responsible Officer/Internal Control role is undertaken by an independent auditing company DRB Management Limited. DRB Management Limited report directly to the Trustees who have responsibility for the Statutory Accounts. The levels of

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

authorisation for budget spend are detailed in the Terms of Reference for the Finance and Estates Committee agreed by the Governing Body.

The day to day management of the Academy is delegated by the Governing Body to the Headteacher who is supported by the Senior Leadership Team which comprises; Two Deputy Headteachers, Four Assistant Headteachers and the Finance Director & School Business Manager.

The initial School Development Plan is drawn up by the Headteacher working with the Senior Leadership Team. The draft plan is reviewed and approved by the Full Governing Body. The Governing Body reviews the progress of the plan as part of their regular work.

As a School, a high percentage of the Academies expenditure relates to staffing. The staffing structure is determined by the Governing Body working in conjunction with the Headteacher to ensure that it meets the school's curriculum needs.

The School Development Plan and the staffing structure then inform the Academy budget. The Headteacher is the Accounting Officer and is responsible for the day-to-day management of the Academy.

Arrangements for setting pay and remuneration of key management personnel

The academy has a leadership pay structure in line with national recommendations for leadership pay based on the size and scope of the school. All leadership pay increments and awards are approved by the trustees through the People, Pay and Development Committee or the Headteachers review panel. The Headteacher only receives pay remuneration in respect of services provided undertaking his role as detailed under his contract of employment.

All trustees that are also employees (Staff Trustees) receive pay remuneration only in respect of services they provide undertaking their roles as detailed under their contracts of employment. This is based on the scope of their role and responsibilities and is based on recommended national pay levels for those posts and responsibilities.

Related Parties and other Connected Charities and Organisations

There are no sponsors of the Academy. There are no related parties which either control or significantly influence the decisions and operations of Bishop Vesey's Grammar School with the exception of:

The Academy Trustees also maintain the Charity "The Governors of Bishop Vesey's Grammar School" - Registered Charity 517907, which has stewardship of the site and the school buildings from The Official Custodian for Charities. "The Inspiration and Excellence Fund" element of this charity provides an umbrella of support for the various activities of Bishop Vesey's Grammar School whilst co-ordinating and promoting these activities to the benefit of the school, and with the aim to secure the long-term survival and development of the school as a place of excellent education and distinctive ethos.

The Academy works with many school networks within the Birmingham Area and also works with national networks such as the Grammar Schools Headteachers Association and Leading Edge Programmes to further the principal activities of the Academy.

The School supports local primary schools with Language, Science and Sports Programmes designed to further academic excellence in the primary school sector and create opportunities for leadership in the Bishop Vesey's Grammar School student body.

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

Objectives and Activities

Objects and Aims

The principal objects and activities of the charitable company are to advance for public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. Promoting facilities for recreation or other leisure time occupation in the interests of social welfare and improving the condition of life for the inhabitants of Sutton Coldfield.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- The Characteristics of the Academy are set that the school has a curriculum that satisfies the requirements of section 78 of the Education Act 2002 (balanced and broadly based curriculum including English, Mathematics and Science);
- The School shall make provision for the teaching of religious education and for a daily act of collective worship;
- The School provides education for pupils who are wholly or mainly drawn from the area in which the school is situated;
- The Academy is a selective school within the meaning of section 6(4) of the Academies Act 2010, subject to the provisions set out in the selective admission arrangements;
- The School will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;
- There are assessments of pupils performance as they apply to maintained schools and the opportunity to study for external qualifications in accordance with the requirements of the Secretary of State,;
- There is an emphasis on the needs of the individual pupils including pupils with special educational needs;
- There is no charge in respect of admission to the school.
- The planned capacity of the school is 1020 in the age range 11-18, including a sixth form of 400 places.

School Vision, Beliefs, Values and Culture

Our school vision is to offer inspiration and excellence through offering what we call the Vesey experience:

- Inspirational teaching and outstanding learning
- Academic excellence, a spirit of enquiry and curiosity
- Enrichment opportunities building leadership, independence and resilience
- A warm outward-looking community, celebrating diversity and supporting others.

Bishop Vesey's Grammar School is a very special place, providing an outstanding, academically challenging and well-rounded education for able students from Birmingham and across the Midlands since the 16th Century. Our academic profile is comfortably in the top fifty schools nationally: 83% A*-B (A level, 2015), with typically two-thirds of all grades at GCSE being achieved as A*-A. Just under three quarters of our students leave at 18 to study at the prestigious Russell Group

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

universities. At the same time, our extra-curricular provision is first-rate, wide-ranging and of national renown.

The happiness and safety of every student are of paramount importance to all staff. The school takes the time to get to know every student and their individual needs.

The school's success is founded on the commitment of very well qualified staff to high standards, outstanding behaviour, outstanding teaching and learning.

Students learn the skills they need to thrive in the 21st Century. The school encourages creativity and team-working and promotes intellectual rigour, problem solving and independence.

The school provides students with exciting and memorable opportunities and delivers national level coaching in singing, hockey, rugby and rowing. The school also benefits from a large team of highly qualified and dedicated peripatetic music teachers.

The school is not inward looking and service to others is something the school values. The students are endlessly devising ways to raise money for charities. Whilst the school is fun there is no doubting the seriousness of the school's moral purpose.

The curriculum provision at the school goes significantly beyond the national prescriptions to offer challenge to the Gifted and Talented who are encouraged to pursue their passion for study to reach levels of achievement well in advance of expected norms. The school has an increasing number of contacts with university departments and seeks to build partnerships to raise aspirations for students who will progress to degree courses at top universities.

The school was judged "Outstanding" by Ofsted in October 2014 "Teachers communicated a passion for their subject inspiring their students to want to learn more....standards are consistently amongst the highest in the country. Students are provided with a wealth of opportunities that enable them to excel" - OFSTED 2014.

Objectives, strategies and activities

The School Development Plan for 2015 - 2020 set out the following objectives for the year includes the areas listed below to support the school vision of 'Inspiration and Excellence'. These are set out in the School Development Plan and monitored on a regular basis by the Trustees.

- Develop academic rigour at Key Stage 3 and further develop enjoyment and participation.
- Support well-being and develop resilience for staff and students and widen opportunities for academic enrichment.
- Ensure staff welfare and staff personal and professional development.
- Increase opportunities for staff to influence wider leadership policy and decision making and further develop their leadership skills.
- Ensure Trustee development
- Continue to embed Building Learning Habits in the School with staff coaching and student and parental engagement.
- Implementation of the 'raising achievement' and 'narrowing the gaps' plans which include strategies on staff performance development, development of KS3 tracking systems, targeted intervention, further curriculum development, the development of super-curricular activities and further careers development.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

- Continued implementation of the strategic plan for long term sustainability including the continued increase in the number of students at the school as a result of the increased Pupil Admission Number (PAN).
- The completion of construction of a new Science, Technology, Engineering and Maths block on the school site.
- A marketing strategy focused on the recruitment of the most able students, community cohesion, customer relationship management and primary school outreach.
- A review of the curriculum to ensure student and parental requirements and expectations are met.
- The development of Fundraising within the school to further support long term sustainability

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Strategic Report

Achievement and Performance

Bishop Vesey's Grammar School converted to an academy as an OFSTED graded 'good' school with many outstanding features in April 2012 based on an April 2010 inspection. Our most recent full inspection was in October 2014 when the school was graded as outstanding in all categories.

Student learning and progress is outstanding overall as the large majority make at least good and often outstanding progress. An analysis of key results and performance can be seen in the table below:

Year	% with GCSE 5*-C (including English and Maths)	% of grades at A* - A	of KS2-KS4 value added	% of grades at A* - B at A level	of ALPS (6 th Form value added) Red T&L	ALPS (6 th Form value added) for Blue T&L
2011	99	66	1016	75	3 (Excellent)	5 (Good)
2012	99	67	1017.3	81	3 (Excellent)	3 (Excellent)
2013	100	67	1019.7	82	4 (Very good)	2 (Outstanding)
2014	97	66	1026.2	85	3 (Excellent)	2 (Outstanding)
2015	99	67	1025.5	81	4 (Very good)	3 (Excellent)
2016	99	57	To be Confirmed	83	4 (Very good)	2 (Outstanding)

As a school we are relentlessly engaged in continuous improvement to improve our outcomes for all our young people. There is a rigorous whole-school approach to self-evaluation and challenging targets are set for all students.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

There is a regular and rigorous system for assessment and academic tracking and intervention across the school.

Performance is analysed by groups (ethnicity, gender, FSM Ever 6, SEND, LAC) and action undertaken to tackle any under-performance. All staff are accountable for performance through a rigorous performance development process, line management and departmental academic reviews with the Senior Leadership Team as well as with, on a structured basis, the Governing Body.

There is a strong whole-school focus and Continuing Professional Development to ensure staff are consistently delivering outstanding teaching and learning in order to raise achievement.

Key Performance Indicators

The School uses a range of data sources both qualitative and quantitative to assess and review school performance the main summary performance can be seen in the table above but a range of performance indicators are used to support conclusions with regard to effectiveness and impact these include:

- Exam Results for individual students and summative results for subject performance
- Internal assessment and tracking data
- Raise Online for Key Stage 3 & Key Stage 4 performance
- SSAT KS4 Educational Outcomes reports
- Alps for Key Stage 5 performance
- Lesson Observations
- Performance Management Reviews
- SIMS Behaviour and Attendance Reports
- Census Data
- School Self-Assessment
- Governance Reviews
- Regular Financial Audit and Review
- School Council Reports
- Parental and Student feedback
- Parent and Student Questionnaires
- Parental Feedback from Ofsted Parent View
- Staff Questionnaires

Quantitative analysis is benchmarked nationally against all schools and peer schools and qualitative information is used to support the determination of quality of experience.

There have been significant developments in the core infrastructure of the school in the period ending 31st August 2016. These include:

- Admitting an additional 32 students within Year 7 in accordance with the increase in the school's pupil admission number;
- Providing Computing as a subject within the curriculum;
- Major Construction of a new 16 Classroom STEM Block;
- Development of the ICT Infrastructure;
- Installation of a new Telephone System;

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

Student Numbers

The School is consistently oversubscribed in Year 7 (11 year olds entry into the school) and Year 12 (post 16 entry into the school). The School has waiting lists for years 7, 8 & 9 and the school has dispensation to allow additional entry for 4 students into year 10 subject to a selective admission test. The School expanded its Pupil Admission Number (PAN) in September 2015 to take account of increasing demand for places. This increase in numbers will also support the continued sustainability of the school by increasing the level of revenue funds in future years.

Going Concern

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

Financial Review

The main sources of income for the Academy are grants from the Department for Education (DfE) Education Funding Agency (EFA) which are recurrent grants based on the number of students in the School. The use of these grants is restricted to use for particular purposes. The grants received from the EFA during the period ended 31st August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the EFA. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined by the Academy's accounting policies and financial procedures manual.

During the period ended 31st August 2016, total expenditure of £5,234,000 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed assets funds) was £19,000. These figures exclude the movement on the deficit on the Local Government Pension Scheme of £747,000 (See note 22 to the accounts).

At 31st August 2016 the net book value of fixed assets was £191,938 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

Reserves Policy

The trustees review the reserve levels of the Academy annually. This review takes into account the total amount of uncommitted funds available together the current and future forecast levels of income and expenditure. The current Reserves Policy requires a minimum of £100,000 to be held as contingency in reserves:

The Academy is holding free reserves at 31st August 2016 of £(987,000).

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

This comprises

- Restricted Funds Deficit of £(3,129,000)
- Unrestricted Funds of £1,950,000
- Restricted Fixed Asset Funds of £192,000

Restricted Funds comprises:

- £(1,406,000) general funds to support the academy's budget 2016/17.
- £(1,723,000) is the deficit on the defined pension Scheme.

Investment Policy

The Trustees have an investment policy which sets out investment parameters given that the risk appetite for the school is low. There are currently no material investments held by the Academy.

Principal Risks and Uncertainties

The Trustees have prepared a Risk Register and have a risk management strategy. These include financial risks to the school. The register and strategy are reviewed on a regular basis by the Schools Executive Leadership Team. These are also reviewed on an annual basis by the Governing Body.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the school's facilities and site, with regard to Teaching and Learning and also with regard to the schools finances. There is a system and a reporting mechanism to assess risk that the school faces to ensure that these are appropriately mitigated against especially where risk prevails by implementation of controls and procedures.

The principal financial risk for the Academy is the level of funding from central government. Funding is dependent on student numbers, it is anticipated that these numbers are not likely to give concern as the school has been historically oversubscribed, however falling student numbers as a result of the reputation of the school is considered a potential risk.

The Academy's future funding is very dependent on Government Policy with regard to Education and specifically selective education in the state sector. The impact of formulaic changes on the school's budget is a considerable and real risk. This is managed through prudent budget management and medium term forecasting to give early indication of potential financial difficulties. Trustees would consider this a high area of risk.

The Local Government Pension Scheme, is a defined benefit scheme, the Academy currently has a deficit on this scheme. Lump Sum repayments of the deficit together with a calculation of the on-going contributions required are considered to be manageable within the Academy's budget.

Plans for future periods

Trustees recognise the importance of both the learning environment and the opportunities for extra-curricular activity on the levels of student achievement and continue to develop and improve the teaching, learning and whole school environment to ensure 'inspiration and excellence'.

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

The Trustees and Senior Leadership Team are committed to ensure that the whole school infrastructure including the schools staffing structure is developed continuously to support continuing high levels of achievement and attainment for all the students of the school. Managing the continued impact of funding reform on the Academy's budget will be a key focus for the school whilst at the same time maintaining the momentum of school improvement.

The School will continue to increase the number of students by an additional 32 students in September 2016 and this will be repeated until September 2020 to enable an additional 160 Students to be taught at the school generating additional funding per annum of £553,289 by 2021 with an estimated increase in costs of £413,163 per annum by 2021.

The School is due to complete a large construction project for a new STEM Block as a result of the Growing Vesey Growing Minds Campaign (Charity 517907) Fundraising totalling £1,010,233 in 2014/15 and the school was also successful with a Condition Improvement Fund Bid to the EFA for £2,000,000. All the income balances from these sources will be finally utilised within the financial year ending 31st August 2017.

The Academies Self Evaluation has identified the focus for the School Development Plan for 2016/17 areas for development include:

School Culture

- Review of the Behaviour Policy to maximise the opportunities for positive reward and minimise sanctions.
- To achieve the UNICEF Rights Respecting Award (RRA) Level 1.
- Increase the number of students participating in extra-curricular activity outside lesson time.

Staff Welfare and Development

- Ensure staff welfare and staff development

Building Learning Habits

- Continue to embed Building Learning Habits in the School and improve the rigour of classwork and homework.

Raising Achievement and Narrowing the Gaps

- Implementation of the 'raising achievement' and 'narrowing the gaps' plans.
- Ensure an increase in the applications to Oxbridge and Russell Group Universities
- Careers development through the Inspiration Programme
- Develop and expand external links with stakeholders such as exam boards, universities and employers.

Long Term Sustainability - Expansion of the School

- Continued implementation of the strategic plan for long term sustainability including the continued increase in the number of students at the school as a result of the increased Pupil Admission Number (PAN).
- Review efficiencies within the delivery of the curriculum to maximise the use of existing resources.
- Identify the potential for additional income generation and partnerships.
- Launch the Vesey 2027 and Legacy initiatives to support philanthropic investment in the school.
- To develop and extend the school's role as a system leader.

BISHOP VESEY'S GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

Funds held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- 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 the information.

Company Secretary and Clerk to the Governors

The trustees are in appreciation of the work of the Company Secretary, Mr Kerry Osbourne, who will be retiring as Company Secretary and Clerk to the Governing Body in December 2016. Mr Osbourne has been Clerk to the School since 1977. His hard work and support of the school over this time has been very much appreciated and he has supported the school's significant and continuing development over the years.

Trustees report, incorporating a strategic report, approved by order of the board of trustees, as the company directors on 5th December 2016 and signed on the board's behalf by:

Dr J Craggs
Chair of Trustees



BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2016

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Bishop Vesey's 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bishop Vesey's 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.

Governance

The Board of Trustees as a Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF A POSSIBLE
Dr John Craggs (Chairman)	6	6
Mr P Dines (Vice Chair)	2	2
Mrs C Robinson	5	6
Mr P Singh	5	6
Mr D Robson	6	6
Mrs L J Overton	5	6
Mrs H J M Storey	5	6
Mr D J Carter	4	6
Mr S P Wade (Vice Chair)	4	6
Mrs F C Nicholl	4	6
Mr D J Wheeldon	1	2
Mr B Ahmed	5	6
Mr G Pallister	5	6
Mr A Moore	3	6
Mrs J Davis	4	6
Mrs J Robson	6	6
Mr T Williams	5	6
Mrs S Salh	3	5
Dr R Heitmar	1	1
Dr S Haider	1	1
Mr I Myatt	1	1
Mr M Uddin	1	1

There have been no changes in the composition of the Board of Trustees and no particular challenges have arisen for the board. Specific trustee changes can be seen on Page 3

Governance reviews:

A number of reviews of Governance have taken place in recent years including an external review in November 2013 undertaken by Walsall Governor Support Unit. The report was positive and did not highlight any significant improvements. Subsequent internal self-evaluation in February 2014 and internal review in May 2015 have also taken place. Another self evaluation took place in June 2016 with the purpose of

BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

identifying the potential for further development and the attainment of Governor Mark Accreditation. The Governors of the school are committed to continuing a regular cycle of evaluation and review to ensure effective leadership and governance within the School.

As central government public sector bodies academy trusts are required to provide assurance that they are appropriately managed and are controlling the resources for which they are responsible. This assurance must be communicated in a governance statement. The text of this statement will need to be amended to reflect the circumstances of the individual academy trust, particularly where it is a new academy trust.

The Finance and Estates Committee is a sub-committee of the main board of trustees. Its purpose is to ensure effective financial management and probity within the school in order to protect and maximise the impact of the resources available to the School. The Finance and Estates Committee met three times during the year at the attendance at meetings was as follows:

TRUSTEE	MEETINGS ATTENDED	OUT OF A POSSIBLE
Dr J Craggs	2	6
Mrs C Robinson (Chair of Committee)	5	6
Mr D Robson (Headteacher)	4	6
Mrs L Overton	5	6
Mr D Carter	4	6
Mr Bilal Ahmed	3	6
Mr A Moore	5	6

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to ensure effective financial management and probity within the school in order to protect and maximise the impact of the resources available to the School. There were no meetings in the year ended 31st August 2016, but the committee has met since 31st August 2016.

Review of Value for Money:

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by the following actions:

Adopting the following four principles of best value:

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the school's pupil performance and financial performance compare with all schools? How does it compare with Local Authority schools? How does it compare with similar schools?

BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Leadership Approach

Governors and School leaders have applied the principles of best value and value for money when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all students.

Governors, and the school leaders, have continued to:

- make comparisons with other/similar schools using data provided by the Local Authority and the Department for Education such as benchmarking tools for levels of expenditure and Raise Online and Alps for quality of teaching & learning.
- challenge proposals, examining them for effectiveness, efficiency, and cost, such as the setting of annual student achievement targets and have clear success criteria
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup
- consult individuals and organisations on quality/suitability of service we provide to parents and students, and services we receive from providers, e.g. External Advisors, student support providers, OFSTED, Finance consultants, Energy Consultants etc.

Staffing

Governors and school leaders have deployed staff to provide best value in terms of quality of teaching, quality of learning, adult-student ratio, and curriculum management. This includes the deployment of existing staffing resources to support the sickness absence of staff in certain instances.

Use of Premises

Governors and school leaders have reviewed the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources. This has included the procurement of a Temporary Teaching Block as part of the STEM Block Development and moving curriculum departments to suitable locations around the school site.

Use of Resources

The school have operated a curriculum bid process and a specific budget was set up to manage and monitor the required purchases of books and equipment in line with national curriculum development. This procurement was focused on delivering value for money through exceptional negotiation with existing suppliers. The monitoring of contracts takes place on a regular basis to ensure service delivery meets the requirements and standards set out.

BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

Development of Building Learning Habits

The further development to embed the cognitive learning initiative Building Learning Habits to support students' development of learning and maximise the outputs and impact of teaching and learning in the school.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2015 to 31 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.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Estates Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- medium to long term financial projections for income from the Education Funding Agency compared with expenditure forecast.
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- appropriate delegation of authority and segregation of duties;
- identification and management of risks through formal reported risk assessments

The board of trustees has considered the need for a specific internal audit function and has decided to appoint DRB Management Limited to act in the Internal

BISHOP VESEY'S GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

Control Reports role and provide independent check and reports to the Finance and Estates Committee together with advice and guidance in maintaining financial compliance appropriate to a publicly funded organisation.

The Internal Control and Advice Role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, DRB Management reports to the board of trustees, through the Finance and Estates Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The School have also appointed Harwoods Chartered Accountants as the External Auditors for the school.

Review of Effectiveness

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

- the work of DRB Management in the Responsible Officer Role;
- the work of the external auditor;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.
- Regular risk reporting with regard to financial management risks

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

Approved by order of the members of the board of trustees on 5th December 2016 and signed on its behalf by:

Dr J Craggs

Mr D Robson

Chair of Trustees

Accounting Officer and Headteacher



BISHOP VESEY'S GRAMMAR SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31ST AUGUST 2016

As accounting officer of Bishop Vesey's Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency 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.

Mr Dominic Robson

Accounting Officer



5th December 2016

BISHOP VESEY'S GRAMMAR SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31ST AUGUST 2016

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 5th December 2016 and signed on its behalf by:

Dr John Craggs

Trustee



BISHOP VESEY'S GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BISHOP VESEY'S GRAMMAR SCHOOL

FOR THE YEAR ENDED 31ST AUGUST 2016

We have audited the financial statements of Bishop Vesey's Grammar School for the year ended 31 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 Report² 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 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

BISHOP VESEY'S GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BISHOP VESEY'S GRAMMAR SCHOOL

FOR THE YEAR ENDED 31ST AUGUST 2016(Continued)

- 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.

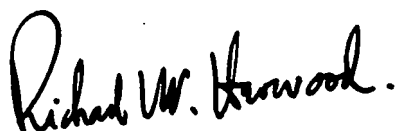
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Richard F W Harwood FCA
Senior Statutory Auditor
For and on behalf of
Harwoods
Chartered Accountants
Statutory Auditor

1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

5th December 2016

BISHOP VESEY'S GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BISHOP VESEY'S GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31ST AUGUST 2016

In accordance with the terms of our engagement letter dated 11 April 2013 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 Bishop Vesey's Grammar School during the period from 1 September 2015 to 31 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 Bishop Vesey's Grammar School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bishop Vesey's 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 Bishop Vesey's Grammar School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bishop Vesey's Grammar School accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bishop Vesey's Grammar School's funding agreement with the Secretary of State for Education dated 26 March 2012 and the Academies Financial Handbook, extant from 1 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 period from 1 September 2015 to 31 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:

BISHOP VESEY'S GRAMMAR SCHOOL

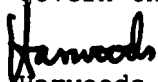
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BISHOP VESEY'S
GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY**

FOR THE YEAR ENDED 31ST AUGUST 2016(Continued)

- A review of the work undertaken and conclusions reached by DRB Management.
- A review of the minutes of the Finance and Estates Committee and other relevant committees to establish action taken on the reports of DRB Management and to establish that appropriate action taken.
- A review of accounting controls and procedures.
- A review of transactions to ensure compliance with Academies Financial Handbook.
- Meetings with the Accounting Officer to confirm full knowledge of Academies Financial Handbook.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Harwoods
Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

5th December 2016

BISHOP VESEY'S GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST AUGUST 2016

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2016	2015
		£000	£000	Asset Funds £000	£000	£000
Income and endowments from:						
Donations and capital grants	2	-	-	1,831	1,831	383
Charitable activities:						
Funding for the academy trust's educational operations	5	311	4,775	-	5,086	5,443
Other trading activities	3	29	-	-	29	34
Investments	4	2	149	-	151	63
Total		342	4,924	1,831	7,097	5,923
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6	175	4,946	1,960	7,081	5,913
Other						-
Net income/(expenditure)		167	(22)	(129)	16	10
Transfer between funds	14	(144)	-	144	-	-
Other recognised gains/(losses)						
Actuarial (losses) on defined benefit pension schemes	14, 22	-	(873)	-	(873)	(104)
Net movement in funds		23	(895)	15	(857)	(94)
Reconciliation of funds						
Total funds brought forward		1,927	(2,234)	177	(130)	(36)
Total funds carried forward		1,950	(3,129)	192	(987)	(130)

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

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

BISHOP VESEY'S GRAMMAR SCHOOL

BALANCE SHEET

31ST AUGUST 2016

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	11		192		177
Current assets					
Debtors	12	46		157	
Cash at bank and in hand	12	1,577		1,036	
		1,623		1,193	
Liabilities					
Creditors: Amounts falling due within one year	13	1,079		524	
			544		669
Net current assets					
Total assets less current liabilities			736		846
Net assets excluding pension liability			736		846
Defined benefit pension scheme liability	22		(1,723)		(976)
Total net assets			(987)		(130)
Funds of the academy trust:					
Restricted funds					
Fixed asset fund(s)	14	192		177	
Restricted income fund(s)	14	(1,406)		(1,258)	
Pension reserve	14	(1,723)		(976)	
Total restricted funds		(2,937)		(2,057)	
Unrestricted income funds	14	1,950		1,927	
Total unrestricted funds			(987)		(130)
Total funds			(987)		(130)

The financial statements on pages [] to [] were approved by the trustees, and authorised for issue on 7th December 2016 and are signed on their behalf by:

Dr J Craggs

Trustee

Company Limited by Guarantee
Registration Number 12345678



BISHOP VESEY'S GRAMMAR SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	(683)	(172)
Cash flows from investing activities	19	142	452
Change in cash and cash equivalents in the reporting period		<u>541</u>	<u>280</u>
Cash and cash equivalents at 1 September 2015		1,036	756
Cash and cash equivalents at 31 August 2016		<u>1,577</u>	<u>1,036</u>

BISHOP VESEY'S 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 uncertainty, is set out below

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with 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 Bishop Vesey's 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 Bishop Vesey's Grammar School for the year ended 31 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.

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.

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

- **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. [Insert commentary on treatment of GAG, fixed asset grants and grants with specific performance conditions.]

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided 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 donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £5,000 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 lives, as follows:

Furniture and equipment	20% per year
ICT equipment	33½% per year
Motor Vehicles	20% per year

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.

BISHOP VESEY'S GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2016 (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.

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.

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 22, 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,

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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.

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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 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.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	1,375	1,375	-
Other donations	-	456	456	383
	<u>-</u>	<u>1,831</u>	<u>1,831</u>	<u>383</u>

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3 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	<u>29</u>	<u>-</u>	<u>29</u>	<u>34</u>

4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	2	-	2	1
Pension fund net return on assets	<u>-</u>	<u>149</u>	<u>149</u>	<u>62</u>
	<u>2</u>	<u>149</u>	<u>151</u>	<u>63</u>

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)	-	4,683	4,683	4,811
Start-up grants				
Other DfE/EFA grants	<u>-</u>	<u>92</u>	<u>92</u>	<u>107</u>
	<u>-</u>	<u>4,775</u>	<u>4,775</u>	<u>4,918</u>
Other Government grants				
Local authority grants	-	-	-	-
Special educational projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other income from the academy trust's educational operations	311	-	311	525
	<u>311</u>	<u>4,775</u>	<u>5,086</u>	<u>5,443</u>

Funding for academy trust's educational operations was £4,775,000 (2015 £4,918,000) of which £Nil (2015 - £107,000) was attributable to unrestricted funds.

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6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2016 £000	Total 2015 £000
Academy trust's educational operations					
Direct costs	3,300	-	493	3,793	3,689
Allocated support costs	545	292	2,451	3,288	2,224
	<u>3,845</u>	<u>292</u>	<u>2,944</u>	<u>7,081</u>	<u>5,913</u>

£175,000 (2015 - £241,000) of the above expenditure on the academy trust's educational operations was attributable to unrestricted funds, £4,946,000 (2015 - £5,559,000) was attributable to restricted general funds and £196,000 (2015 - £113,000) was attributable to restricted fixed asset funds.

Net expenditure for the year includes:

	2016 £000	2015 £000
Operating lease rentals	59	18
Depreciation	136	113
Fees payable to the auditor for:		
Audit	<u>7</u>	<u>7</u>

7 Charitable activities

	Total 2016 £000	Total 2015 £000
Direct costs - educational operations	3,793	3,689
Support costs - educational operations	1,464	2,224
Expenditure on STEM block	<u>1,824</u>	<u>-</u>
	<u>7,081</u>	<u>5,913</u>

Analysis of support costs	Educational operations £000	Total 2016 £000	Total 2015 £000
Support staff costs	545	545	512
Depreciation	136	136	113
Technology costs	39	39	53
Premises costs	292	292	377
Other support costs	292	292	814
Governance costs	160	160	355
Total support costs	<u>1,464</u>	<u>1,464</u>	<u>2,224</u>

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FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

8 Staff

(a) Staff costs

	2016 £000	2015 £000
Staff costs during the period were:		
Wages and salaries	3,045	2,957
Social security costs	264	229
Operating costs of defined benefit pension schemes	<u>486</u>	<u>434</u>
Supply staff costs	50	19
Staff restructuring costs	<u>-</u>	<u>1</u>
	<u>3,845</u>	<u>3,640</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>-</u>	<u>1</u>

(b) Staff numbers

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

	2016 Number	2016 Full-time equivalent	2015 Number	2015 Full-time equivalent
Teachers	65	58.18	66	59.98
Administration and support	<u>47</u>	<u>30.58</u>	<u>44</u>	<u>29.48</u>
	<u>112</u>	<u>88.76</u>	<u>110</u>	<u>89.46</u>

(c) 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	4	2
£70,001 - £80,000	2	-
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

(d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits

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(including employer pension contributions) received by key management personnel for their services to the academy trust was £674,336 (2015: £678,064).

9 Related party transactions - Trustees' remuneration and expenses

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

D Robson (principal and trustee):

Remuneration £85,000 - £90,000 (2015: £75,000 - £80,000)

Employer's pension contributions £10,000 - £15,000 (2015: £10,000 - £15,000)

T Williams (staff trustee):

Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

HJM Storey (staff trustee):

Remuneration £40,000 - £45,000 (2015: £20,000 - £25,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,001 - £5,000)

LJ Overton (staff trustee):

Remuneration £25,000 - £30,000 (2015: £25,000 - £30,000)

Employer's pension contributions £0,001 - £5,000 (2015: £0,001 - £5,000)

During the period ended 31 August 2016, travel and subsistence expenses totalling £0 were reimbursed or paid directly to 0 trustees.

Other related party transactions involving the trustees are set out in note 23.

10 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2016 was undisclosed within the Risk Protection Arrangement with the Education Funding Agency (2015: £1,246.57). The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost				
At 1 September 2015.	271	176	-	447
Additions	-	144	7	151
At 31 August 2016	271	320	7	598

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Depreciation

At 1 September 2015	151	119	-	270
Charged in period	54	81	1	136
At 31 August 2016	205	200	1	406

Net book values

At 31 August 2015	120	57	-	177
At 31 August 2016	66	120	6	192

The trustees of Bishop Vesey's Grammar School (registered charity 517907) have entered into a Supplemental Agreement with the Academy Trust to make their land available during the continuance of the Funding Agreement between the Secretary of State for Education and Bishop Vesey's Grammar School, subject to the right by the trustees to give not less than 2 years written notice to terminate the agreement, such notice to expire on 31 August 2014 or any subsequent anniversary of that date.

12 Debtors

	2016 £000	2015 £000
Trade debtors	5	7
VAT recoverable	18	10
Prepayments and accrued income	23	140
	46	157

13 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	529	492
Accruals and deferred income	550	32
	1,079	524

Deferred income

	2016 £000	2015 £000
Deferred income at start of year	32	31
Released from previous years	32	31
Resources deferred in the year	550	32
Deferred income at end of year	550	32

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FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

14 Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	(1,258)	4,775	(4,923)	-	(1,406)
Pension reserve	(976)	149	(23)	(873)	(1,723)
	<u>(2,234)</u>	<u>4,924</u>	<u>(4,946)</u>	<u>(873)</u>	<u>(3,129)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	177	1,375	1,960	144	(264)
Capital expenditure from GAG					
Private sector capital sponsorship	-	456	-	-	456
	<u>177</u>	<u>1,831</u>	<u>(1,960)</u>	<u>144</u>	<u>192</u>
Total restricted funds	<u>(2,057)</u>	<u>6,755</u>	<u>(6,906)</u>	<u>(729)</u>	<u>(2,937)</u>
Total unrestricted funds	<u>1,927</u>	<u>342</u>	<u>(175)</u>	<u>(144)</u>	<u>1,950</u>
Total funds	<u>(130)</u>	<u>7,097</u>	<u>(7,081)</u>	<u>(873)</u>	<u>(987)</u>

15 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	192	192
Current assets	1,623	-	-	1,623
Current liabilities	327	(1,406)	-	(1,079)
Pension scheme liability	-	(1,723)	-	(1,723)
Total net (liabilities)	<u>1,950</u>	<u>(3,129)</u>	<u>192</u>	<u>(987)</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

16 Capital commitments

	2016	2016
	£000	£000
Contracted for, but not provided in the financial statements	<u>516</u>	<u>-</u>

17 Commitments under operating leases

Operating leases

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

	2016	2015
	£000	£000
Amounts due within one year	16	-
Amounts due between one and five years	<u>43</u>	<u>43</u>
	<u>59</u>	<u>43</u>

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

	2016	2015
	£000	£000
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)	16	10
Adjusted for:		
Depreciation (note 13)	136	113
Capital grants from DfE and other capital income	(7)	(525)
Interest receivable (note 5)	(2)	
Defined benefit pension scheme cost less contributions payable (note 29)	23	
Defined benefit pension scheme net return on assets	(149)	(62)
		76
(Increase)/decrease in debtors	111	56
Increase/(decrease) in creditors	<u>555</u>	<u>160</u>
Net cash provided by / (used in) operating activities	<u>683</u>	<u>(172)</u>

19 Cash flows from investing activities

	2016	2015
	£000	£000
Interest	2	1
Purchase of tangible fixed assets	(151)	(74)
Capital grants from DfE/EFA	<u>7</u>	<u>525</u>
Net cash provided by investing activities	<u>142</u>	<u>452</u>

20 Analysis of cash and cash equivalents

	2016	2015
	£000	£000
Cash at bank and in hand	<u>1,577</u>	<u>1,036</u>

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FOR THE YEAR ENDED 31ST AUGUST 2016 (Continued)

21 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 the debts and liabilities contracted before he/she ceases to be a member.

22 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

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

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

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);

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- 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 1 April 2019.

The pension costs paid to TPS in the period amounted to £371,511 (2015: £317,802).

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 year ended 31 August 2016 was £150,000 (2015: 158,000), of which employer's contributions totalled £114,000 (2015: £123,000), and employees' contributions totalled £36,000 (2015: £35,000). Employees' contributions are dependent upon the individual's salary. The agreed employer contribution rate for the period from 1 September 2016 to 31 March 2017 is 14.6% and for the period from 1 April 2017 to 31 August 2017 is 20.8%. In addition the Academy will be required to pay an additional amount of £44,000 in the year commencing 1 April 2017 compared with £32,700 in the year ending 31 March 2017.

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 18 July 2013.

Principal Actuarial Assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.75%	4.15%
Rate of increase for pensions in payment / inflation	2.0%	2.4%
Discount rate for scheme liabilities	2.2%	4.0%

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

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	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.8	25.6
<i>Retiring in 20 years</i>		
Males	25.3	25.2
Females	28.1	28.0

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equity instruments	906	691
Debt instruments	237	202
Property	122	98
Cash/liquidity	98	58
Other	165	106
Total market value of assets	1,528	1,155

The actual return on scheme assets was £236,000 (2015: £49,000).

Amounts recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	137	123
Net interest cost	37	34
Administration expenses	1	-
Total operating charge	175	157

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

	2016 £000	2015 £000
At 1 September	2,131	1,853
Current service cost	137	123
Net interest cost	86	76
Employee contributions	36	35
Actuarial loss	873	91
Benefits paid net of transfers in	(12)	(47)
At 31 August	3,251	2,131

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

	2016 £000	2015 £000
At 1 September	1,155	995
Interest income	49	42
Return on plan assets (excluding interest income)	187	7
Employer contributions	114	123
Employee contributions	36	35
Benefits paid	(12)	(47)
Administration expenses	(1)	-
At 31 August	<u>1,528</u>	<u>1,155</u>

23 Related Party Transactions

The Trustees' Report provides information concerning registered charity 517907 - "The Governors of Bishop Vesey's Grammar School". The audited financial statements for the year ended 31 August 2016 disclose net assets at that date of £3,747,195, incoming resources of £214,860, resources expended of £232,583, gains on investments of £206,124 and net incoming resources for the year then ended of £188,401.

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