

REGISTRAR OF COMPANIES

The Grey Coat Hospital

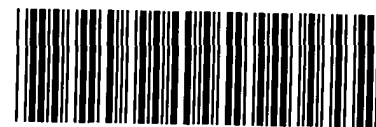
Annual Report and Financial Statements

31 August 2016

Company Limited by Guarantee
Registration Number
08099098 (England and Wales)

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COMPANIES HOUSE

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Reference and administrative information

Members

Lady Laws MLitt MA
Mrs S M Lowson MSc RSCN RGN DMS
Miss R E Whittaker BSc (Soc) MBE JP

Governors

Mr R D Clark (*Vice Chairman from 16 March 2016*)
Ms N S Cottier BEd
Vice Admiral P Dunt CB DL
Miss E M Gibson
Ms S Maddrell BA
Mr J O Nesbitt ARICS
Mrs J Schroer
Mrs V S Simmons BA (*Vice Chairman then Chairman from 16 March 2016*)
Mr J Slater FCA (*Chairman until 16 March 2016*)
Mrs R N Stewart BSc
Mr F Studemann Schulenburg BA
Ms C Thompson MSc
Mrs A Trainor (until 31 October 2016)
Mr G J T Vyvyan TD (until 18 July 2016)
The Rev Canon Professor V P White MA MLitt

Company Secretary

Mr Roy W Blackwell

Senior Management Team

Headteacher	Sian Maddrell
Deputy Head	Sandra Young
Deputy Head	Peter Shaw
Assistant Head	Alina Pickard (until 31 August 2016)
Assistant Head	Janette Parish (until 31 August 2016)
Assistant Head	Marcus Waltl (until 31 August 2016)
Assistant Head	Paul Williamson
Bursar	Marie Holmes

Registered address

55a Catherine Place
London
SW1E 6DY

Principal address

Grey Coat Place
London
SW1P 2DY

Company registration number

08099098 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers National Westminster Bank
Victoria Branch
169 Victoria Street
London SW1E 5BT

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Governors' report 31 August 2016

The governors of The Grey Coat Hospital ('the Academy') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 36 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later (Charities' SORP 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charitable company is a company limited by guarantee (Company Registration No. 08099098) and an exempt charity incorporated on 11 June 2012. The charitable company's Articles of Association and the funding agreement executed on 1 July 2012 are the primary governing documents of the Academy.

The governors act as trustees for the charitable activities of The Grey Coat Hospital and are also directors of the charitable company for the purposes of company law. The charitable company is known as The Grey Coat Hospital.

Details of the governors who served throughout the year except as noted are included later in this report.

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.

Governors' indemnities

As stated in the Academy's Articles of Association (Clause 133): 'Subject to the provisions of the Companies Act 2006 every governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.'

The Academy has an indemnity policy in place to cover the cost of any such claims up to a total of £5,000,000 in any one year.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities

The Academy's object is specifically restricted to the following:

- a) To advance for the public benefit education by maintaining and managing an Academy with a Christian religious character offering a broad curriculum conducted in accordance with the Christian faith ethos; and
- b) To promote for the benefit of the community the provision of facilities for recreation or leisure in the interests of social welfare.

Its activities are:

- a) To provide education for pupils of different abilities between the ages of 11 and 19. In accordance with the Articles of Association, the charitable company has adopted a Transfer Agreement approved by the Secretary of State for Education, which specifies, amongst other things, the basis for admitting students and that the curriculum should be broad and balanced and taught within the context of the Christian ethos of the Academy; and
- b) to let facilities to the community.

Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006. The following trustees were in office at 31 August 2016 and served throughout the period except where shown.

Governor	Appointing body
Mr R D Clark	Elected Parent
Ms N S Cottier BEd	GCH Fdn. Trustees
Vice Admiral P Dunt CB DL	Queen Anne's School
Miss E M Gibson	GCH Fdn. Trustees
Ms S Maddrell BA	Head
Mr J O Nesbitt ARICS	GCH Fdn. Trustees
Mrs J Schroer	GCH Fdn. Trustees - Parent
Mrs V S Simmons BA	GCH Fdn. Trustees
Mr J Slater FCA	GCH Fdn. Trustees
Mrs R N Stewart BSc	GCH Fdn. Trustees - Parent
Mr F Studemann Schulenburg BA	GCH Fdn. Trustees - Parent
Ms C Thompson MSc	Elected Teaching Staff
Mrs A Trainor (until 31 October 2016)	Elected Support Staff
Mr G J T Vyvyan TD (term ended 18 July 2016)	Elected Parent
The Rev Canon Professor V P White MA MLitt	The Dean and Chapter of the Collegiate Church of St Peter Westminster

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors

On the conversion date the members appointed all those governors that served the predecessor school to be governors of the newly formed Academy. These governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, ensuring staggered re-election. Parent governors and elected staff governors, who were governors of the predecessor school as at the conversion date and are still governors now are deemed to be elected for the purposes of this report.

Since July 2012 new governors are appointed or elected under the Articles of Association and Funding Agreement. In general the Academy Trust will have the following governors:

- ◆ The Grey Coat Hospital Foundation may appoint up to 10 governors, subject to Articles of Association. There must be a minimum of 5 appointed under this arrangement;
- ◆ In addition, subject to Articles, the Academy Trust shall have the following governors:
 - a) 2 parent governors; to be elected, however if the number of parents standing for election is less than the vacancies, the governors can appoint parent governors to make up the number of parent governors required;
 - b) the Headteacher;
 - c) any additional governors, as deemed necessary by the Secretary of State under the relevant clauses in the Articles of Association; and
 - d) the governors may appoint up to 3 co-opted governors subject to the conditions set out in the Articles of Association.
- ◆ The total number of governors who are employees of the Academy Trust (including the Headteacher) must not exceed one third of the total number of governors nor shall non foundation governors exceed the number of foundation governors;
- ◆ The Headteacher shall be treated for all purposes as being an ex-officio governor; and
- ◆ The term of office for any governor (except on conversion) is four years, with the exception of:
 - a) This time limit does not apply to the Headteacher; and
 - b) A staff governor will only hold office for so long as they continue to be employed as a teacher or member of support staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors (continued)

A pro-forma has been developed to assist in a skills audit of governors. By this method, the board can ascertain where its strengths and weaknesses lie and can plan succession accordingly.

Once a "skills profile" has been agreed, governors are encouraged to put forward suitable names on the clear understanding that names put forward are not automatically elected onto the board. Anyone to be considered then meets with the Foundation Clerk to discuss the role and responsibilities of governors in general and the workings of the Grey Coat Hospital Foundation ('the Foundation') and the Foundation office in particular. Assuming the person is interested in pursuing the application, s/he will meet with the Chairman to discuss the board, its members and to give an "insider" view of its workings. If the person is still interested and the Chairman and others are satisfied that s/he is a good candidate, a visit to the Academy will be arranged to look around and meet the Head. Assuming all is well, the candidate's C.V. is presented to the next board meeting and the Chairman will give a verbal report as to the merits of the candidate. It is then a majority decision as to whether someone is appointed. The successful candidate then receives various papers and is subject to statutory checks.

Policies and procedures adopted for the induction and training of governors

Prior to their appointment all new governors are given details of the workings of the Academy and the governing body and policies and procedures together with general information and guidance about what being a governor entails. On their appointment they will be given copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their duties as governors.

In addition governors are encouraged to attend training sessions, the cost of which is covered by the Foundation. Regular bulletins are given to governors listing the courses available. There are continuous professional development sessions arranged for governors and senior staff on matters such as strategic planning.

Organisational structure

The Academy's organisational leadership involves the governors and the officers in the Senior Leadership Team.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments. The full board meet 3 times a year and more often when necessary.

The Academy, in addition to its main board of governors, has a Finance and Buildings Committee, a Personnel Committee, a Curriculum Committee and an Admissions Committee. In addition, there is a Strategy Committee consisting of the Chairman, Vice Chairman and Chairs of Standing Committees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

All committees have approved Terms of Reference. Within these Terms of Reference authority and responsibility is delegated to the appropriate decision maker.

The day to day management of the Academy is delegated to the Headteacher.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy responsible for directing and controlling the Academy comprise the governors together with the Senior Leadership Team. Governors, aside from staff governors, do not receive remuneration in respect of their services to the Academy.

The setting of pay and remuneration for the Headteacher and members of the Senior Leadership Team is undertaken by the Governors' Remuneration Committee which is the members of the Strategy Committee. This Committee meets in the first term of the academic year when it reviews and appraises the Headteacher's performance, sets objectives and then determines pay for the coming year. The Committee then determines remuneration of each member of the Senior Leadership Team on the basis of performance appraisal reviews carried out by the Headteacher.

Connected organisations, including related party relationships

As well as Queen Anne's School, the other school which is part of the Grey Coat Foundation, the Academy has links with schools in the United Westminster Schools Foundation and strong connections with Westminster Abbey. The Academy also has links with various educational organisations including the London Diocesan Board for Schools (LDBS).

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objective is to provide a broadly based education within the framework of a Christian ethos. The aim of The Grey Coat Hospital is to enable students to take charge of their learning, make decisions based on Christian values, live in the world as independent women and meet the challenges of the twenty-first century. This educational offering embraces high academic standards with a rich and varied programme of extra-curricular activities, allied to many opportunities to undertake Academy visits and trips. The Academy is proud of its historic heritage which forms a background to its desire to equip itself with the latest technology and resources to enable the students to fulfil their potential and to become valuable and valued members of the wider community.

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

In setting the Academy objectives and planning its activities, the governing body have given careful consideration to the Charity Commission's general guidance on public benefit in particular its supplementary guidance on advancing education.

Targets 2015-16

Achievement

- ◆ KS5 – 65% A*-B grades, 100% A*-E, students are able to progress onto their first choice destination after school;
- ◆ KS4 – 85% 5+A*-C with English and Maths;
- ◆ Develop marking and feedback to ensure that assessment is clear and supports student progress; and
- ◆ Further develop targeted actions to ensure student achievement and progress at all key stages.

Teaching and Learning

Whole school teaching and learning priorities for 2015 – 2016 have an emphasis on challenge in all aspects of learning and preparing students for linear examinations:

- ◆ Collaborative learning;
- ◆ Homework – setting and assessment of homework (quality of type of task and feedback);
- ◆ Challenge;
- ◆ Addressing and meeting the needs of individual learners (Assessment for Learning);
- ◆ Literacy Across the Curriculum (Literacy programme initiative in year 7); and
- ◆ Linear Examinations.

The teaching and learning team will continue to work to sustain the quality of teaching and learning in the Sixth Form. It is essential that the students leave Year 13 with three excellent grades at A level as university places are more competitive than ever.

The focus is on preparing students for their linear examinations. Students will be taught how to revise, how to consolidate their learning at home and how to avoid the distractions of an ever increasing technological age. We will continue with the mentoring programme of previous years, but will employ a wider range of strategies to target recognised groups within the cohort beyond the C/D borderline.

OBJECTIVES AND ACTIVITIES (continued)

Targets 2015-16 (continued)

Behaviour

- ◆ Support students in developing positive relationships for life; and
- ◆ To explore the theme of Leadership through the year and across the school in the context of GCH as a Christian community.

Leadership and Management

- ◆ Leading preparations for the curriculum and assessment changes; and
- ◆ Enhance Sixth form provision to support the development of our Sixth Form community.

STRATEGIC REPORT

Achievements and performance

Examination Performance

GCSE Results 2016

	2016	2015	2014
5+ A*-C with English & Maths	82.7%	85.3%	82.1%
A* and A grades	47.4%	43.5%	45.4%
5+ A* - C	90.0%	92.7%	86.5%
5+ A* - G	99.3%	100%	97.4%
English Baccalaureate	65.3%	68.7%	64.7%

The overall performance of the cohort of 82.7% 5+ A*-C including English and Mathematics while lower than 2015 is slightly higher than 2014. This should be viewed in the context that it is still around 12% above the national figure for girls.

In 2016 the percentage of A*/A grades at 47.4%, the highest to date was pleasing and compares very favourably with a national figure of 21.3%.

In the following subjects, more than 50% of the students attained A*/A: Art, DT Textiles, English Language, French, History, Latin, iGCSE Maths, PE, Biology, Chemistry & Physics and Spanish. Two students attained all A* grades and 20 students attained all A*/A grades.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Examination Performance (continued)

A Level examination results 2016

	2016	2015	2014
Average Point Score	335.7	319.7	351.9
	Equivalent to ABB	Equivalent to ABB	Equivalent to AAB
A*-A	37.1%	26.9%	35%
A*-B	64.1%	57.9%	71%
A*-C	86.7%	84.8%	89%
A*-E	99.5%	99.7%	99.7%

64.1% of the grades attained by Year 13 at A level were A*-B grades indicates that the focused work on this benchmark continues to have positive outcomes.

The subjects with more than 65% A*-B grades were Art, Photography, English Literature, French, Geography, Further Mathematics, Music and Religious Studies.

In terms of value-added analysis the school has been using the Alps system for the last seven years but has now moved to the ALIS analysis. The full report for which has yet to be published.

University Destinations (many of those not placed will be taking a gap year)

	2013	2013	2014	2014	2015	2015	2016	2016
	Number of students	% of total	Number of students	% of total	Number of students	% of total	Number of students	% of total
Russell Group Universities	47	41%	55	50%	35	31%	43	32%
Other universities	51	44%	42	38%	56	49%	59	43%
Art College	5	4%	4	3%	8	7%	13	10%
Total number of students placed	103	89%	97	89%	101	89%	116	85%
Total number of students not placed	12	11%	8	7%	12	11%	20	15%

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Key performance indicators

The Grey Coat Hospital is a popular, culturally rich, oversubscribed Academy with a diverse cohort of students. In Year 7 applications, which come from across the London area continue to exceed places by a ratio of 1:7. The Academy is also heavily oversubscribed with applications for places in Year 12 although there is much competition in the market now and not all of those offered a place may decide to come.

Once again for 2014-2015, using the performance of pupils achieving 5 or more GCSEs including English and Mathematics at grade A*-C, the academy was recognised as amongst the top 100 non selective state schools in the UK.

For a second year running The Grey Coat Hospital was recognised for its work with Pupil Premium students winning a National Pupil Premium Qualifier Award for secondary schools with published KS4 results.

The students achieved outstanding attendance and punctuality figures in 2015-2016. Our attendance figure was 97.2%.

Going concern

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

The continued provision of education is dependent on the ongoing funding by the Education Funding Agency (EFA) of which there is a reasonable expectation of it continuing for the foreseeable future.

Financial review

Financial report for the year

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the EFA and other government bodies during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the year (continued)

The Academy also received grants for fixed assets from the EFA. In accordance with the Charities' SORP 2015 such a grant is shown in the statement of financial activities during the period as restricted income within the fixed assets fund. The balance sheet restricted fixed assets fund is reduced by expenditure equivalent to any depreciation charges over the expected useful life of the assets concerned.

The total income for the year was £8,765,000 (31 August 2015 - £8,334,000).

At 31 August 2016, the Academy held fund balances of £316,000 (2015 - £946,000). These comprised £241,000 (2015 - £104,000) of unrestricted funds, on restricted general funds, a pension deficit of £2,310,000 (2015 - £937,000) and a balance of £2,385,000 (2015 - £1,779,000) on the restricted fixed asset fund.

The results for the period are shown on page 27.

Reserves policy

Reserves are held as a contingency against financial risks and to meet planned commitments in future years. Governors determine what, ideally, the level of reserves should be. The aim is to provide a cushion to deal with unforeseen emergencies and to even out income streams to ensure continuity of high standards of education provision. The Governors' Finance and Buildings Committee monitors and reviews the reserve levels termly, when budgeting for a new year, and as a part of its medium term financial planning. These reviews encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

General reserves

A working balance (carry forward) is held to offset the effect of uneven cash flows. Such events include reductions in per pupil funding, a drop in students recruited in Year 12, increases in the costs of employment and unexpected events. In 2015-2016 the general reserve was utilised heavily to mitigate the drop in the General Annual Grant (GAG) of more than £145,000 below 2014-2015 levels.

Earmarked reserves

These are held for specific purposes to meet known or predicted requirements. Planned expenditure from reserves can only be authorised by the Headteacher. Unplanned release of funds can only be actioned after agreement by the Governors' Finance and Buildings committee and within the spending limits given in the Academy Financial Policy and Procedures arrangements.

STRATEGIC REPORT (continued)

Reserves policy (continued)

Earmarked reserves (continued)

As at 31 August 2016 the Academy held available unrestricted funds of £241,000 (2015 - £104,000). The level of reserves available for 2016/17 is in line with the expectation of the governors and the medium term financial plan. These general reserves will help even out the reduced General Annual Grant (GAG) and sixth form funding for 2016/17 and give security, in the short term, against any unexpected costs.

Investment policy

The Academy funds which are held at the school are in either current or the special interest bearing accounts. The interest earned on these accounts offset bank charges and affords the school some income. In all matters for investment the Academy policy is clearly geared towards avoiding risk rather than maximising return.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The governors conduct formal risk assessments and have developed a system to identify, monitor and control risks and to mitigate any impact they may have on the Academy in the future. The governors and trustees have produced, in consultation with the other school in The Grey Coat Hospital Foundation, Queen Anne's in Caversham, a risk register which is completed annually. The completed register is then considered by the board and comments made. The risk register may be amended in the light of discussions and then presented to the governing body during the year. Governors are also informed of changes to legislation and regulation which will affect them and the risk created by such changes. In addition members of the Governors' Finance and Buildings Committee undertake a further risk management assessment to ensure all members of the Committee are engaged with both the internal and the external risks which may face the Academy.

A very serious risk, and one that is now receiving much media coverage, is the level of funding for schools. The Grey Coat Hospital has been coping with a reduced allocation year on year at a time when employment costs alone have risen substantially. Furthermore, services which were previously provided free to schools, must now be paid for. In an Academy with no available space to substantially increase student numbers opportunities for income generation are extremely limited. While strategies are in place to mitigate this ongoing risk it remains a continuous challenge for Governors and the Leadership Team.

Compliance issues also present a wider range of risks than in previous years. The pace of change of regulation and guidance across so many areas affecting academies means keeping the external environment under close and constant scrutiny.

PLANS FOR FUTURE PERIODS

Targets 2016-17

Following discussions with teams within the school and our evaluation of our progress last year, we have established the following priorities and targets for 2016-2017:

Outcomes for Children and Learners

- ◆ KS5 – 68% A*-B grades, 100% A*-E, students are able to progress onto their first choice destination after school.
- ◆ KS4 –94% 5+A*-C (or equivalent = grade 4) with English and Maths, 70% grade 5+ GCSE English and Maths, +0.6 Progress 8, +0.6 Progress 8* Pupil Premium.

***Progress 8** is the new school accountability measure introduced by the government which took effect in summer 2016. The School achieved a pleasing +0.49, meaning our students on average scored almost half a grade higher than expected across all 8 of their approved GCSEs.

Teaching, Learning and Assessment

- ◆ To ensure that the quality of teaching including marking and feedback leads students to make outstanding progress.
- ◆ To develop our knowledge and understanding of differentiation strategies to ensure the needs of all students, including those with additional learning needs, are met.
- ◆ To ensure a common approach to the teaching of numeracy across the school.
- ◆ Further develop the range and quality of students' understanding and use of language across subjects.

Personal Development, Behaviour and Well-being

- ◆ Support students in developing positive relationships for life.
- ◆ To explore the theme of community through the year and across the school in the context of Grey Coat Hospital as a Christian community.

Leadership and Management

- ◆ To further develop the Grey Coat community together with students, staff, parents, governors, alumni and friends.
- ◆ To review the curriculum offer at Key Stage 4 to ensure that it is appropriate and promotes the highest level of achievement for all.

PLANS FOR FUTURE PERIODS (continued)

Buildings and the environment

The St. Michael's site redevelopment is now largely complete. There is a smaller final phase to provide an IT suite for students on the first floor which was previously the small café space.

There are no major capital works planned for 2016-2017 at either school site.

Both staff and students are committed to work in a sustainable way and are encouraged to bring forward ideas for improvement. The Academy will continue to look for incremental improvements to the environment and to reduce waste wherever possible. The initiative for online only publications and paperless reporting to parents is working well and the recent initiative to show individual printing use on computer screens is already focusing the minds of staff and students on whether there really is a need to print.

The Grey Coat Hospital School Development Plan (SDP) 2015-17

The School Development Plan is put together following consultation with several different groups within the school community and represents the collective vision of staff and students and sets our direction for the coming years. It continues to reflect the priorities and aspirations of the staff and students at The Grey Coat Hospital, in particular priorities identified through our on-going self-evaluation processes. The structure of the School Development Plan remains the same, helping staff to focus on the development of our students, our staff, and the environment, our use of technology and of our community.

The SDP highlights the importance of developing Challenge and Engagement in our teaching and learning and the theme for 2016-2017 'Community' was launched with great excitement at Theme Day in early September 2016.

The continuing professional development programme for teaching staff will be to focus on three key themes: Developing Grey Coat as a Teaching and Learning Community through focus on Literacy and Numeracy across the curriculum, Leading Preparations for the Curriculum Changes in 2016 and exploring the theme of 'Community' through the year and across the school in the context of Grey Coat as a Christian Community

We will continue to review the government changes to the curriculum to ensure we make the right adjustments to give our students a rich and broad educational experience as well as one which enables them to make sustained progress at the end of each key stage.

The development of the Academy's environment continues to be an important focus for the Senior Leadership Team. The Sixth Form facilities at the St. Michael's site made a considerable difference and now the dining area on the ground floor has enhanced and improved the feel of community; students can now come together to dine at lunchtime in a bespoke and comfortable space.

The focus for ICT is on ensuring consistency of availability of equipment in classrooms, opportunities for training and development, and reviewing the effective use of developing technologies in education is ongoing.

PLANS FOR FUTURE PERIODS (continued)

The Grey Coat Hospital School Development Plan (SDP) 2015-17 (continued)

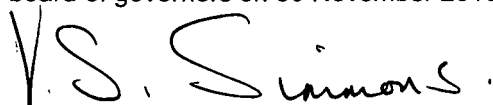
The School Development Plan remains a document which is clear and focussed on the priorities of the Academy. Each department has a department development plan which links as well to the Academy priorities, all of which will help us to fulfil our potential as an academic community in 2016-17.

AUDITOR

In so far as the governors are aware:

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

Governors' report, incorporating a strategic report, approved by order of the members of the board of governors on 30 November 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'V.S. Simmons'.

Mrs V Simmons BA

Chair of Governing Body

Scope of responsibility

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

The Governing Body have 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 the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The Governing Body has formally met three times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr R D Clark	3	3
Ms N S Cottier Bed	2	3
Vice Admiral Peter Dunt CB DL	—	3
Miss E M Gibson	3	3
Ms S Maddrell BA	3	3
Mr J O Nesbitt ARICS	2	3
Mrs J Schroer	3	3
Mrs V S Simmons BA	3	3
Mr J Slater FCA	1	3
Mrs R N Stewart BSc	2	3
Mr F Studemann Schulenburg BA	2	3
Ms C Thompson MSc	3	3
Mrs A Trainor	3	3
Mr G J T Vyvyan TD (until 18 July 2016)	3	3
The Rev Canon Professor V P White MA MLitt	2	3

Governance review

The annual risk management review encourages thought and debate and serves as a self-evaluation tool to review governance. It tests the systems underpinning the governance structures ensuring checks and balances are in place. The governors' strategy committee, which is comprised of the chairs of the major sub-committees, has closer scrutiny of the direction the Academy is taking in the medium and longer term. The members of these sub-committees have the opportunity to be more involved in the day to day practices of the school where they can offer challenge from a closer perspective. With such a holistic approach it is felt that effective governance is constantly under review.

Governance (continued)

Governance review (continued)

The Academy is fortunate to have governors from a range of disciplines including Finance, the Building Industry, the Media, the Public Sector, established Charities and the Church. Representatives from such a wide range of both the public and private sector ensure a deep understanding of the need of adherence to strict governance frameworks. Governors are committed to keeping their skills up to date and relevant. To be aware of changes in the educational landscape governors and trustees have access to training courses offered by a range of providers including the London Diocesan Board (LDBS) and the Freedom and Autonomy for Schools National Association (FASNA). Where a course is not easily available, bespoke training is arranged with all governors and senior staff encouraged to attend.

The Finance and Buildings Committee

The Finance and Buildings Committee (F&B) is a committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

The F&B has, in the past period, been heavily involved in the necessary compliance and adherence to new financial regulations as outlined in the Academies Financial Handbook. The F&B has worked to bring together those requirements with the existing financial systems within the Academy, and will continue to monitor and implement any necessary updated requirements as they occur. The reduction in funding in recent years has given the F&B many challenges, and is likely to continue to do so.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Mr J Slater FCA (Chair until 16 March 2016)	4	4
Mr R Clark (Chair from 16 March 2016)	1	1
Mr J O Nesbitt ARICS	4	4
Ms S Maddrell BA	4	4
Ms C Thompson MSc	4	4
Mrs A Trainor	4	4

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.

Review of value for money (continued)

The accounting officer considers how the trust's use of its resources has provided good value for money during the 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 and improved value for money during the year by:

- ◆ Retaining students from Year 11 to study in the sixth form and by recruiting external students to maximise revenue streams;
- ◆ Ensuring the timetable reflects the needs of the curriculum and the choices the students make ready for Key Stage 4 and 5, but in doing so avoiding any unnecessary capacity and reviewing the numbers of classes in KS4 and KS5; and
- ◆ Continuing to assess all other costs across the school to find savings which does not impact on the excellent quality or quantity of education on offer.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the F&B Committee, on behalf of the Governing Body and is actively monitored on a regular and frequent basis by the Senior Leadership Team.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;

The risk and control framework (continued)

- ◆ regular reviews by the Finance and Buildings Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The governors have agreed a programme of work to address the risks to internal financial control, inform the statement of internal control and, so far as possible, to provide assurance to the external auditors. This work has been carried out by Buzzacott LLP and their reports are reviewed and discussed at the Finance and Buildings Committee meetings. The findings from the compliance visits have resulted in no recommendations being made to date illustrating that the systems in place are robustly enforced and complied with by the Academy staff.

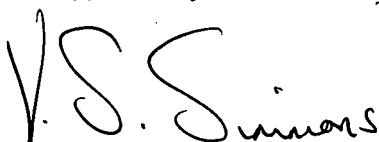
Review of effectiveness

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

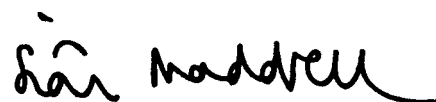
- ◆ the work of the additional checks performed by the external auditors;
- ◆ the work of the external auditor on the financial statements and regularity audits;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance and Buildings Committee of the implications of her review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Governing Body and signed on their behalf by:



Mrs V Simmons BA
(Chair of Governing Body)



S Maddrell BA
(Headteacher and Accounting Officer)

Approved on: 30 November 2016

Statement on regularity, propriety and compliance 31 August 2016

As accounting officer of The Grey Coat Hospital, I have considered my responsibility to notify the Academy Trust Board of Governors 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. 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 Governors 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 the following instance of material irregularity, impropriety or funding non-compliance discovered to date has been notified to the board of governors and EFA. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

- ♦ In order to reduce long-term costs for future years, it was necessary for the Academy to restructure in areas of staffing during this financial year. To facilitate this process the Grey Coat Hospital Foundation offered to finance and organise severance payments to the members of staff concerned (details are given in Note 7 to these financial statements). One of these severance payments was made without prior approval from the EFA as required by section 3.7.6 of the Academies Financial Handbook 2015. As this payment did not come from public funds and was not made by the Academy it did not believe that it was necessary to consult the EFA.



S Maddrell BA
Accounting Officer

Date: 30 November 2016

Statement of governors' responsibilities 31 August 2016

The governors (who act as trustees of the Academy for the purpose of charity law and are also the directors of the Academy for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

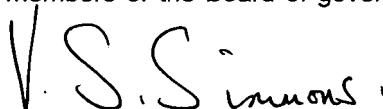
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies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

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

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

Approved by order of the members of the Board of governors on 30 November 2016 and signed on its behalf by:

Mrs V Simmons BA
Chair of Governing Body



Independent auditor's report on the financial statements to the members of The Grey Coat Hospital

We have audited the financial statements of The Grey Coat Hospital for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies 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 United Kingdom 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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

The governors act as trustees for the charitable activities of The Grey Coat Hospital and are also the directors of the charity for the purpose of company law.

As explained more fully in the statement of governors' responsibilities set out in the trustees' report, the trustees 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 (APB'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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the governors' report, including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis of qualified opinion

The notes to the financial statements do not disclose in note 8 the remuneration paid to individual staff governors in the year. The governors have chosen to omit this information on the grounds of personal privacy. Such omissions are not compliant with the Academies Accounts Direction for 2015 to 2016 issued by the Education Funding Agency.

Qualified opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its income and expenditure for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Charities' SORP 2015 and Academies Accounts Direction 2015 to 2016; and
- ◆ except for the matter disclosed in the basis of qualified opinion paragraph above in respect of staff governor remuneration, the financial statements have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

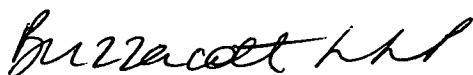
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the governors' report, including the strategic report for the financial period 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
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Catherine Biscoe, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

13 December 2016

Independent reporting accountant's report 31 August 2016

Independent reporting accountant's assurance report on regularity to The Grey Coat Hospital and the Education Funding Agency

In accordance with the terms of our engagement letter dated 9 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the 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 The Grey Coat Hospital and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Grey Coat Hospital and the 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 The Grey Coat Hospital and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Grey Coat Hospital's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Grey Coat Hospital's funding agreement with the Secretary of State for Education dated 1 July 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 year 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 the 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.

Independent reporting accountant's report 31 August 2016

Approach (continued)

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 to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, except for the matter listed below, 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.

- ◆ In order to reduce long-term costs for future years, it was necessary for the Academy to restructure in areas of staffing during this financial year. To facilitate this process the Grey Coat Hospital Foundation offered to finance and organise severance payments to the members of staff concerned (details are given in Note 7 to these financial statements). One of these severance payments was made without prior approval from the EFA as required by section 3.7.6 of the Academies Financial Handbook 2015. As this payment did not come from public funds and was not made by the Academy it did not believe that it was necessary to consult the EFA.



Reporting Accountant
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

13 December 2016

Statement of financial activities (including income and expenditure account)
Year to 31 August 2016

	Notes	Unrestricted general fund £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	2016 Total funds £'000	Restated 2015 Total funds £'000
Income from:						
Donations and capital grants	1	530	—	1,105	1,635	833
Other trading activities	2	309	—	—	309	308
Investments		4	—	—	4	4
Charitable activities						
Funding for the academy's educational operations	3	152	6,665	—	6,817	7,189
Total income		995	6,665	1,105	8,765	8,334
Expenditure on:						
Charitable activities						
Academy's educational operations	5	162	7,744	216	8,122	7,867
Total expenditure	4	162	7,744	216	8,122	7,867
Net income (expenditure) before transfers		833	(1,079)	889	643	467
Transfers between funds	13	(696)	979	(283)	—	—
Net income (expenditure)		137	(100)	606	643	467
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	17	—	(1,273)	—	(1,273)	78
Net movement in funds		137	(1,373)	606	(630)	545
Reconciliation of funds						
Total fund balances brought forward at 1 September 2015	13	104	(937)	1,779	946	401
Total fund balances carried forward at 31 August 2016		241	(2,310)	2,385	316	946

All of the Academy's activities derived from operations during the above financial periods.

The Academy Trust has no recognised gains or losses other than those shown above.

Balance sheet 31 August 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible fixed assets	10		2,249	-	1,779
Current assets					
Debtors	11	239		281	
Cash at bank and in hand		<u>720</u>		<u>397</u>	
		959		678	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(582)</u>		<u>(574)</u>	
Net current assets			<u>377</u>		<u>104</u>
Total assets less current liabilities			2,626		1,883
Pension scheme liability			(2,310)		(937)
Total net assets			<u>316</u>		<u>946</u>
Funds of the Academy					
Restricted income funds					
. Fixed assets fund	13		2,385		1,779
. General fund	13		-		-
. Pension reserve			<u>(2,310)</u>		<u>(937)</u>
	13		75		842
Unrestricted funds					
. General fund			241		104
Total funds			<u>316</u>		<u>946</u>

The financial statements on pages 27 to 48 were approved by the governors, and authorised for issue on 30 November 2016 and are signed on their behalf by:

V. S. Simmons

Mrs V Simmons BA
Chair

The Grey Coat Hospital
Company Limited by Guarantee
Registration Number: 08099098 (England and Wales)

Statement of cash flows 31 August 2016

		2016 £	Restated 2015 £
Cash flows from operating activities			
Net cash provided by operating activities	A	600	857
Cash flows from investing activities	B	(277)	(944)
Change in cash and cash equivalents in the year		323	(87)
Cash and cash equivalents at 1 September 2015		397	484
Cash and cash equivalents at 31 August 2016	C	720	397

A Reconciliation of net income (expenditure) to net cash flow provided by operating activities

	2016 £	Restated 2015 £
Net income (expenditure) for the year (as per the statement of financial activities)	643	467
Adjusted for:		
Depreciation	216	—
Capital grants from DfE and other capital income	(405)	(727)
Interest receivable	(4)	(4)
Defined benefit pension scheme cost less contributions payable (note 17)	67	63
Defined benefit pension scheme finance cost (note 17)	33	37
Decrease in debtors	42	693
Increase in creditors	8	328
Net cash provided by operating activities	600	857

B Cash flows from investing activities

	2016 £	Restated 2015 £
Dividends, interest and rents from investments	4	4
Purchase of tangible fixed assets	(686)	(1,675)
Capital grants from DfE/EFA	405	727
Net cash used in investing activities	(277)	(944)

C Analysis of cash and cash equivalents

	2016 £	Restated 2015 £
Cash at bank and in hand	720	397
Total cash and cash equivalents	720	397

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 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 2015), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Grey Coat Hospital meets the definition of a public benefit entity under FRS 102.

Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of The Grey Coat Hospital 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 The Grey Coat Hospital 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.

Explanation of transition to FRS 102

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

Transition to FRS 102 (continued)

Explanation of transition to FRS 102 (continued)

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

A reconciliation and description of the effect of the transition to FRS 102 and SORP 2015 on net income for the comparative period reported under previous UK GAAP and SORP 2005 is given below:

Reconciliation of net income	2015 £'000
Net income previously reported under UK GAAP	499
Change in recognition of LGPS interest cost (A)	(32)
Net movement in funds reported under FRS 102	467

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £32,000 and increase the credit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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 income is recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

The 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 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 has provided the goods or services.

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.

Expenditure (continued)

Charitable activities

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

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The site from which the Academy operates is owned by the Grey Coat Hospital Foundation without any legal agreement or licence to occupy. The Foundation reserves the right to terminate the agreement at any point and as a result there is no accurate way of valuing the rights of use of the asset or any indication of control by the Academy. Consequently no value has been recognised in the financial statements.

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Payments on account in respect of tangible fixed assets which are not yet operational in the Academy are recorded in a separate fixed asset category called 'Assets under construction', and represent the cost of purchasing, constructing and installing tangible fixed assets ahead of their productive use. Only the incremental costs which are directly attributable to the asset in the course of construction are capitalised. No depreciation is charged on the assets until they are brought into operational use by the Academy, at which point the assets are transferred into the relevant asset category within the fixed assets and depreciated over their useful economic life. In the year ended 31 August 2016, assets under construction related to a planned extension to the St Michael's Site.

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 economic life, as follows:

- | | |
|-------------------------|---------------|
| ◆ Building improvements | 10% per annum |
|-------------------------|---------------|

Depreciation is charged from the year of acquisition.

Debtors

Debtors were recognised at their settlement amount, less any provision for non-recoverability. Prepayments were valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represented such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

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 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.

Leased assets

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

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy 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 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 17 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.

Pensions benefits (continued)

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

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

Fund accounting

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

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

Restricted general funds comprise all other grants received from the Education Funding Agency.

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 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.

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions (continued)

- ◆ The site from which the Academy operates is owned by the Grey Coat Hospital Foundation without any legal agreement or licence to occupy. The Foundation reserves the right to terminate the agreement at any point and as a result there is no accurate way of valuing the rights of use of the asset or any indication of control by the School. Consequently no value has been recognised in the financial statements;
- ◆ 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 17, 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; and
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation.

Notes to the Financial Statements 31 August 2016

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	Restated 2015 Total funds £'000
Capital grants	—	1,105	1,105	727
Other donations	530	—	530	106
	530	1,105	1,635	833

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Hire of facilities	74	—	74	67
Music income	51	—	51	44
School trips	60	—	60	140
Other income	124	—	124	57
	309	—	309	308

3 Funding for academy's educational operations

	Unrestricted funds £000	Restricted funds £000	2016 Total funds £'000	Restated 2015 Total funds £'000
DfE / EFA revenue grant				
General Annual Grant (GAG)	—	6,278	6,278	6,423
Pupil Premium Grant	—	199	199	206
16-19 Bursary Fund Grant	—	32	32	33
	—	6,509	6,509	6,662
Other government grants				
Local authority grants	—	156	156	352
	—	156	156	352
Other grants	152	—	152	175
	152	6,665	6,817	7,189

4 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	2016 Total funds £'000	Restated 2015 Total funds £'000
Charitable activities					
. Academy's educational operations					
.. Direct costs	5,157	216	778	6,151	5,558
.. Allocated support costs	1,119	580	272	1,971	2,309
	6,276	796	1,050	8,122	7,867

	2016 Total funds £'000	2015 Total funds £'000
Net income for the period includes:		
Operating leases	28	5
Fees payable to auditor		
. Statutory audit	9	13
. Other services	3	3

5 Charitable activities - Academy's educational operations

	2016 Total funds £	Restated 2015 Total funds £
Direct costs	6,151	5,558
Support costs	1,971	2,309
	8,122	7,867

	2016 Total funds £	Restated 2015 Total funds £
Analysis of support costs		
Support staff costs	1,119	1,354
Technology costs	124	123
Premises costs	580	629
Other support costs	122	175
Governance costs	26	28
Total support costs	1,971	2,309

6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2015 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Restated 2015 Total funds £'000
Income from:				
Donations and capital grants	106	—	727	833
Activities for generating funds	308	—	—	308
Other trading activities				
Investments	4	—	—	4
Charitable activities				
Funding for the academy's educational operations	175	7,014	—	7,189
Total income	593	7,014	727	8,334
Expenditure on:				
Charitable activities				
Academy's educational operations	162	7,705	—	7,867
Total expenditure	162	7,705	—	7,867
Net income (expenditure) before transfers	431	(691)	727	467
Transfers between funds	(1,468)	591	877	—
Net (expenditure) income	(1,037)	(100)	1,604	467
Other recognised gains and losses				
Actuarial gains on defined benefit pension scheme	—	78	—	78
Net movement in funds	(1,037)	(22)	1,604	545
Total fund balances brought at 1 September 2014	1,141	(915)	175	401
Total fund balances carried forward at 31 August 2015	104	(937)	1,779	946

7 Staff

(a) Staff costs

Staff costs during the period were:

	2016 Total funds £'000	Restated 2015 Total funds £'000
Wages and salaries	4,399	4,511
Social security costs	342	347
Pension costs	817	746
	5,558	5,604
Supply teacher costs	556	531
Staff restructuring costs	162	—
	6,276	6,135

(b) Staff restructuring costs

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £162,240 (2015: £nil). Individually, payments were for £52,667, £49,822, £32,752, £2,000 and £25,000. In order to reduce long-term costs for future years, it was necessary for the Academy to restructure in areas of staffing during this financial year. To facilitate this process the Grey Coat Hospital Foundation offered to finance and organise severance payments to the members of staff concerned.

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2016.

Charitable activities	2016	2015
Teachers	90	89
Administration and support	53	56
Management	8	9
	151	154

(d) Higher paid staff

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

	2016 No	2015 No
£60,001 - £70,000	1	4
£70,001 - £80,000	4	3
£80,001 - £90,000	3	3
£100,001 - £110,000	—	1
£110,001 - £120,000	1	—

7 Staff (continued)

(e) Key management personnel

The key management personnel of the Academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £778,529 (2015: £838,188).

8 Governors' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors.

During the year ended 31 August 2016, no travel and subsistence expenses were reimbursed to governors.

Other related party transactions involving the trustees are set out in note 18.

9 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2016 was £1,515 (2015 - £1,515).

10 Tangible fixed assets

	Building Improvements £'000	Assets under construction £'000	Total £'000
Cost			
At 1 September 2015	—	1,779	1,779
Transferred from assets under construction	1,779	(1,779)	—
Additions	379	307	686
At 31 August 2016	2,158	307	2,465
Depreciation			
At 1 September 2015	—	—	—
Charge for the year	216	—	216
At 31 August 2016	216	—	216
Net book values			
At 31 August 2016	1,942	307	2,249
At 1 September 2015	—	1,779	1,779

10 Tangible fixed assets (continued)

The land and buildings from which the Academy operates are owned by the Grey Coat Hospital Foundation. The Foundation Trustees retain the ability to obtain the future economic benefits relating to the land and buildings and to restrict access of others (including the Academy) to those benefits. As such the land and buildings do not meet the definition on an asset of the Academy and have therefore not been recognised in the financial statements.

11 Debtors

	2016 £'000	2015 £'000
Trade debtors	—	8
Prepayments and accrued income	185	30
VAT recoverable	54	243
	239	281

12 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	406	78
Accruals and deferred income	176	496
	582	574
Deferred income		
Deferred income at 1 September 2015	—	38
Income released in the period	—	(38)
Resources deferred in the year	—	—
Deferred income at 31 August 2016	—	—

13 Funds

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
EFA revenue grant fund					
. General Annual Grant (GAG)	—	6,278	(7,257)	979	—
. Pupil Premium Grant	—	199	(199)	—	—
. 16-19 Bursary Fund Grant	—	32	(32)	—	—
. LEA and other grants	—	156	(156)	—	—
	—	6,665	(7,644)	979	—
. Pension reserve	(937)	—	(100)	(1,273)	(2,310)
	(937)	6,665	(7,744)	(294)	(2,310)
Fixed assets fund					
. DfE/EFA capital grants	1,779	1,105	(216)	(283)	2,385
Total restricted funds	842	7,770	(7,960)	(577)	75
Unrestricted funds					
. Unrestricted funds	104	995	(162)	(696)	241
Total unrestricted funds	104	995	(162)	(696)	241
Total funds	946	8,765	(8,122)	(1,273)	316

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

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Fixed asset fund

These grants relate to funding received from the EFA to carry out works of a capital nature.

Pension reserve

The pension reserve relates to the Academy's Local Government Pension Scheme FRS 102, Section 28 liability for support staff.

14 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	—	—	2,249	2,249
Current assets	823	—	136	959
Current liabilities	(582)	—	—	(582)
Pension scheme liability	—	(2,310)	—	(2,310)
Total net assets	241	(2,310)	2,385	316

15 Commitments under operating leases

Operating leases

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

	2016 £	2015 £
Amounts due within one year	27	—
Amounts due between two and five years inclusive	59	—
	86	—

16 Members' Liability

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

17 Pension and similar obligations

The Academy'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 Westminster City Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

17 Pension and similar obligations (continued)

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

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

17 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

The employer's pension costs paid to TPS in the period amounted to £587,000 (2015: £523,000).

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

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

Local Government Pension Scheme (LGPS)

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 £301,000 of which employer's contributions totalled £231,000 and employees' contributions totalled £70,000. The agreed contribution rates for future years are 23.2% of employers and between 5.5% and 12.5% of employees.

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

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.1%	4.5%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.2%	4.0%
Inflation assumption (CPI)	2.3%	2.7%

17 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.1	22.1
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	24.4	24.2
Females	27.7	27.6

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
	1,700	1,300
Equity instruments	252	207
Debt instruments	215	149
Property	13	39
Total market cash value of assets	2,180	1,695

The actual return on scheme assets was £185,000 (2015: £69,000).

	2016 £	Restated 2015 £
Amounts recognised in statement of financial activities		
Current service costs (net of employee contributions)	67	64
Net interest cost	33	36
Total operating charge	100	100

	2016 £	Restated 2015 £
Changes in the present value of defined benefit obligations were as follows:		
At 1 September 2015	2,632	2,257
Current service cost	297	280
Interest cost	107	94
Employee contributions	70	66
Actuarial losses (gains)	1,384	(67)
Benefits paid	—	2
At 31 August 2016	4,490	2,632

17 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy's share of scheme assets:	2016 £	Restated 2015 £
At 1 September 2015	1,695	1,342
Administrative expense	(1)	(1)
Interest income	74	58
Actuarial gains	111	11
Employee contributions	231	217
Employer contributions	70	66
Benefits paid	—	2
At 31 August 2016	2,180	1,695

18 Related party transactions

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

The Grey Coat Hospital Foundation is a registered charity (Number 312700). The charity's object is the provision and conduct of two schools for girls in which religious instruction is in accordance with the doctrines of the Church of England.

The following transactions with the Foundation took place in the period of account:

The Foundation supported the Academy by providing £314,158 (2015 - £174,859) during the year which is for use toward general educational expenditure.

The Foundation also supported the Academy with a contribution of £700,000 (2015: £nil) toward the capital building works at the St. Michael's site. The project, which is now almost complete, provides a dedicated sixth form space and a spacious dining facility.