

The Grey Coat Hospital

Annual Report and Financial Statements

31 August 2017

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

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Reference and administrative information

Members	Lady Laws MLitt MA (until 27 June 2017) The Very Rev Dr J Hall (from 1 July 2017) Mrs S M Lowson MSc RSCN RGN DMS Miss R E Whittaker BSc (Soc) MBE JP
Governors	Mr R D Clark (Vice Chairman) Ms N S Cottier BEd Miss E M Gibson Dr M Hetherington (from 2 May 2017) Ms S Maddrell BA Mr J O Nesbitt ARICS Mr J Noakes MA Mrs J Schroer Mrs V S Simmons BA (Chairman) Mr J Slater FCA Mrs R N Stewart BSc Mr F Studemann Schulenburg BA Dr G Thomas (from 2 May 2017) Ms C Thompson MSc The Rev Canon Professor V P White MA Mlitt Mrs A Trainor (resigned 31 October 2016)
Company Secretary	R W Blackwell MA
Senior Management Team	
Headteacher	Siân Maddrell
Deputy Head	Sandra Young
Deputy Head	Peter Shaw
Deputy Head	Ian McCartney
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	haysmacintyre 26 Red Lion Square London WC1R 4AG
Bankers	National Westminster Bank Victoria Branch 169 Victoria Street London SW1E 5BT
Solicitors	Farrer and Co Lincoln's Inn Fields London WC2A 3LH

Governors' Report Year to 31 August 2017

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 2016 to 31 August 2017. 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 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).

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 2017 and served throughout the period except

Governor	Appointed/Resigned	Appointing body
Mr R D Clark		GCH Fdn Trustees
Ms N S Cottier BEd		GCH Fdn. Trustees
Mr J Noakes MA		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 BA		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
Dr M Hetherington	Appointed 2 May 2017	Elected Parent
Dr G Thomas	Appointed 2 May 2017	Elected Parent
The Rev Canon Professor V P White MA MLitt		The Dean and Chapter of the Collegiate Church of St Peter Westminster
Mrs A Trainor	Resigned 31 October 2016	Elected Support Staff

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;
 - b) 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;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

- c) The Headteacher;
 - d) Any additional governors, as deemed necessary by the Secretary of State under the relevant clauses in the Articles of Association; and
 - e) 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.

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 INSET 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 meets 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.

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 governors' Remuneration Committee meets annually during 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 the remuneration of each member of the key management personnel on the basis of performance appraisal reviews carried out by the Headteacher. Each member of staff has a personal pay scale and is assessed against agreed performance objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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.

STRATEGIC REPORT

Targets 2016-17

The priorities and targets for 2016-2017 were:

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.

STRATEGIC REPORT (continued)

Targets 2016-17 (continued)

Teaching and Learning

- ◆ 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.

STRATEGIC REPORT

Achievements and performance 2016-2017

Key Stage 4 GCSE Results					
	2017	2016	2015	2014	2013
5+ A*-C with English & Maths (2017 E/M at 9-4)	86.8%	82.7%	85.3%	82.10%	85.60%
Yellis 75th target	92.0%	89.3%	97%	90%	85.1%
A* and A grades (2017 9-7)	52.5%	47.4%	43.5%	45.40%	44.20%
5+ A*-G	98.7%	99.3%	100%	97.40%	100%
Grades in English & Maths					
9-4	89.5%				
9-5	71.7%				
English Baccalaureate at grades 9-4	68%	65.3%	68.7%	64.70%	62.70%
Progress 8	+0.73	+0.48	+0.57	+0.49	+0.78

The overall performance of the cohort with 89.5% of students attaining a new measure of grades 9-4 in English and Mathematics ('Standard Pass') exceeded predictions and is over 26% higher than national levels for 2017. Staff and students have risen to the challenge of linear examinations in the new specifications for English and Mathematics.

71.7% of students achieved grades 9-5 ('Strong Pass') in English and Maths. This was equally pleasing, especially when set against a national figure of 39.1%. Ofsted and the DFE intend that this will be the new headline measure, replacing the standard 9-4.

Other headline measures, including English Baccalaureate at (9-4 and 9-5) as well as Attainment 8 were all significantly above national levels and the highest in the school since these measures were introduced.

We were delighted to learn that our Progress 8 score of + 0.73 places us comfortably among the top 5% of schools in terms of the value we add to students from entry to GCSE exams.

The percentage of grades at A* - A (now including 9, 8 and 7 in English and Mathematics) is the highest on record for the school at 52.5%. 24 students attained all A*/A and 9, 8 and 7 grades. One student achieved all 13 GCSEs at grades A* and 9.

The intervention programme that commenced in the autumn term 2016 was effective and we will again target our support for any underachieving students in Year 11 for the academic year 2017-2018.

More than 50% of the students attained A*/A in Art, Biology, Chemistry, DT Product Design, DT Textiles, English Language, English Literature, French, History, ICT Computing, Latin, GCSE Maths, PE GCSE, PE BTEC, Physics, RS, & Spanish. Art, Biology, Chemistry, Drama, Textiles, Latin, Music, Physics and BTEC Sport all achieved 100% of grades at A* - C.

STRATEGIC REPORT (continued)

Achievements and performance 2016-2017 (continued)

Key Stage 5 A Level Results					
	2017	2016	2015	2014	2013
Average Point Score	331.4	335.7	319.7	351.9	336.5
	Equivalent to ABB	Equivalent to ABB	Equivalent to ABB	Equivalent to AAB	Equivalent to ABB
A*-A	36.4%	37.1%	26.9%	35%	30%
A*-B	65%	64.1%	57.9%	71%	62%
A*-C	87%	86.7%	84.8%	89%	87%
A*-E	100%	99.5%	99.7%	99.7%	99%

A Level examination results 2017

65% of grades were at A*-B with 36.4% of grades at A* and A. 87% of grades were at A*-C. This represents a significant achievement particularly as in 2017 a number of academic subjects were assessed for the first time through linear examination at the end of the two-year course.

All Year 12 A-levels commenced in September 2017 are now two-year linear A-levels. Only Year 13 students of Maths, Film Studies and Design and Technology remain on the outgoing modular AS and A2 courses.

More than 30% of the students attained A*/A in Art, French and Further Maths.

In the following subjects, students attained greater than the school average of 65% grades at A*-B: Art, Economics, English Literature, Film Studies, French, Further Maths, Geography and Spanish.

All grades awarded were A* to E.

STRATEGIC REPORT (continued)

Achievements and performance 2016-2017 (continued)

University Destinations 2017

	2014	2014	2015	2015	2016	2016	2017	2017
	Number of students	% of total	Number of students	% of total	Number of students	% of total	Number of students	% of total
Students with places at Russell Group Universities	55	50%	35	31%	43	32%	50	42%
Students with places at other universities	42	38%	56	49%	59	43%	52	44%
Art College	4	3%	8	7%	13	10%	6	5%
Total number of students placed	97	89%	101	89%	116	85%	108	92%
Total number of students not placed	8	7%	12	11%	20	15%	10	8%

108 students were placed at university and Art Colleges; 50 at Russell Group universities with five students taking up places at Oxford and two others are joining renowned universities abroad.

Of the students not placed at university, two withdrew in order to apply to Oxbridge next year and five will be applying to university for September 2018 following a gap year.

Key performance indicators

The Grey Coat Hospital is a popular, culturally rich, oversubscribed Academy with a diverse cohort of students. In Year 7 applications again exceeded places by a ratio of 1:7. The Academy is also heavily oversubscribed with applications for places in Year 12. Applicants come from across the London area.

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

Grey Coat was again awarded a National Pupil Premium Qualifier Award for secondary schools with published KS4 results.

The attendance of students remains excellent at 97%.

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the 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 and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the ESFA and other government bodies during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

The total income for the year was £7,648,000 (31 August 2016- £8,765,000). At 31 August 2017, the Academy held fund balances of £(1,269,000) (2016 - £(1,933,000)). These comprised £361,000 (2016 - £241,000) of unrestricted funds, on restricted general funds, a pension deficit of £1,766,000 (2016 - £2,310,000) and a balance of £136,000 (2016 - £136,000) on the restricted fixed asset fund.

The results for the period are shown on page 30.

Reserves policy

Reserves are held as a contingency against financial risks. 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. The reserves having been utilised to make improvements to the buildings in recent years, specifically the St. Michael's site, has depleted reserves but the Academy strives to increase income at all opportunities and continues to increase income from lettings.

STRATEGIC REPORT (continued)

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.

As at 31 August 2017 the Academy held available unrestricted funds of £361,000 (2016 - £241,000). This level of reserves is in line with the Governors' medium term financial plan designed to help guard against the impact of the reductions in funding of schools and future unanticipated or unknown 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 reviewed and updated. 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.

This year the Academy has sought advice both specific and general from the Local Authority, the Police and the Counter Terrorism Unit as the terrorism level has increased in London and the UK.

The Grey Coat Hospital has been coping with a reduced budget allocation year on year at a time when all other costs have risen substantially. Staffing reductions have been made wherever possible and having increased numbers of students in recent years the Academy has no further capacity to increase income or reduce fixed operating costs. This ongoing risk remains a continuous challenge for Governors and the Leadership Team of the Academy.

Changes in regulation affecting education and charities requires constant vigilance and the costs of compliance adds a further financial burden to academies.

STRATEGIC REPORT (continued)

PLANS FOR FUTURE PERIODS

Targets and priorities 2017-18

Following discussions with teams within the school and our evaluation of our progress last year, we have established the following priorities and targets for 2017-18:

Outcomes for Pupils

KS5 – 70% A*-B grades, 100% A*-E, students are able to progress onto their first choice destination after school.

KS4 –90% grades 9-4 in English and Mathematics for whole cohort and Pupil Premium, 75% grades 9-5 in English and Mathematics for whole cohort and Pupil Premium.

To ensure that students and parents have a clear and developing picture of progress in each subject area.

Teaching, Learning and Assessment

The changed GCSE and A level examination specifications have required academic departments to rethink how lessons are delivered and how best to enable students to retain information in order to apply it in examination conditions. This will be achieved by:

Regular written feedback to build an ongoing dialogue with students to enable them to hone their practice, identify areas of weakness and to become familiar with the language of examinations styled questions.

Recognising that homework and attendance are more important than ever as consistent performance is vital to examination success.

Encouraging students to write fluently using extended language, subject terminology and to answer questions relevantly under timed conditions.

Personal Development, Behaviour and Welfare

Support students in developing positive relationships for life.

To promote a balanced, healthy approach to life to achieve well-being for students and staff.

To explore the theme of kindness through the year and across the school in the context of The Grey Coat Hospital as a Christian community.

To treat all in the community with kindness and respect.

STRATEGIC REPORT (continued)

PLANS FOR FUTURE PERIODS (continued)

Leadership and Management

To further develop communications with the Grey Coat community together with students, staff, parents, governors, alumni and friends in order to evaluate our effectiveness and enhance our practice.

To foster leadership opportunities across the school community which feed into school priorities.

To further develop our work with our alumni so that students can learn from their experiences.

Grey Coat Hospital School Development Plan (SDP) 2017-2019

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 continues to highlight the importance of developing Challenge and Engagement in our teaching and learning.

The school has chosen the theme of 'Kindness' for the academic year 2017-2018. This will be explored and demonstrated in small personal acts of kindness, in our daily interactions with each other and in our wider community.

The development of our students will continue to focus on developing Challenge in the classroom at all key stages.

Continuing Professional Development sessions for next year will concentrate on ensuring that:

- ◆ The quality of the teaching leads students to make outstanding progress and reach high standards.
- ◆ The teaching thoroughly engages students in their learning where they acquire knowledge and skills.
- ◆ Teachers place an emphasis on literacy and numeracy across the curriculum.
- ◆ Teachers work collaboratively across subject areas to challenge students and maximise their potential as learners.

STRATEGIC REPORT (continued)

Grey Coat Hospital School Development Plan (SDP) 2017-2019 (continued)

Teaching staff will continue to focus on skills that will enable students to think independently especially when placed in examination conditions. Teachers will need to work closely across departments to enable the transition from grades to numbers in year 10 and 11 to be fully understood by students and parents. Staff will use the year to assess the delivery of the new curriculum and the performance of students. It is important for the Mathematics and English Department to feed into whole school Continuous Professional Development programme to share their experience and advice on the new grading system.

The development of the Academy environment is an important focus for the Senior Leadership Team. We look to continually update our facilities within the constraints of the funds available. Now the Academy has moved to online reporting for tracking and reports as well as online payments for lunch, trips and events we have reduced our costs as well as reducing our need for paper. We are determined to promote sustainability and look for opportunities to do so at all times.

AUDITOR

In so far as the governors are aware:

- ◆ there is no relevant audit information of which the School'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 29 November 2017 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 3 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	3	3
Mr J Noakes MA	1	3
Miss E M Gibson	3	3
Ms S Maddrell BA	3	3
Mr J O Nesbitt ARICS	2	3
Mrs J Schroer BA	3	3
Mrs V S Simmons BA	3	3
Mr J Slater FCA	1	3
Mrs R N Stewart BSc	3	3
Mr F Studemann Schulenburg BA	3	3
Ms C Thompson MSc	3	3
Dr M Hetherington	1	1
Dr G Thomas	1	1
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 reviews (continued)

The Academy is fortunate to have governors from the finance and building industries and from major public sector and charity organisations. With representatives from both the private and the public sector, adherence to strict governance frameworks is nothing new. To ensure their skills remain up to date and to take account 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.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Mr R Clark (Chair)	4	4
Mr J O Nesbitt ARICS	2	4
Ms S Maddrell BA	4	4
Ms C Thompson MSc	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.

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:

Review of value for money (continued)

- ◆ 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
- ◆ Assessing other costs across the school which, while saving money, 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 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2017 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;
- ◆ regular reviews by the Finance and Buildings Committee of reports which indicate financial performance against the forecasts and of major purchase plans 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 had been carried out by Buzzacott LLP until 31 December 2016 and since by haysmacintyre. The checks have included:

- ◆ Testing of payroll systems
- ◆ Testing of purchase systems
- ◆ Testing of control account and bank reconciliations

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 audit;
- ◆ 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.

Governance statement 31 August 2017

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:

Handwritten signature of Mrs V Simmons in black ink.

Mrs V Simmons
(Chair of Governing Body)

Handwritten signature of S Maddrell in black ink.

S Maddrell BA
(Headteacher and Accounting Officer)

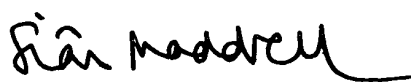
Approved on: 29 November 2017

Statement on regularity, propriety and compliance 31 August 2017

As Accounting Officer of The Grey Coat Hospital, I have considered my responsibility to notify the Academy Trust Board of Governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of 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 2016.

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

A handwritten signature in black ink, appearing to read 'S Maddrell', with a long horizontal flourish extending to the right.

S Maddrell BA

Accounting Officer

Date: 29 November 2017

Statement of governors' responsibilities 31 August 2017

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 and Skills 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:

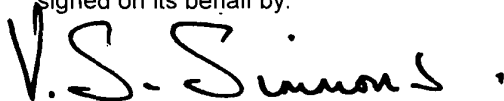
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 29 November 2017 and signed on its behalf by:



Mrs V Simmons
Chair of Governing Body

Independent auditor's report Year to 31 August 2017

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

Qualified Opinion

We have audited the financial statements of The Grey Coat Hospital for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion, except for the effects of the matter described in the *Basis of qualified opinion* section of our report, the financial statements:

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

Basis of qualified opinion

The financial statements do not disclose 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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

Conclusions relating to going concern

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

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

Other information

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- ◆ the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

Independent auditor's report Year to 31 August 2017

Matters on which we are required to report by exception (continued)

- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Governors' Responsibilities, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Tracey Young (Senior Statutory Auditor)
for and behalf of
haysmacintyre
Statutory Auditors
26 Red Lion Square
London
WC1R 4AG

Date: 29 November 2017

Independent reporting accountant's report Year to 31 August 2017

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

In accordance with the terms of our engagement letter dated 7 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Grey Coat Hospital during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Grey Coat Hospital and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Grey Coat Hospital and ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Independent reporting accountant's report Year to 31 August 2017

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:

- ◆ Walkthrough testing of controls to ensure operational effectiveness;
- ◆ Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised;
- ◆ Detailed testing on a selection of credit card statements and expense claims;
- ◆ Review of minutes, bank certificates and related party declarations provided by Governors and senior management.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Date: 29 November 2017

Statement of financial activities (including income and expenditure account) Year to 31 August 2017

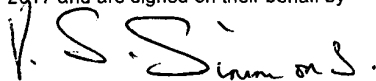
		Restricted funds				
		Unrestricted general funds £'000	General funds £'000	Fixed assets funds £'000	2017 total funds £'000	2016 total funds £'000
	Notes					
Income and endowments from:						
Donations and capital grants	2	193	-	38	231	1,635
Charitable activities:						
Funding for the academy trust's educational operations	3	165	6,964	-	7,129	6,817
Other trading activities	4	287	-	-	287	309
Investments	5	1	-	-	1	4
Total		646	6,964	38	7,648	8,765
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	526	7,221	38	7,785	7,906
Total		526	7,221	38	7,785	7,906
Net income / (expenditure)		120	(257)	-	(137)	859
Transfers between funds	13	-	-	-	-	-
Other recognised gains / (losses)						
Actuarial gains (losses) on defined benefit pension schemes	18	-	801	-	801	(1,273)
Net movement in funds		120	544	-	664	(414)
Reconciliation of funds						
Total funds brought forward as previously stated		241	(2,310)	2,385	316	946
Effect of prior year restatement	19	-	-	(2,249)	(2,249)	(2,465)
Total funds brought forward as restated		241	(2,310)	136	(1,933)	(1,519)
Total funds carried forward		361	(1,766)	136	(1,269)	(1,933)

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

Balance sheet 31 August 2017

		2017	2017	Restated	2016
	Notes	£'000	£'000	2016	2016
		£'000	£'000	£'000	£'000
Current assets					
Debtors	11	116		239	
Cash at bank and in hand		<u>603</u>		<u>720</u>	
		719		959	
Liabilities					
Creditors: Amounts falling due within one year	12	<u>(222)</u>		<u>(582)</u>	
Net current assets			<u>497</u>		<u>377</u>
Total assets less current liabilities			497		377
Net assets excluding pension scheme liability			<u>497</u>		<u>377</u>
Defined benefit pension scheme liability	18	<u>(1,766)</u>		<u>(2,310)</u>	
Total net assets			<u>(1,269)</u>		<u>(1,933)</u>
Restricted funds					
Fixed asset fund	13		136		136
Restricted income fund	13		-		-
Pension reserve	13		<u>(1,766)</u>		<u>(2,310)</u>
Total restricted funds			<u>(1,630)</u>		<u>(2,174)</u>
Unrestricted income funds					
General fund	13		<u>361</u>		<u>241</u>
Total funds			<u>(1,269)</u>		<u>(1,933)</u>

The financial statements on pages 33 - 46 were approved by the trustees and authorised for issue on 29 November 2017 and are signed on their behalf by



Mrs V Simmons BA
Chair

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

Statement of cash flows Year to 31 August 2017

	Notes	2017 £'000	2016 £'000
Net cash inflow from operating activities			
Net cash provided by (used in) operating activities	A	(568)	600
Cash flows from investing activities	B	39	(277)
		(529)	323
Change in cash and cash equivalents in the year			
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2016		720	397
Cash and cash equivalents at the end of the year	C	191	720
A Reconciliation of net income to net cash flow from operating activities			
		2017 £'000	2016 £'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(137)	859
Adjusted for:			
Capital grants from DfE and other capital income		(38)	(405)
Interest receivable		(1)	(4)
Defined benefit pension scheme cost less contributions payable		(203)	67
Defined benefit pension scheme finance cost		48	33
Decrease in debtors		123	42
Increase/(decrease) in creditors		(360)	8
Net cash (used in) / provided by Operating Activities		(568)	600
B Cash flows from investing activities			
		2017 £'000	2016 £'000
Dividends, interest and rents from investments		1	4
Capital grants from DfE/EFA		38	405
Net cash provided by / (used in) Operating Activities		39	409
C Analysis of cash and cash equivalents			
		2017 £'000	2016 £'000
Cash in hand and at bank		603	720
Total cash and cash equivalents		603	720

Principal accounting policies 31 August 2017

1 Statement of accounting policies

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

Basis of Preparation

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

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

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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

1 Statement of accounting policies (continued)

Sponsorship Income

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

Donations

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

Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided 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. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on Raising Funds

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

Charitable Activities

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

All expenditure are inclusive of irrecoverable 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 school operates is owned by the Grey Coat Hospital Foundation. The Foundation reserves the right to terminate the agreement at any point and as a result there is no indication of control by the School. Consequently no value has been recognised in the financial statements.

1 Statement of accounting policies (continued)

Tangible Fixed Assets (continued)

Furthermore, in response to guidance from the Department for Education there has been a change to the policy about capitalising building improvements. Accordingly, building additions have been removed from the Balance Sheet, shown by a restatement to the 2016 comparatives. Such assets are now capitalised in the books of the Grey Coat Hospital Foundation, and expensed within The Grey Coat Hospital.

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

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

Fixtures, fittings and equipment - 25% pa

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

Liabilities

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

Provisions

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

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

Leased Assets

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

1 Statement of accounting policies (continued)

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, 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.

1 Statement of accounting policies (continued)

Pensions Benefits (continued)

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

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

Fund Accounting

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

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

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2017 Total funds £'000	2016 Total funds £'000
Capital grants	-	-	38	38	1,105
Other donations	193	-	-	193	530
	<u>193</u>	<u>-</u>	<u>38</u>	<u>231</u>	<u>1,635</u>

In 2016, of the total income from donations and capital grants, £530,000 was to unrestricted funds and £1,105,000 was to restricted funds.

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
DfE / ESFA grants				
General Annual Grant (GAG)	-	6,199	6,199	6,278
Pupil premium	-	207	207	199
Other DfE / EFA grants	-	-	-	32
	<u>-</u>	<u>6,406</u>	<u>6,406</u>	<u>6,509</u>
Other Government grants				
Local authority grants	-	558	558	156
	<u>-</u>	<u>558</u>	<u>558</u>	<u>156</u>
Other income from the academy trust's educational operations	165	-	165	152
	<u>165</u>	<u>6,964</u>	<u>7,129</u>	<u>6,817</u>

In 2016, of the total income from charitable activities, £152,000 was to unrestricted funds and £6,665,000 was to restricted funds.

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Hire of facilities/ lettings income	73	-	73	74
Trip income	67	-	67	60
Miscellaneous income	147	-	147	175
	<u>287</u>	<u>-</u>	<u>287</u>	<u>309</u>

In 2016, of the total income from other trading activities, £309,000 was to unrestricted funds and £nil was to restricted funds.

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Short term deposits	1	-	1	4
	<u>1</u>	<u>-</u>	<u>1</u>	<u>4</u>

In 2016, of the total investment income, £4,000 was to unrestricted funds and £nil was to restricted funds.

6 Expenditure	Non Pay Expenditure			2017 Total funds £'000	Restated 2016 Total funds £'000
	Staff costs £'000	Premises £'000	Other £'000		
Academy's educational operations:					
Direct costs	4,561	-	693	5,254	5,935
Allocated support costs	1,332	799	400	2,531	1,971
	<u>5,893</u>	<u>799</u>	<u>1,093</u>	<u>7,785</u>	<u>7,906</u>
Net income / (expenditure) for the year includes:				2017 £'000	2016 £'000
Operating lease rentals				27	28
Fees payable to auditor for Audit				12	9
Other services				-	3
7 Charitable activities					Restated
				2017 Total funds £'000	2016 Total funds £'000
Direct costs - educational operations				5,254	5,935
Support costs - educational operations				2,531	1,971
				<u>7,785</u>	<u>7,906</u>
Analysis of support costs				2017 Total funds £'000	2016 Total funds £'000
Support staff costs				1,332	1,119
Technology costs				150	124
Premises costs				799	580
Other support costs				212	122
Governance costs				38	26
Total support costs				<u>2,531</u>	<u>1,971</u>

In 2016, of the total charitable activity expenditure, £162k was to unrestricted funds and £7,744k was to restricted funds.

Notes to the Financial Statements Year to 31 August 2017

8 Staff

(a) Staff costs

Staff costs during the year were:

	2017 Total funds £'000	2016 Total funds £'000
Wages and salaries	4,025	4,399
Social security costs	394	342
Operating costs of defined benefit pension schemes	878	817
Apprenticeship levy	2	-
	5,299	5,558
Supply staff costs	594	556
Staff restructuring costs	-	162
	5,893	6,276
Staff restructuring costs comprise:		
Severance payments	-	162
	-	162

(b) Staff numbers

The average numbers of persons employed by the Academy during the year was as follows:

	2017 No.	2016 No.
Teachers	86	90
Administration and support	50	53
Management	5	8
	141	151

The average numbers of persons employed by the Academy expressed as a full time equivalent during the period was as follows:

	2017 No.	2016 No.
Teachers	66	67
Administration and support	43	45
Management	5	8
	114	120

(c) Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	-	1
£70,001 - £80,000	2	4
£80,001 - £90,000	3	3
£110,001 - £120,000	1	1

(d) Key management personnel

The key management personnel of the academy trust comprise the trustees 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 trust was £525,096 (2016: £778,529).

Notes to the Financial Statements Year to 31 August 2017

9 Related Party Transactions - 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 2017, travel and subsistence expenses totalling £nil were reimbursed or paid (2016: no expenses reimbursed).

Other related party transactions involving the trustees are set out in note 16.

10 Trustees' 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 2017 was £1,550 (2016 - £1,515). The cost of this insurance is included in the total insurance cost.

11 Debtors

	2017 £'000	2016 £'000
Trade debtors	-	-
VAT recoverable	84	54
Prepayments and accrued income	32	185
	<u>116</u>	<u>239</u>

12 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	158	406
Taxation and social security	-	0
ESFA creditor: abatement of GAG	-	0
Other creditors	-	0
Accruals and deferred income	64	176
	<u>222</u>	<u>582</u>
Deferred income		
Deferred income at 1 September 2016	-	-
Released during the year	-	-
Resources deferred in the year	5	-
Deferred income at 31 August 2017	<u>5</u>	<u>-</u>

13 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,199	(6,199)	-	-
Pupil Premium	-	207	(207)	-	-
Pension reserve	(2,310)	-	154	801	(1,355)
	<u>(2,310)</u>	<u>6,406</u>	<u>(6,252)</u>	<u>801</u>	<u>(1,355)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	136	38	(38)	-	136
	<u>136</u>	<u>38</u>	<u>(38)</u>	<u>-</u>	<u>136</u>
Other restricted funds					
Local authority grants	-	558	(558)	-	-
	<u>-</u>	<u>558</u>	<u>(558)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>(2,174)</u>	<u>7,002</u>	<u>(6,848)</u>	<u>801</u>	<u>(1,219)</u>
Unrestricted funds					
General funds	241	646	(526)	-	361
Designated funds	-	-	-	-	-
Total unrestricted funds	<u>241</u>	<u>646</u>	<u>(526)</u>	<u>-</u>	<u>361</u>
Total funds	<u>(1,933)</u>	<u>7,648</u>	<u>(7,374)</u>	<u>801</u>	<u>(858)</u>

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

The General Annual Grant is funding from the DfE for the Academy's operating costs.

Pupil premium is additional government funding to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers.

Local government grants is used to support pupils with SEND and those with low attainment on entry.

The pension reserve relates to the School's Local Government Pension Scheme liability for support staff.

Other grants were to support the Academy's operating costs.

14 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2017 are represented by:				
Current assets	361	222	136	719
Current liabilities	-	(222)	-	(222)
Pension scheme liability	-	(1,355)	-	(1,355)
Total net assets	<u>361</u>	<u>(1,355)</u>	<u>136</u>	<u>(858)</u>

Notes to the Financial Statements Year to 31 August 2017

15 Commitments under operating leases

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

	2017 £'000	2016 £'000
Amounts due within one year	19	27
Amounts due between one and five years	40	59
	59	86

16 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 which the Foundation took place in the period of account:

The Foundation supported the Academy by providing £165,371 (2016 - £314,158) during the year which is for use towards general educational expenditure.

17 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.

18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The City of Westminster. 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 2016.

Teachers' Pension Scheme

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

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

18 Pensions and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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)
- 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £457,000 (2016: £587,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £269,000 (2016: £301,000), of which employer's contributions totalled £202,000 (2016: £231,000) and employees' contributions totalled £67,000 (2016: £70,000). The agreed contribution rates for future years are 18.9% for employers and between 5.5% and 12.5% for employees, employer annual contributions of £40,300 from 1 April 2017 - 31 March 2018, £41,900 from 1 April 2018 - 31 March 2019 and £43,500 from 1 April 2019 - 31 March 2020.

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.

Notes to the Financial Statements Year to 31 August 2017

18 Pensions and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase of salaries	4.2%	4.1%
Rate of increase for pensions in payment/inflation	2.7%	2.3%
Discount rate for scheme liabilities	2.6%	2.2%
Inflation assumption (CPI)	2.7%	2.3%

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

Current mortality rates

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	24.4	22.1
Females	26.0	25.3
<i>Retiring in 20 years</i>		
Males	26.7	24.4
Females	28.3	27.7

Sensitivity analysis on the pension obligation

	At 31 August 2017 £'000	At 31 August 2016 £'000
Discount rate +0.1%	4,556	4,384
Discount rate -0.1%	4,773	4,598
Mortality assumption – 1 year increase	4,812	4,605
Mortality assumption – 1 year decrease	4,519	4,378
CPI rate +0.1%	4,755	4,580
CPI rate -0.1%	4,574	4,402

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	2,206	1,644
Gilts	105	56
Corporate bonds	296	252
Property	249	215
Cash and other liquid assets	41	13
Total market value of assets	2,897	2,180

The actual return on scheme assets was £427,000 (2016: £185,000)

Notes to the Financial Statements Year to 31 August 2017

18 Pensions and similar obligations (continued)

Amount recognised in the statement of financial activities

	2017 £'000s	2016 £'000s
Current service cost (net of employee contributions)	410	297
Interest cost	48	33
Admin expenses	1	1
Total amount recognised in the SOFA	459	331

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

	2017 £'000s	2016 £'000s
Scheme obligations as at 1 September 2016	4,490	2632
Current service cost	410	297
Interest cost	99	107
Employee contributions	67	70
Actuarial (gain)/loss	(152)	1,384
Benefits paid	(2)	-
Experience (gain) on defined benefit obligation	(394)	-
Unfunded pension payments	145	-
At 31 August 2017	4,663	4,490

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

	2017 £'000s	2016 £'000s
Fair value of scheme assets at 1 September 2016	2,180	1,695
Interest income	50	73
Actuarial gain/(loss)	400	111
Employer contributions	202	70
Employee contributions	67	231
Benefits paid	(2)	-
At 31 August 2017	2,897	2,180

19 Prior year adjustment

Following clarification of the treatment of land and buildings where they are occupied under license, the School has made a prior year adjustment to remove previously capitalised building improvements. This has resulted in a £1,519,000 reduction to the restricted asset fund as at 1 September 2015 and a decrease of the deficit in the year to 31 August 2016 following the removal of depreciation totalling £216,000 on the removed assets together with an expense of £686,000 related to the amounts capitalised in the period.

The restated deficit for the year ended 31 August 2016 was £414,000 as compared to £630,000 previously stated.