

Ilkley Grammar School
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2016

Company Registration No. 07663864

Ilkley Grammar School

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Ilkley Grammar School

REFERENCE AND ADMINISTRATION DETAILS

Members	Mrs L Wharmby Mrs A Duggan Mrs I Clark Mr G Droogmans Mr P Smeaton Mr J Rickard	Resigned 20 July 2016 Resigned 20 July 2016 Resigned 14 September 2015
Governors (Trustees)	Mrs L Wharmby (Chair) * Ms H Williams (Headteacher) * Miss V Brides Mrs I Clark Mrs A Duggan * Mrs J Stewart * Mr G Droogmans * Mr P Smeaton * Mr S Herrington Mr S Spoerry Mrs H Templar * Ms C Douglas * Dr N Garrido Mrs A Bleasdale * Mr J Rickard *	Resigned 21 September 2015 Resigned 20 July 2016 Resigned 20 July 2016 Resigned 8 July 2016 Resigned 14 September 2015 Appointed 7 December 2015 Appointed 7 December 2015 Appointed 7 December 2015 Appointed 7 December 2015 Appointed 7 December 2015 Resigned 1 October 2016
	* member of resource committee	
Secretary	Mrs A Kaye (Business & Finance Director)	
Principal and Registered Office	Cowpasture Road, Ilkley, LS29 8TR	
Company Registration Number	07663864 (England and Wales)	
Auditor	Clive Owen LLP Chartered Accountants Statutory Auditors 140 Coniscliffe Road Darlington Co. Durham DL3 7RT	
Bankers	HSBC 1 Wells Road Ilkley LS29 9JB	
Solicitors	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY	

Ilkley Grammar School

GOVERNORS' REPORT

The Governors of Ilkley Grammar School present their annual report together with the financial statements and auditor's report of the Academy Trust for the year ended 31 August 2016.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration number 07663864) and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. Members of the Academy Trust are nominated by the Governing Body or the Secretary of State for Education. The articles of association require the members of the Academy Trust to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the Academy Trust and the management of the Academy Trust.

Information on the Governors who served throughout the period are included on page 1.

Members' liability

Each member of the Academy Trust 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.

Governor's indemnity provisions are detailed in note 10 to the financial statements.

Not all Governors are legal members of the Academy Trust. Only three legal members are required at any one time. Members who served throughout the period are included on page 1.

Principal activities

The Academy Trust exists with the purpose of advancing education for the benefit of its community. We have established and maintained a high achieving and high aspiring comprehensive school. As an Academy Trust it is incumbent upon us to co-operate particularly with other schools, especially where there is advantage in the exchange of information and good practice.

The Academy Trust pays from its public funding the costs and expenses of providing education for children aged 11-19 in and beyond our catchment area. Currently we have approximately 1,600 students on roll, including 350 in the sixth form.

We converted to Academy status in July 2011, as a 'good school, with outstanding features' and are working to see this benefits our students and opens up new opportunities and new ways of learning.

We take pride in all our students and in seeing every one of them achieve their 'personal best' and fulfil our Latin motto of 'Growing in Wisdom and Stature'.

Method of recruitment and appointment or election of Governors

As clearly set out in the Articles of Association, where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election of Staff Governors.

The Community Governors may be appointed by the Governing Body provided that the person who is appointed lives or works in the community served by the Academy and is committed to the government and success of the Academy. Community Governors may be nominated by the Foundation.

The Governors may appoint up to 3 Co-opted Governors and the same criteria are applied. The Academy Trust also accepts the position that the Secretary of State, being dissatisfied with the work and progress of the Governing Body, may appoint additional Governors.

Ilkley Grammar School

GOVERNORS' REPORT

Policies and procedures adopted for the induction and training of Governors

A full induction pack is provided to all Governors and new Governors will meet the Chair, the Headteacher and the Business and Finance Director to help with their assimilation in to the role of School Governor. All Governors subscribe to the importance of communicating the Academy's performance to stakeholders and are, therefore, taken step by step through school evaluation systems by a member of the Academy's Senior Management Team. All Governors are also constantly updated on all matters through the committee and Board meetings. Training requirements are assessed by the Chair of Governors to ensure that there is an appropriate balance of skills and experience on the Board at all times.

Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The key management personnel are the Headteacher, Deputy Headteachers and the Business and Finance Director. The Headteacher is the Academy Trust's Accounting Officer. These managers control the Academy Trust at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group they are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to members of the Extended Leadership Team, with limits above which a member of the key management personnel must countersign.

The Extended Leadership Team includes the Assistant Headteachers, the Curriculum Leaders and the Pastoral Leaders. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Key Management Personnel

Headteacher	Helen Williams
Deputy Headteacher	Carly Purnell
Deputy Headteacher	Sally Bishop
Business & Finance Director	Alison Kaye

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is proposed by the Headteacher (or in the case of the Headteacher by the Chair of Governors) and is authorised by the Pay Committee in line with the appraisal and pay policies.

Related Parties and other Connected Charities and Organisations

Ilkley Grammar School is a member of the Red Kite Alliance and during 2015/16 was a member of the Bradford Partnership. Both of these organisations relate to school improvement and a fee is payable.

Objectives and activities

Objects and aims

The sole object and aim of the Academy Trust is the operation of the Ilkley Grammar School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19. The main ambitions of the Academy Trust are summarised below.

- Develop successful learners, happy and confident individuals and responsible citizens;
- Develop a rich curriculum, responsive to need and providing the skills for life and work in the 21st century;
- Create a culture of inspirational learning and teaching;
- Achieve outstanding outcomes;
- Develop high quality leadership;
- Ensure high expectations and professionalism in all aspects of school life;
- Promote an inclusive and engaged community;
- Secure a sustainable organisation;
- Provide a pleasant, inspirational and safe environment; and
- Promote our reputation locally, nationally and internationally.

Ilkley Grammar School

GOVERNORS' REPORT

Strategies and Activities

The Academy's vision is as follows:

Our vision at Ilkley Grammar School is to provide an exceptional, inclusive learning experience at the heart of our community. Our students will achieve their academic Personal Best and will be equipped with the confidence and skills to make a positive difference to their own lives and the lives of others we will achieve this through modelling our core values and attributes in the way we work together.

Public benefit

When setting the objectives of the Academy Trust for the year, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary guidance on advancing education. The Academy Trust's object is specifically restricted to advance for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Strategic Report

Achievements and Performance

Key Performance Indicators

Student achievements

Results at both A level and GCSE continue to be very strong in 2016.

A-Level:

- 21% of students achieved A levels at grades AAB or higher in at least 2 facilitating subjects;
- 29.7% of all A-level entries were A*/A;
- 99.6% of students achieved at least 3 A levels at A*-E;
- Average grade per entry in students' best three A-levels was a grade B (37.70);
- The ALPS score at A-level was a 2 in line with the top 10% of providers; at AS it was a grade 3 (top 25% of providers); and
- The L3VA for A-level is estimated to again be significantly positive confirming that students at IGS make significantly better progress than similar students nationally.

GCSE:

- Students make much stronger progress than similar students nationally with a Progress 8 score of +.30 (unvalidated);
- Attainment is also very high compared to the national average with an estimated Attainment 8 score of 59.97 (grade B);
- Over 40% of all GCSE grades were at A/A*;
- 81% achieved 5 A*-C with English and Maths with 85.7% achieving the Basics measure (C+ in English and Maths); and
- 38% achieved the English Baccalaureate.

Other achievements

- Continued very high student attendance in excess of 96%; and
- Partner of Red Kite Teaching School Alliance and Bradford Partnership.

Going concern

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

Ilkley Grammar School

GOVERNORS' REPORT

Financial review

During the year ended 31 August 2016, total expenditure of £9,492,000 was in excess of recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of expenditure over income for the year of unrestricted funds and restricted funds (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £641,000.

All of the expenditure showing in the statement of financial activities is in furtherance of the Academy's objectives.

The Academy held fund balances at 31 August 2016 of £9,591,000 comprising £9,555,000 restricted funds and £36,000 of unrestricted funds.

At 31 August 2016 the net book value of fixed assets was £11,723,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the DfE/EFA. In accordance with the Charities Statement of Recommended Practice (FRS102), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The provisions of Financial Reporting Standard No. 102 'Retirement Benefits' have been applied in full, resulting in a deficit of £2,219,000 recognised on the balance sheet.

Principal risks and uncertainties

The principal risks and uncertainties are centred around changes in the level of funding from the DfE/EFA, over which the Academy Trust has no control. In this context the known current increases in teaching costs because of increases in employer's pension and national insurance contributions totalling 5% create a specific risk. In addition, the Academy Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant potential deficit on the Academy Trust balance sheet if the Academy Trust was called upon to meet it. 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.

Reserves policy

The policy of the Academy Trust is to allocate a prudent level of funds to meet long-term recurring needs of renewal and any other unforeseen expenditure, subject to the constraint that the level of resource does not exceed the level permitted by the EFA.

The Academy Trust has three categories of reserves: Restricted Funds, which is GAG funding used to carry out the principal objects of the organisation, Fixed Asset Reserve used to finance fixed assets and Unrestricted reserves which is used under the direction of the Governors.

The unrestricted reserves of £36,000 are freely available for general purposes. These will be allocated in line with the strategic objectives of the Academy Trust and to cover in year deficits as government funding is reduced.

The restricted funds of £9,555,000 include the restricted fixed asset fund of £11,723,000. The restricted pension fund is currently in deficit to the value of £2,219,000 as at 31 August 2016 (£752,000 deficit as at 31 August 2015). This deficit was inherited upon conversion to Academy status and the Governors will continue to monitor this situation closely.

Investment policy

The Academy Trust monitors cash flow to ensure immediate and forthcoming commitments can be met. Surplus funds are invested in risk free, short, fixed term deposit accounts with British banks.

Ilkley Grammar School

GOVERNORS' REPORT

Plans for future periods

The Academy Trust plans to build further on the excellent results of 2015/16 and to continue with the plans approved by Governors in the Academy Development Plan. The Academy Trust will continue to support and invest in staff and facilities to ensure the best outcomes for our students.

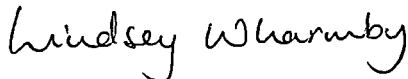
Auditor

Clive Owen LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to the auditor

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Governing Board at its meeting on 13 December 2016 and signed on its behalf by:



Lindsey Wharmby
Chair of Governors

Ilkley Grammar School

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ilkley Grammar School and the Secretary of State for Education. They are 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 7 times during the period. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings Attended	Out of a possible
Mrs L Wharmby (Chair)	7	7
Ms H Williams (Headteacher)	7	7
Miss V Brides	0	1
Mrs I Clark	5	7
Mrs A Duggan	7	7
Mrs J Stewart	6	6
Mr P Smeaton	0	0
Mr G Droogmans	7	7
Mr S Herrington	7	7
Mr J Rickard	1	7
Mrs A Bleasdale	4	5
Ms C Douglas	5	5
Dr N Garrido	5	5
Mr S Spoerry	4	5
Mrs H Templar	5	5

The Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to review the financial position of the Academy Trust and to guide and monitor the use of Academy Trust resources.

Attendance during the year was as follows:

Governor	Meetings Attended	Out of a possible
Mr G Droogmans	6	6
Mrs A Duggan	6	6
Mrs J Stewart	4	5
Mrs L Wharmby	6	6
Ms H Williams	6	6
Mr P Smeaton	0	0
Mr J Rickard	3	6
Mrs A Bleasdale	4	5
Ms C Douglas	3	5
Mrs H Templar	4	5

Governance Reviews

During the year the number of resources meetings was increased in order to monitor the income statement and cash flow with greater frequency. The number of board meetings was in line with the prior year.

Ilkley Grammar School

GOVERNANCE STATEMENT

Review of Value for Money

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

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

- Increasing community lettings by 66%;
- Maintaining parental donations to the charitable iPad scheme;
- Review of key contracts and retendering of cleaning contract achieving an annual saving of £20k; and
- Staffing restructure resulting in annual saving of £535k.

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ilkley Grammar School for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust 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 a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Strategic Finance Team and reported to the Governing Body.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Veritau Ltd continue to carry out the annual internal assurance visit which includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Veritau reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The plan of work is carried out in line with the suggested system checks as laid out in the Academies Financial Handbook and covers the key areas of payroll, purchases, income and accounting systems. No significant issues have been noted.

Ilkley Grammar School

GOVERNANCE STATEMENT

Review of Effectiveness

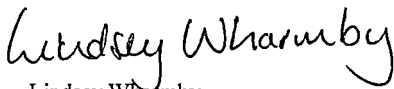
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the systems of internal control. During the year in question the review has been informed by:

- the work of the internal assurance provider;
- the work of the external auditor;
- the financial management and governance self assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implication of the result of their 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 members of the Governing Body on 13 December 2016 and signed on its behalf by:

Signed



Lindsey Wharmby
Chair of Governors

Signed



Helen Williams
Accounting Officer

Ilkley Grammar School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ilkley Grammar School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust governing body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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

Signed



Helen Williams
Accounting Officer
13 December 2016

Ilkley Grammar School

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are responsible for the charitable activities of Ilkley Grammar School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Charitable Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Trust 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 Trust 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 DfE/EFA have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy Trust'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 Governing Body on 13 December 2016 and signed on its behalf by:

Signed



Lindsey Wharmby
Chair of Governors

Ilkley Grammar School

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ILKLEY GRAMMAR SCHOOL

We have audited the financial statements of Ilkley Grammar School for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 11, the Governors (who act as trustees for the charitable activities of the Academy Trust, and are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Emphasis of Matter

We draw the reader's attention to the accounting policies on page 19 of the financial statements, which set out why the financial statements have been prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

Opinion on financial statements

In our opinion the financial statements:

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

Ilkley Grammar School

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ILKLEY GRAMMAR SCHOOL

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Christopher Beaumont BA (Hons) FCA DChA
For and on behalf of Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

13 December 2016

Ilkley Grammar School

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON REGULARITY TO ILKLEY GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 September 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ilkley Grammar School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ilkley Grammar School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ilkley Grammar School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ilkley Grammar School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ilkley Grammar School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Ilkley Grammar School's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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:

- o Review of Governing Body and committee minutes;
- o Review of annual internal assurance reports;
- o Completion of self assessment questionnaire by Accounting Officer;
- o Discussions with the Accounting Officer and finance team;
- o Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- o Obtain formal letters of representation detailing the responsibilities of Governors;
- o Review of payroll, purchases and expenses claims on a sample basis;
- o Confirmation that the lines of delegation and limits set have been adhered to;
- o Evaluation of internal control procedures and reporting lines;
- o Review cash payments for unusual transactions;
- o Review of credit card transactions;
- o Review of registers of interests;
- o Review related party transactions;
- o Review of borrowing arrangements;
- o Review of land and building transactions;
- o Review of potential and actual bad debts; and
- o Review an instance of gifts/hospitality to ensure in line with policy.

Ilkley Grammar School

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON REGULARITY TO ILKLEY GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP
Reporting Accountant
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
13 December 2016

Ilkley Grammar School

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2016

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

	Notes	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2016 £000	Total 2015 £000
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	2	92	-	32	124	155
Charitable activities:						
Funding for the Academy's educational Operations	3	-	7,345	-	7,345	7,399
Other trading activities	4	921	-	-	921	657
Investments	5	-	-	-	-	8
Total incoming resources		1,013	7,345	32	8,390	8,219
EXPENDITURE ON:						
Charitable activities:						
Academy's educational operations	7	1,671	7,328	493	9,492	9,198
Total resources expended	6	1,671	7,328	493	9,492	9,198
NET INCOME / (EXPENDITURE)		(658)	17	(461)	(1,102)	(979)
Transfers between funds	14	-	(164)	164	-	-
Other recognised gains/(losses):						
Actuarial gains on defined benefit schemes	21	-	(1,355)	-	(1,355)	101
NET MOVEMENT IN FUNDS		(658)	(1,502)	(297)	(2,457)	(878)
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2015		694	(666)	12,020	12,048	12,926
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2016	14	36	(2,168)	11,723	9,591	12,048

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

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

Ilkley Grammar School

BALANCE SHEET

31 August 2016

Company registration No: 07663864

	Notes	2016 £000's	2016 £000's	2015 £000's	2015 £000's
FIXED ASSETS					
Tangible assets	11		11,723		12,020
CURRENT ASSETS					
Debtors	12	266		223	
Stock		2		4	
Cash at bank and in hand		491		1,122	
		<u>759</u>		<u>1,349</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	13	(672)		(569)	
NET CURRENT ASSETS			<u>87</u>		<u>780</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,810</u>		<u>12,800</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>11,810</u>		<u>12,800</u>
Pension scheme liability	21		(2,219)		(752)
NET ASSETS INCLUDING PENSION LIABILITY			<u>9,591</u>		<u>12,048</u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset funds	14		11,723		12,020
General funds	14		51		86
Pension reserve	14		(2,219)		(752)
TOTAL RESTRICTED FUNDS			<u>9,555</u>		<u>11,354</u>
TOTAL UNRESTRICTED FUNDS	14		<u>36</u>		<u>694</u>
TOTAL FUNDS			<u>9,591</u>		<u>12,048</u>

The financial statements on pages 16 to 34 were approved by the Governors and authorised for issue on 13 December 2016, and are signed on their behalf by:

Lindsey Wharmby

Lindsey Wharmby
Chair of Governors

Ilkley Grammar School

CASH FLOW STATEMENT

For the year ended 31 August 2016

	<i>Notes</i>	2016 £000's	2015 £000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by (used in) operating activities	17	(470)	(1,062)
CASHFLOWS FROM FINANCING ACTIVITIES	18	-	8
CASHFLOWS FROM INVESTING ACTIVITIES	19	(161)	(310)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	20	<u>(631)</u>	<u>(1,364)</u>
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER		<u>1,122</u>	<u>2,486</u>
CASH AND CASH EQUIVALENTS AT 31 AUGUST	20	<u>491</u>	<u>1,122</u>

Ilkley Grammar School

ACCOUNTING POLICIES

For the year ended 31 August 2016

Statement of Accounting Policies

Basis of Preparation

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

Ilkley Grammar School meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

Going Concern

The financial statements have been prepared on a going concern basis. Having carried out a detailed review of the Academy Trust's resources and the challenges presented by the current economic climate, the Governors are confident that the Academy Trust has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements. Although the reserves position has been significantly depleted in the last 2 financial years, restructuring of staff (resulting in an annual cost saving of £444k) and an increase in student numbers will mean that a positive reserves and cash flow position is maintained over the coming years. From 2018/19 significant in year surpluses are forecast.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

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

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

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

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

Ilkley Grammar School

ACCOUNTING POLICIES

For the year ended 31 August 2016

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 education operation, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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 Governors.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, where the asset acquired or created is held for a specific purpose.

Tangible fixed assets

Tangible fixed assets costing £5,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they 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.

The premises are held on a 125-year lease from Bradford Council. As the risks and rewards have transferred to the Academy Trust, the asset has been recognised within tangible fixed assets. The initial acquisition was recognised at existing use valuation by DTZ, on behalf of the Education Funding Agency. The Governors consider that the cost of obtaining an additional valuation would outweigh the benefits.

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 lives, as follows:

Long leasehold buildings	50 years
Long leasehold land	125 years
Fixtures, fittings and equipment	5 years
Computer equipment	3 to 5 years
Motor vehicles	5 years

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 assets 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.

Leased assets

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

Stock

Catering stocks are valued at the lower of cost or net realisable value.

Ilkley Grammar School

ACCOUNTING POLICIES

For the year ended 31 August 2016

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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 21, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 gains and losses on 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 gains and losses.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust does not apply an administration charge. The funds received and paid and any balances held are disclosed in note 23.

Critical accounting estimates and areas of judgement

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

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 LGPS 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 costs (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of an asset. An estimate of the useful life of the assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £489,000.

Land and buildings - The premises are held on a 125-year lease from Bradford Council. These assets are included on the balance sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

Ilkley Grammar School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The Academy Trust has not exceeded these limits during the year ended 31 August 2016.

2 Donations and capital grants

	Unrestricted funds £000's	Restricted funds £000's	Total 2016 £000's	Total 2015 £000's
Capital grants	-	32	32	32
Other donations	92	-	92	123
	<u>92</u>	<u>32</u>	<u>124</u>	<u>155</u>
2015 total	<u>123</u>	<u>32</u>	<u>155</u>	

3 Funding for the Academy's educational operations

	Unrestricted funds £000's	Restricted general funds £000's	Total 2016 £000's	Total 2015 £000's
DfE/EFA grants				
General annual grant (GAG) (note 1)	-	6,987	6,987	7,225
Other DfE/EFA grants	-	152	152	119
	<u>-</u>	<u>7,139</u>	<u>7,139</u>	<u>7,344</u>
Other government grants				
Local authority grants	-	206	206	55
	<u>-</u>	<u>206</u>	<u>206</u>	<u>55</u>
Total funding for educational operations	<u>-</u>	<u>7,345</u>	<u>7,345</u>	<u>7,399</u>
2015 total	<u>-</u>	<u>7,399</u>	<u>7,399</u>	

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2016

4 Other trading activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2016 £000's	Total 2015 £000's
Catering income	347	-	347	97
Consultancy	18	-	18	-
Hire of facilities	101	-	101	57
Trips & Visits Income	346	-	346	370
Other Income	109	-	109	133
	<u>921</u>	<u>-</u>	<u>921</u>	<u>657</u>
2015 total	<u>657</u>	<u>-</u>	<u>657</u>	

5 Investment income

	Unrestricted funds £000's	Restricted funds £000's	Total 2016 £000's	Total 2015 £000's
Bank interest received	-	-	-	8
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
2015 total	<u>8</u>	<u>-</u>	<u>8</u>	

6 Expenditure

	Staff costs £000's	Non pay expenditure Premises £000's	Other costs £000's	Total 2016 £000's	Total 2015 £000's
Expenditure on raising funds					
Academy's educational operations:					
Direct costs	5,740	-	1,078	6,818	6,434
Allocated support costs	1,039	1,184	451	2,674	2,764
Total resources expended	<u>6,779</u>	<u>1,184</u>	<u>1,529</u>	<u>9,492</u>	<u>9,198</u>
2015 total	<u>6,267</u>	<u>1,385</u>	<u>1,546</u>	<u>9,198</u>	

Net income/(expenditure) for the period includes:

	2016 £000's	2015 £000's
Incoming/outgoing resources for the period include		
Operating leases	45	42
Depreciation of tangible fixed assets	489	488
Profit/(loss) on disposal of tangible fixed assets	1	(3)
Fees payable to auditor for:		
-audit	10	10
-other services	-	-

Ilkley Grammar School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

Included within expenditure are the following transactions.

Incoming/outgoing resources for the period include	Total £	Individual items above £5,000	
		Amount £	Reason
Compensation payments		-	-
Fixed asset losses		-	-
	900	9,000	Change of use of an area previously used as an office.
Unrecoverable debts	515	-	-
Cash losses	670	-	-

7 Charitable activities

	Total 2016 £000's	Total 2015 £000's
Direct costs – educational operations	6,818	6,434
Support costs – educational operations	2,674	2,764
	<u>9,492</u>	<u>9,198</u>

Analysis of support costs

	Educational operations £000's	Total 2016 £000's	Total 2015 £000's
Support staff costs	1,039	1,039	959
Depreciation	492	492	488
Premises costs	692	692	894
Technology costs	55	55	94
Other support costs	175	175	219
Catering costs	203	203	88
Governance costs	18	18	22
Total support costs	<u>2,674</u>	<u>2,674</u>	<u>2,764</u>

Ilkley Grammar School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

8 Staff

Staff costs

	Total 2016 £000's	Total 2015 £000's
Staff costs during the period were:		
Wages and salaries	5,334	5,074
Social security costs	424	364
Pension costs	812	695
	<u>6,570</u>	<u>6,133</u>
Supply teacher costs	111	134
Restructuring costs	98	-
	<u>6,779</u>	<u>6,267</u>
Staff restructuring costs comprise:		
Redundancy payments	82	-
Severance payments	-	-
Other restructuring costs	16	-
	<u>98</u>	<u>-</u>

Included within pension costs is a £87,000 credit in respect of LGPS movement.

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual compensation payments of £16,000 (2015: £nil). This was one individual payment.

Staff numbers

The average number of persons (including leadership team) employed by the Academy Trust during the period was as follows:

	2016 No	2015 No
Teachers	103	96
Administration and support	115	115
Leadership team	11	11
	<u>229</u>	<u>222</u>

Higher paid staff

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

	2016 No	2015 No
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	<u>4</u>	<u>3</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £344,000 (2015: £278,000).

Ilkley Grammar School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

9 Related Party Transactions - Governors' remuneration and expenses

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors. The value of Governor's remuneration and other benefits was as follows:

H Williams (Headteacher and Governor):

Remuneration £90,000 - £95,000 (2015: £85,000 - £90,000)

Employer's pension contributions £15,000 - £20,000 (2015: £10,000 - £15,000)

J Stewart (Staff Governor):

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

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

A Bleasdale (Staff Governor):

Remuneration £15,000 - £20,000 (2015: n/a)

Employer's pension contributions £nil - £5,000 (2015: £n/a)

N Garrido (Staff Governor):

Remuneration £35,000 - £40,000 (2015: £n/a)

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

A Colman (Staff Governor):

Remuneration £nil (2015: £45,000 - £50,000)

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

V Brides (Staff Governor):

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

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

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

10 Governors' and officers indemnity insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 and the cost for the period ended 31 August 2016 was £497 (2015: £497). The cost of this insurance is included in the total insurance cost.

Ilkley Grammar School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

11 Tangible fixed assets

	Long leasehold land and buildings £000's	Fixtures and fittings £000's	Computer equipment £000's	Motor vehicles £000's	Total £000's
Cost					
At 1 September 2015	12,433	275	812	14	13,534
Additions	-	177	25	-	202
Disposals	(11)	-	(409)	-	(420)
31 August 2016	12,422	452	428	14	13,316
Depreciation					
At 1 September 2015	(959)	(70)	(482)	(3)	(1,514)
Charged in the period	(240)	(56)	(191)	(2)	(489)
Disposals	1	-	409	-	410
31 August 2016	(1,198)	(126)	(264)	(5)	(1,593)
Net book value					
31 August 2016	11,224	326	164	9	11,723
31 August 2015	11,474	205	330	11	12,020

12 Debtors

	2016 £000's	2015 £000's
Prepayments	201	140
Trade debtors	15	7
Amounts due from EFA	21	20
Other tax and social security	29	56
	266	223

13 Creditors: amounts falling due within one year

	2016 £000's	2015 £000's
Trade creditors	142	161
Other taxation and social security costs	124	111
Amounts due to EFA	-	11
Accruals and deferred income	406	286
	672	569
Deferred income		
Deferred income at 1 September 2015	99	80
Resources deferred in the year	170	99
Amounts released from previous years	(99)	(80)
Deferred income at 31 August 2016	170	99

The deferred income includes amounts paid in advance for dinner money and school trips taking place next year, rates and grants received in advance of the next academic year.

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2016

14 Funds

	At 1 September 2015 £000's	Incoming resources £000's	Resources expended £000's	Gains, losses and transfers £000's	At 31 August 2016 £000's
Restricted general funds					
General Annual Grant (GAG)	-	6,987	(6,823)	(164)	-
Pupil Premium reserve	86	145	(180)	-	51
Other DfE/EFA grants	-	7	(7)	-	-
Other government grants	-	206	(206)	-	-
Funds inherited on conversion	-	-	-	-	-
Pension reserve	(752)	-	(112)	(1,355)	(2,219)
	<u>(666)</u>	<u>7,345</u>	<u>(7,328)</u>	<u>(1,519)</u>	<u>(2,168)</u>
Restricted fixed asset funds					
DfE capital grants	76	32	(20)	-	88
Capital expenditure from GAG	1,046	-	(250)	164	960
Capital expenditure from unrestricted funds	87	-	(4)	-	83
Assets transferred on conversion	10,811	-	(219)	-	10,592
	<u>12,020</u>	<u>32</u>	<u>(493)</u>	<u>164</u>	<u>11,723</u>
Total restricted funds	<u>11,354</u>	<u>7,377</u>	<u>(7,821)</u>	<u>(1,355)</u>	<u>9,555</u>
Unrestricted funds					
Funds inherited on conversion	334	-	(334)	-	-
Unrestricted funds	360	1,013	(1,337)	-	36
Total unrestricted funds	<u>694</u>	<u>1,013</u>	<u>(1,671)</u>	<u>-</u>	<u>36</u>
Total funds	<u>12,048</u>	<u>8,390</u>	<u>(9,492)</u>	<u>(1,355)</u>	<u>9,591</u>

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

Restricted general funds have been spent in line with the terms of the Master Funding Agreement. Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of the Academy Trust.

GAG must be used for the normal running costs of the academy including salaries and related costs, overheads, repairs and maintenance and insurance.

Pupil Premium was provided to deliver additional learning support to deprived children as the academy sees fit. Other DfE/EFA grants represent Year 7 Catch up grant.

SEN funding was provided to cover the costs of supporting students with additional learning requirements.

The restricted pension fund is in deficit to the value of £2,219,000 as at 31 August 2016.

The restricted fixed asset fund represents monies received to purchase fixed assets. Depreciation is charged over the useful life of the associated assets

A total of £164,000 has been transferred from GAG to fixed asset funds to fund the balance of the fixed asset additions in the year.

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15 Analysis of net assets between funds

	Unrestricted funds £000's	Restricted general funds £000's	Restricted fixed asset funds £000's	Total funds 2016 £000's	Total funds 2015 £000's
Tangible fixed assets	-	-	11,723	11,723	12,020
Current assets	455	304	-	759	1,349
Current liabilities	(419)	(253)	-	(672)	(569)
Pension scheme liability	-	(2,219)	-	(2,219)	(752)
Total net assets	36	(2,168)	11,723	9,591	12,048

16 Financial commitments

Operating leases

At 31 August 2016 the Academy Trust had annual commitments under operating leases as follows:

	2016 £000's	2015 £000's
Amounts due within one year	28	13
Amounts due between one and five years	63	35
	<u>91</u>	<u>48</u>

Capital commitments

	2016 £000's	2015 £000's
Contracted for, but not provided in the financial statements	-	116
	<u>-</u>	<u>116</u>

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For the year ended 31 August 2016

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

	2016	2015
	£000's	£000's
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,102)	(979)
Adjusted for:		
Depreciation (note 11)	489	488
Surplus/(loss) on disposal of fixed assets	1	3
Capital grants from DfE and other capital income	(32)	(32)
Interest receivable (note 5)	-	(8)
Defined benefit pension scheme cost less contributions payable (note 21)	87	96
Defined benefit pension scheme finance cost (note 21)	25	24
(Increase)/decrease in debtors	(43)	93
Decrease/(Increase) in stock	2	(4)
Increase/(decrease) in creditors	103	(743)
Net cash used in operating activities	(470)	(1,062)

18 Cash flows from finance activities

	2016	2015
	£000's	£000's
Interest received	-	8
Net cash provided by/ (used in) financing activities	-	8

19 Cash flows from investing activities

	2016	2015
	£000's	£000's
Purchase of tangible fixed assets	(202)	(349)
Proceeds from sale of tangible fixed assets	9	7
Capital grants	32	32
Net cash provided by / (used in) investing activities	(161)	(310)

20 Analysis of cash and cash equivalents

	At 1 September 2015 £000's	Cash flows £000's	At 31 August 2016 £000's
Cash in hand and at bank	1,122	(631)	491
Total cash and cash equivalents	1,122	(631)	491

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Direction 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge, currently 14.1%);
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The total contribution made to the TPS in the period amounted to £992,000 (2015: £862,000) of which employer's contribution totalled £628,000 (2015: £512,000) and employees' contributions totalled £364,000 (2015: £350,000).

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

Under the definition set out in FRS102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the 12 months ended 31 August 2016 was £256,000 (2015: £242,000) of which employer's contributions totalled £184,000 (2015: £174,000) and employees' contribution totalled £72,000 (2015: £68,000). The agreed rates for future years are 15.1 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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Principal actuarial assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.4%	3.5%
Rate of increase for pensions in payment	1.9%	2.0%
Discount rate	2.0%	3.8%
Inflation (CPI)	1.9%	2.0%
Commutation of lump sums	75%	75%

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

	At 31 August 2016 Years	At 31 August 2015 Years
Retiring today:		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years:		
Males	24.9	24.8
Females	28.0	27.8

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Asset Split	Fair value at 31 August 2016 £000's	Fair value at 31 August 2015 £000's
Equities	75.1	2,685	2,109
Government bonds	11.2	400	289
Corporate bonds	4.2	150	127
Property	4.8	172	125
Other	3.3	118	86
Cash/liquidity	1.4	50	42
Total market value of assets		3,575	2,778
Present value of scheme liabilities			
- Funded		5,794	3,530
Deficit in the scheme		(2,219)	(752)

The actual return on scheme assets was £547,000 (2015: £38,000).

Amounts recognised in the statement of financial activities

	2016 £000's	2015 £000's
Current service cost (net of employee contributions)	271	270
Net interest cost	25	24
Total operating charge	296	294

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

	2016 £000's	2015 £000's
At 1 September	3,530	3,275
Current service cost	271	270
Interest cost	135	122
Employee contributions	72	68
Actuarial loss/(gain)	1,792	(161)
Benefits paid	(6)	(44)
	<u>5,794</u>	<u>3,530</u>
At 31 August		

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

	2016 £000's	2015 £000's
At 1 September	2,778	2,542
Interest income	110	98
Actuarial gain/(loss)	437	(60)
Employer contributions	184	174
Employee contributions	72	68
Benefits paid	(6)	(44)
	<u>3,575</u>	<u>2,778</u>
At 31 August		

22 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

23 16-19 Bursary Fund

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £28,152 (2015: £28,152) and disbursed £16,540 (2015: £16,540), leaving a balance of £11,612 (2015: £11,612) included in accruals and deferred income.

24 Members Liability

Each member of the Academy Trust 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.

25 FRS 102 Reconciliation

This is the first year that the Academy Trust has presented its financial statements under SORP 215 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

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

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NOTES TO THE FINANCIAL STATEMENTS

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Reconciliation of total funds	Notes	1 September 2014 £000's	31 August 2015 £000's
Total funds under previous UK GAAP		12,926	12,048
Total funds reported under FRS 102		<u>12,926</u>	<u>12,048</u>

Reconciliation of net (expenditure)	Notes	31 August 2015 £000's
Net expenditure previously reported under UK GAAP		(904)
Change in recognition of LGPS interest cost	A	(75)
Actuarial gains/losses brought above the line	B	101
Net movement in funds reported under FRS 102		<u>(878)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenses. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenses by £75,000 and to increase the credit to other recognised gains and losses in the statement of financial activities by £75,000.

B – Actuarial gains

Under SORP 2005 actuarial gains and losses did not form part of net expenditure for the year. Under SORP (FRS 102) these gains form part of the net movements in funds for the year.