

**ALCESTER GRAMMAR SCHOOL  
(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2024**



**Company Limited by Guarantee  
Registration Number: 07485466  
(England & Wales)**

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## REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, GOVERNORS AND ADVISORS

<b>Members</b>	A Blackie S Case M Flanagan J Gough J Squires
<b>Governors</b>	J Gough (Chair) J Squires (Vice Chair), resigned 29 October 2024 C Cockbill (Vice Chair from 12 September 2024) J Curtis N Fenton L Henderson, appointed 01 July 2024 M Ledgard, appointed 12 January 2024 A McIntyre, resigned 17 April 2024 K Mitsiou-Begg S Parkes, resigned 04 December 2023 P Shepherd R Skelton, resigned 09 December 2023 R Thorpe S Tubb T Ward
<b>Company Secretary</b>	C Dawes, appointed 01 February 2024 C Roberts, resigned 31 January 2024
<b>Senior Leadership Team</b>	
Principal and Chief Executive	R Thorpe
Finance & Operations Director	F Coyles
Vice Principal - Curriculum	J Slater
Vice Principal - Sixth Form	I Young, resigned 31 August 2024
Assistant Principal	H Tingle
Assistant Principal	J Turner
Assistant Principal	S Price
Associate Assistant Principal	S Walker, appointed 08 April 2024
Associate Assistant Principal	C Shipway, appointed 08 April 2024
Associate Assistant Principal	C Hemus, appointed 08 April 2024
<b>Company Name</b>	Alcester Grammar School
<b>Principal and Registered Office</b>	Birmingham Road Alcester B49 5ED
<b>Company Registration Number</b>	07485466 (England and Wales)
<b>Independent Auditor</b>	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, GOVERNORS AND ADVISORS**

**Bankers**

Lloyds Bank PLC  
22 Bridge Street  
Stratford Upon Avon  
CV37 6AG

**Solicitors**

**To 31 August 2024**  
HCR Legal LLP  
Ellenborough House  
Wellington Street  
Cheltenham  
GL50 1YD

**From 01 September 2024**  
Browne Jacobson LLP  
15<sup>th</sup> Floor, 103 Colmore Row  
Birmingham  
B3 3AG

## **GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024**

The Governing Board presents their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2024. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 16, and also has a large sixth form offering a wide variety of subjects. The school has a pupil capacity of 1,290 (750 students in 11-16 & 540 in sixth form). On the 03 October 2024, school census date, the school roll consisted of 1,296 (1,293 : Oct 2023) students; 767 students in years 7 to 11 and 529 students in the sixth form.

### **Structure, Governance and Management Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors of Alcester Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Alcester Grammar School.

The company was incorporated on 7 January 2011. On 1 April 2011, Alcester Grammar School converted from a foundation school to Academy Trust status under the Academies Act 2010 and all the operations, and assets and liabilities were transferred to Alcester Grammar School from the Governing Board of Alcester Grammar School.

Details of the Governors who served throughout the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

### **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**

In accordance with normal commercial practice, the Academy Trust has opted into the ESFA Risk Protection Assurance (RPA) Scheme to protect governors and officers from claims arising from negligent acts, errors or omissions.

### **Principal Activities**

The Academy Trust's principal activities are specifically restricted to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Academy Trust operates under a funding agreement originally issued by the Department for Education on 22 March 2011, updated by deeds of variation on 17 June 2013, 22 January 2015 and 12 October 2022. The DfE latest model Funding Agreement was agreed effective 12 October 2022.

The Academy Trust commenced operations on 1 April 2011.

### **Method of Recruitment and Appointment or Election of Governors**

The Members may appoint up to 12 trustees (governors). There will be a minimum of two parent trustees, who shall be elected by parents of registered students at the Academy. Trustees may co-opt further trustees through a process that they determine suitable, providing that the total number of trustees who are employees of the Academy Trust does not exceed one third of the total number of trustees. If the Principal is appointed as a trustee, that will be regarded as an ex-officio appointment.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Policies and Procedures Adopted for the Induction and Training of Governors**

New governors are provided with induction information and meet with the chair to aid their initial understanding of the role. They attend governing board meetings and can engage in conversations utilising their personal and/or business expertise. Governors are asked to read all relevant policies and procedures. They are required to sign the Governor Code of Conduct and have an enhanced DBS check. Governors are encouraged to take up governance training opportunities with various providers, as appropriate, and are required to undertake safeguarding training.

**Organisational Structure**

A unified leadership structure operates to help improve the way the Academy is run. The structure consists of the Governors and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The governing board is responsible for the strategic development of the Academy Trust, its vision and ethos. The board holds the Senior Leadership Team to account for the educational performance of the students and the performance management of staff adopting an annual School Development Plan and budget. It oversees the financial performance of the school by the use of budgets and management accounts and makes major decisions about the direction of the school, capital expenditure and senior staff appointments.

To ensure an efficient and effective structure with the School Development Plan at its core, the circle model of governance has been used whereby governors attend all full governing board meetings. Link governors will lead on specific areas such as Leadership and Management, Quality of Education, Finance, Personal Development, Safeguarding, SEND, Admissions, Careers, and Health and Safety, with finance agenda items within the governing board meetings incorporating the duties of a finance committee. The Pay & Performance committee is responsible for setting pay of the Senior Leadership Team, aligned to the School Pay Policy. There is also a separate Risk and Audit committee which oversees the programme of internal scrutiny, assesses the management of risk and reports back to the governing board.

The Senior Leadership Team are the Principal (Chief Executive), Finance & Operations Director, Vice Principals, three Assistant Principals and three Associate Assistant Principals. These senior leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting to them. The Senior Leadership team is responsible for the appointment of staff within the governing board approved staff structure. The recruitment panel for posts in the Senior Leadership Team will always contain a non-staff member of the governing board. Expenditure approval is devolved to members of the Senior Leadership Team, with specific authorisation limits above which the Principal must countersign. Heads of Department are responsible for the day-to-day operation of curriculum subject areas and accordingly organise their teaching staff, capitation resources, facilities and students.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Pay and Performance Committee determines the salary scales for Senior Leadership Team on appointment or promotion and have regard to the current School Teachers' Pay and Conditions Document in part or whole. The Senior Leadership Team must demonstrate sustained high quality of performance, with particular regard to leadership, management and pupil progress at the school and subject to a review of performance against performance objectives, before any performance points will be awarded. Annual pay progression is not automatic.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Trade Union Facility Time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must publish information included in Schedule 2 of the Regulations.

The information to be published consists of four tables below:

**Number of employees who were relevant Trade Union officials during the relevant period full-time equivalent employee number** **2**

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1% to 50% (1 period per fortnight)	2
51% to 99%	-
100%	-

**Trade Union Facility Time****Percentage of Pay Bill Spent on Facility Time**

Total cost of facilities time	£Nil
Total pay bill	£6,321,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	Nil%

**Paid Trade Union Activities**

Time spent on paid Trade Union activities as a percentage of total paid facility time hours calculated as:

(total hours spent on paid Trade Union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100 Nil%

**Related Parties and other Connected Charities and Organisations**

As part of its operation, the Academy liaises with organisations such as the Local Authority, the South Warwickshire Education Partnership, Tudor Grange Teaching School Hub, as well as with other education providers and trainers such as local schools and further education institutions and universities. These links are maintained in the interests of supporting good practice and information sharing and consolidate well-established mutually supportive associations. In particular, AGS works very closely with Alcester Academy, King Edward VI School, Shipston High School and Stratford Girls Grammar School. The five schools have formed an alliance (Three Rivers Alliance) with the aim of sharing good practice and improving the quality of education for students of secondary age

**Objectives and Aims**

The school's main objectives are encompassed in its vision statement in which Alcester Grammar School aims to nurture aspiration, achievement and opportunity for all. Underpinning this are two Alcester Grammar School values statements - all members of our community are expected to be 'Decent Human Beings' and 'Engaged AGS Learners'. Further detail on these frameworks can be found on the Alcester Grammar School website.

To this end, the activities provided include:

- learning opportunities for all students to attain the highest standard in academic qualifications;
- training opportunities for all staff, to encourage them to be effective models of learning and development;
- a programme of extra and super-curricular activity that is designed to develop students in the broadest sense;
- outstanding pastoral care;
- community learning links that can support other learners in Alcester and surrounding areas.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Objectives, Strategies and Activities**

The school has the following broad areas of focus for 2023 – 2026

**1 Consistently Excellent Teaching & Learning for All**

Outstanding rates of learning, attainment and progress for all students, across all key stages, facilitated by a broad curriculum, consistently high-quality teaching and learning across the school and supported by strong use of data and a culture of learning, self-reflection and continuous improvement driven by leaders at all levels.

**2 Recruitment, Wellbeing and Development of Staff**

AGS is school of choice for highly skilled and qualified staff, with a proactive approach to staff satisfaction and wellbeing and forward-thinking research-based CPD and PD. Strong succession-planning is in place to ensure continuity of provision and no single points of failure.

**3 Student Wellbeing and Personal Development**

Outstanding pastoral care and safeguarding practices facilitate excellent behaviour and the nurturing of 'Decent Human Beings'. There is strong promotion of attendance, inclusivity, pupil wellbeing, mental health, resilience and independence. A strategic and co-ordinated Personal Development Programme (including an exceptional extra-curricular programme and House System) is accessed by all students in a coherent journey across years 7 - 13.

**4 Vision, Finance, Resource and The Broader Landscape**

A strong school vision is understood by all in the community - unifying the Y7-11 and 6th Form elements of school life. Strong governance and financial models support and prioritise the identified aims and objectives of the school, with medium term strategies in place to maintain and support resourcing and facilities. Evidence of collaboration can be seen both within and outside the school, with AGS playing a clear role in local educational and neighbourhood communities. AGS has developed a clear strategy around the support of disadvantaged students and is recognised as a school for all. AGS is proactive in controlling its own destiny, when faced with a changing political and financial climate.

More specifically for the academic year 2023/2024, the SDP had the following sixteen targets:

**1 Excellent Teaching & Learning**

- Undertake a whole school review of the Languages and KS3 Curriculum - following recent staffing changes, a drop in A level numbers and in light of the forthcoming national review and Language Hub introduction.
- Work to develop both staff and student understanding of the AGS Learner skills - so that students become increasing independent and engaged in the learning journey - across all key stages.
- Introduce 4matrix across the school, in order to aid improved and impactful data tracking of students and earlier and more meaningful interventions.
- Re-prioritise Literacy across the school - in particular in light on data from GSCE results, ongoing boy heavy year groups and an increasing number of students classified as 'Advanced Bilingual Learners'

**2 Recruitment, Wellbeing and Development of Staff**

- Deliver a refined year 2 CPD Programme, focusing in particular on the needs of new HoDs and HoYs
- Review the SLT structure in light of the Vice Principal's departure in summer 2024.
- Improve communication with staff by SLT - to support staff wellbeing.
- Continue to develop a culture of reflection and self-evaluation - led from the top by a Governance Review.

**3 Student Wellbeing and Wider Personal Development**

- Introduce a new Life Programme on Friday mornings to improve, in particular, 6th Form PSHE provision.
- Increase focus and resource on pupil attendance and long-term pupil absence through the introduction a Deputy Pastoral Lead in the 7-11 Hub.
- Further develop AGS as an inclusive school for all
- Review the school's extra-and super-curricular offering, so that a greater % of students engage across the year. Within this review consider the role of trips and the House system.



**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Objectives, Strategies and Activities (cont'd)****4 Vision, Finance, Resource and The Broader Landscape**

- Develop meaningful collaboration with Alcester Academy, King Edward VI School, Shipston High School and Stratford Girls Grammar School.
- Ensure that the school is able to set a balanced budget - including the exploration of additional sources of income
- Develop medium term IT, Estate and Sustainability Strategies
- Explore AGS' approach to disadvantage and deprivation - both within school with PP students and through admissions and wider community work.

**Public Benefit**

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

**Achievements and Performance**

The academic year 2023-24 built on the previous year's successes and the Academy made significant strides forward in achieving ambitious data-based targets.

In terms of examination performance, the following summaries apply:

**A Level Results - Summer 2024**

AGS celebrated significant A Level success, with the school's best-ever results in a 'normal exam year'. 41% of all entries were awarded at A\* or A grades, 73% were graded A\* to B grades, and 93% were graded A\* to C grades. Notably, 57 students achieved 3 or more A\*/A grades and 40% of the cohort achieved AAB or higher. This year 4 students successfully gained a place at Oxford or Cambridge.

**GCSE Results Summer 2024**

In summer 2024, AGS students achieved a record-breaking set of GCSE results for a 'normal exam year'. 67% of entries achieved a grade 7 or above (an increase of 5% on last year), with 62% of students achieving at least 8 GCSEs at a grade 7 or higher. 20% of the cohort scored an average grade of 8 or above and 99% of entries were awarded a grade 4 or higher.

**Personal Development Curriculum and Co-curricular Activities**

Considerable achievements were also made by students under the umbrella of our new Personal Development Curriculum. For example, 277 students completed a Duke of Edinburgh Award and Year 8 completed 1386 hours of community volunteering between them. Hundreds of students represented the school in sports fixtures, with numerous students also regularly achieving success in music exams, and taking part in school drama and music performances. For example, 50 students gave an outstanding performance in 'Woyzeck' in January 2024. In May 2024 a new House system was introduced, with 40 students taking up positions in the new Student Ambassador Leadership Team (SALT).

**Going Concern**

After making appropriate enquiries, the Governing Board 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.

**Promoting the Success of the Company**

At both governing board and SLT level, those responsible for leadership within the school regularly recognise the need to consider:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Financial Review**

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2024 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), 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.

During the year ended 31 August 2024, income from recurrent grant funding from the DfE together with other incoming resources was £8,126,000 (2022-23: £8,550,000) and total expenditure was £8,160,000 (2022-23: £8,063,000). The excess of income over expenditure for the year before other recognised gains and losses (excluding restricted fixed asset funds) was £352,000 (2022-23: £563,000 excess income over expenditure).

At 31 August 2024 the net book value of fixed assets was £16,121,000 (2022-23: £16,201,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

	<b>2023-24</b>	<b>2022-23</b>
Pupil numbers: funded on lagged pupil numbers	<b>1,296 (Oct 24)</b>	1,293 (Oct 23)
Staff costs as a % of revenue income from EFSA	<b>81%</b>	80%
Staff costs as a % of total revenue income	<b>79%</b>	74%
Staff costs as a % of total costs	<b>78%</b>	76%
Capital expenditure per pupil	<b>£263</b>	£184

The key controls used by the academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Governing Board and sub-committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable.

**Reserves Policy**

The Governors are responsible for determining the content of the policy and the level of reserves that should be held. The ESFA does not prescribe a required level of reserves. Trustees and Trust Leaders are best placed to set the level of reserves that reflects the needs and particular circumstances of their individual trust.

The ESFA does state:

- For trusts actively choosing to hold low levels of reserves, trustees should ensure there is sufficient contingency in case of anything unforeseen, as for some trusts, low reserves could suggest financial vulnerability.
- For trusts choosing to hold high levels of reserves, trustees should have a plan and be clear on the purpose for these funds, and how they will improve the education for pupils.

Maintaining an appropriate level of financial reserves is considered essential in protecting the Trust from financial risk generated by, for example:

- **Cashflow** – enabling the trust to manage fluctuations in income by ensuring sufficient cash is available to pay bills and expenditure items as they fall due. For example, trusts that are managing sizable Condition Improvement Fund (CIF) projects may have more call for available cash to pay invoices before CIF income is received.
- **Contingency** including future change and uncertainty – setting aside an amount to cover any unforeseen issues or extra costs in-year. This could be to balance budgets where in-year expenditure exceeds income, or planning for a period of reduced pupil numbers, or covering unexpected costs to ensure the trust's overall budget is balanced.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**

- **Planned investment and improvement** – growing savings to enable maintenance, development, and improvement of the trust's infrastructure to deliver the trust's capital and estates strategy. This could include sinking funds that set aside money each year to grow funds for premises projects and building plans, but could also be significant investment in the curriculum, IT or school improvement strategies.
- **Strategic development and growth** – providing for the trust's financial health to improve delivery or increase capacity.
- **Meet future capital requirements** (e.g. building repairs, IT infrastructure) where it is anticipated that there may be a shortfall against future eligible capital funding, such that free reserves will need to be drawn upon to meet the strategic long-term capital plans.

The Governors delegate the day-to-day responsibility of managing and implementing the Reserves Policy to the Finance & Operations Director to ensure reserves are managed in accordance with this Policy and to monitor the Trust's reserve balance on a regular basis.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £825,000 (2022-23: £722,000).

The Local Government Pension Scheme has a deficit as at 31 August 2024 of £Nil (2022-23: £Nil). The Governors have agreed to fund any deficit in accordance with the recommendations of the latest actuarial valuation being the 31 March 2022 formal valuations for English and Welsh LGPS Funds which were concluded by 31 March 2023. Further details in note 29.

**Investment Policy****Purpose and scope**

To set out the processes by which the Trust can invest funds surplus to day-to-day operational requirements and to ensure that investment risk is properly and prudently managed.

The Academy Trust Handbook states: The Governing board may invest to further the trust's charitable aims but must ensure investment risk is properly managed.

When considering an investment the board must:

- have an investment policy to manage and track its financial exposure, and ensure value for money
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ensure exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation
- ensure investment decisions are in the trust's best interests
- review the trust's investments and investment policy regularly.

The ESFA does not set a required level of reserves. Governors decide the level of reserves to hold that is appropriate for the individual circumstances and priorities of their trust – and should review this regularly to ensure that they continue to meet the needs of pupils.

**1. Responsibility**

The Trustees delegate the day-to-day responsibility of managing and implementing the investment policy to the Finance & Operations Director to ensure investments are managed in accordance with this policy and monitor regularly how the Trust's investments are performing.

**2. Objectives**

To identify a level of funds that can be placed on deposit to generate additional interest income for the Trust in order to support its on-going charitable objectives.

Any investment decisions must be supported by a cashflow forecast that reduces the risk of the Trust not having the liquidity required to carry out its day-to-day activities.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Purpose and scope (cont'd)****3. Counterparty risk**

Following the Banking Crisis in 2007-2008, The Bank of England have (through the FSA and latterly, the FCA and PRA) implemented changes to stress testing and capital requirements of UK FCA registered banks to ensure the stability of the UK Banking system.

**As such, the Trust can only make cash deposits with institutions with a UK banking licence and regulated by the FCA and PRA.**

**4. Counterparty Restrictions**

For Institutions with an Investment Grade "good" or better credit rating or implied credit rating the Trust can **deposit a maximum of £1,000,000 (plus interest accrued) in any one institution.**

These ratings include:

- Baa3 / P-3 or better (Moody's) or
- BBB- / A-3 or better (S&P) or
- BBB- / F3 or better (Fitch) or
- An implied rating of BBB- or better

The Credit rating or Implied Credit Rating will be checked at the time of placing a deposit with a new bank. It is worth noting that Implied Credit Ratings are usually the 'long term' position, however, the Trust will only by depositing 'short term' in deposits with a maturity date or notice period of 12-months or less.

- **If an institution has a lower credit rating than that detailed above, the Trust will deposit a maximum of £85,000 (plus interest accrued).**
- It is recognised that the Trust's current account balance(s) may exceed the deposit limits stated above. For the purpose of this investment policy, current account balances are excluded from the counterparty limits detailed above.

**Principal Risks and Uncertainties**

The governing board has the responsibility to assess the strategic risks to which the Academy Trust is exposed; aided by the Senior Leadership Team they carry out an annual systematic analysis of all risks to produce a risk management register.

The governing board has implemented a number of systems to assess risks that the Academy Trust faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in this report.

The Governing Board are alert to their responsibilities around ensuring that the trust's estate is safe, well maintained and complies with relevant regulations. This has been demonstrated in recent years with works such as replacement roof, replacement windows, new site security fencing, replacement fire alarm, fire compartmentalisation and fire doors. In summer 2024, 2 staircases and a lift were replaced in the Wells building to comply with more modern building regulations. The governing board is very aware of the challenges of sufficient capital funding and are currently holding high reserves to facilitate further capital works.

**Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016; the Academy Trust approach to fundraising practices was low key in 2023-24, this was due to financial challenges for many of our students' families. Over the course of the year we instead worked hard to support families who due to rising transport costs and other bills associated with the cost of living crisis, struggled to support their children with uniform, transport and access to trips and extra-curricular activities. We have maintained the mechanism whereby parents are able to donate online via the Charities Aid Foundation (CAF).

The school was successful in 2023-24 with its bids for specific funding from both Stratford Town Trust and Clifford Chambers Charities. The school is very grateful for their support, these facilitated Sixth form games and a new library space. In January 2024, AGS formed a new PTFA Association – 'AGS Friends'. This group successfully hosted a small number of events in the summer term and will be in full operation in 24/25.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Plans for Future Periods**

Moving forward, the school's broad strategic aims set for 2023-2026 will continue. Specifically, the school development plan for 2024/25 will focus on reviewing assessment at KS3, improving parental engagement (particularly around behaviour and curriculum), and driving forward improvements in attendance, oracy, literacy and the use of technology across the school. We will continue to further consider how AGS can support pupils from deprived backgrounds and how we can address issues arising from an increasingly ageing school building.

**Auditor**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware.
- 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.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Board, as the company directors, on **17 December 2024** and signed on the Governing Board's behalf by:

  
.....

**J Gough**  
**Chair of Governors**

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024

### Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Alcester 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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Governing Board has delegated the day-to-day responsibility to the Principal, 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 Alcester Grammar School and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the board of governors 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 Board has formally met 6 times during the year, attendance was as follows:

	Meetings attended	Out of a possible
J Gough (Chair)	6	6
J Squires (Vice Chair)	6	6
R Thorpe (Principal & Accounting Officer)	6	6
C Cockbill	6	6
J Curtis	5	6
N Fenton	6	6
L Henderson (appointed 01 Jul 2024)	1	1
M Ledgard (appointed 12 Jan 2024)	5	5
A McIntyre (resigned 17 Apr 2024)	5	5
K Mitsiou-Begg	5	6
S Parkes (resigned 04 Dec 2023)	1	1
P Shepherd	4	6
R Skelton (resigned 09 Dec 2023)	1	1
S Tubb	5	6
T Ward	5	6

The main issues during 2023-2024 comprised the School Development Plan, budgetary pressures, the outsourcing of catering and agreement to outsource cleaning, the first year of operation of the informal alliance with four other local schools and undergoing an external review of governance.

### Conflicts of Interest

All governors have to complete the register of business interests annually and are asked at each meeting to declare any changes. This information allows the Academy Trust to see where any potential conflicts of interest might occur and act accordingly. Academy Trusts must describe the processes they have in place to manage conflicts of interest, including for example (but not limited to) maintaining an up-to-date and complete register of interests, and how the information on this register is used in the day-to-day management and governance of the Academy Trust.

### Meetings

The governing board met to effectively discharge their responsibilities, to ensure robust governance and to ensure effective management arrangements. The Governing Board is aware that as a minimum there must be at least 3 board meetings a year and ensure they schedule more than the minimum requirement. In addition, the risk and audit committee meet three times per year, and the pay and performance committee meet at least annually.

## **GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**

### **Governance Review**

The Governing Board regularly reviews the governance structure at meetings to ensure that governors can provide clear strategic direction to the senior leadership team and that the ethos of the Academy is maintained.

The governing board carries out regular self-reviews.

This years' review process has confirmed that:

- the character of the trust is preserved and developed;
- the activities of the trust are being undertaken in accordance with the Academy Trust deed;
- there is clarity of vision, ethos and strategic direction;
- the Principal is held to account for the education performance of the academy and its pupils;
- the financial performance of the academy is monitored and value for money obtained; and
- governance by the Board of Governors is effective.

The Academy Trust commissioned an external governance review with the NGA in autumn 2023. The report found that governance was very effective and provided a few small areas for improvement, relating to governor induction, a greater link between skills assessment of governors and training needs, informal assessment of the Chair and keeping succession planning under review.

### **Review of Value for Money**

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data or by using a framework, where appropriate.

The accounting officer for the Academy Trust has delivered value for money during the year, below are some examples:

- Wells Lift Replacement
- Environmental Sensors (Vape detection)
- Audio Visual Display Screens
- Wells Gas Fired Water cylinders

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 operated as designed in Alcester Grammar School for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Governing Board has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.



**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****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 of authority 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 board;
- regular reviews by the Board of Governors 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 financial risks.

The governing board opted to buy in an independent internal audit service from Price Bailey in respect of the 2023-24 academic year. The Internal Scrutiny review was conducted to provide the School with a level of assurance over the adequacy of controls in place to help prevent and manage incidents of fraud, bribery and theft.

Price Bailey's scope included discussion with the School's Finance Team, a review of corporate policies, procedures for handling fraud, financial controls in place to identify and deter fraudulent behaviour and theft, training and awareness, the management and reporting of fraud to senior management and Governors. The review found no material weaknesses in the school systems and processes.

On an annual basis the auditor prepares a summary report to the Risk & Audit committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

**Review of Effectiveness**

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control.

During the year the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the Senior Leadership Team 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 result of their review of the system of internal control by the Risk & Audit Committee and the plan to address any weaknesses and ensure continuous improvement of the system is in place.

**Conclusion**

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

The Governors' statement, was approved by order of the Governing Board, as the company directors, on 17 December 2024 and signed on the Governing Board's behalf by:



.....  
J Gough  
Chair of Governing Board



.....  
R Thorpe  
Accounting Officer



**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2024**

As Accounting Officer of Alcester Grammar School, I have considered my responsibility to notify the Board of Governors and the Education Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement, between the academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibility for estates safety and management.

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 Academy Trust Handbook 2023 including responsibilities for estates safety and management.

I confirm that no instances of material irregular, 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.



.....  
**R Thorpe**  
**Accounting Officer**  
**17 December 2024**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2024**

The Governors, who are also the Governors 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 Direction issued by the Education 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 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 Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE 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 Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on 17 December 2024 and signed on its behalf by:



.....  
J Gough  
Chair of Board

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCESTER GRAMMAR SCHOOL FOR THE YEAR ENDED 31 AUGUST 2024****Opinion**

We have audited the financial statements of Alcester Grammar School for the year ended 31 August 2024 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Alcester Grammar Schools affairs as at 31 August 2024 and of its incoming resources and application of resources, including 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 2019 and the Academies Accounts Direction 2023 to 2024

**Basis for opinion**

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Alcester Grammar Schools ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

**Other information**

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

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 course of 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.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCESTER GRAMMAR SCHOOL FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report (incorporating the Strategic Report, and the Governors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 18, 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 Alcester Grammar Schools 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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCESTER GRAMMAR SCHOOL FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**

Based on our understanding of the Alcester Grammar School and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Alcester Grammar School, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2023 to 2024. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the Alcester Grammar School's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Education and Skills Funding Agency review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Governors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCESTER GRAMMAR SCHOOL FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****Use of our report**

This report is made solely to the Alcester Grammar School'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 Alcester Grammar School'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 Alcester Grammar School'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 Alcester Grammar School's and the Alcester Grammar School's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**Malcolm Winston**

**Senior Statutory Auditor**

**UHY Hacker Young (Birmingham) LLP, Statutory Auditor**

**9-11 Vittoria Street**

**Birmingham**

**B1 3ND**

**17 December 2024**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALCESTER GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2024**

In accordance with the terms of our engagement letter dated 21 June 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2023 to 2024 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Alcester Grammar School during the period 1 September 2023 to 31 August 2024 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 Alcester Grammar School and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 Alcester Grammar School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Alcester Grammar School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Alcester Grammar Schools funding agreement with the Secretary of State for Education dated 12 October 2022, and the Academy Trust Handbook extant from 1 September 2023 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 2023 to 2024. 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 2023 to 31 August 2024 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants issued by the 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.

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

Summary of the work undertaken was as follows:

- Analytical review of the Alcester Grammar School's general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
ALCESTER GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE  
YEAR ENDED 31 AUGUST 2024 (cont'd)**

**Approach (cont'd)**

- Review of the general control environment for the Alcester Grammar School on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of Governors and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or Governors;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or Governors; and
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

**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 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
UHY Hacker Young (Birmingham) LLP  
9-11 Vittoria Street  
Birmingham  
B1 3ND

17 December 2024



**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024**  
**(Including Income and Expenditure Account)**


		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2024	2023
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
<b>Income from:</b>						
Donations and capital grants	3	35	-	35	70	400
Charitable activities:						
- Funding for the academy trust's educational operations	4	17	7,968	-	7,985	8,107
- Teaching school hub	4	-	-	-	-	-
Other trading activities	5	23	18	-	41	41
Investment income	6	30	-	-	30	2
<b>Total</b>		<b>105</b>	<b>7,986</b>	<b>35</b>	<b>8,126</b>	<b>8,550</b>
<b>Expenditure on:</b>						
Raising funds	7	-	-	-	-	-
Charitable activities:						
- Academy trust's educational operations	7	-	7,739	421	8,160	8,063
<b>Total</b>		<b>-</b>	<b>7,739</b>	<b>421</b>	<b>8,160</b>	<b>8,063</b>
<b>Net income/(expenditure)</b>		<b>105</b>	<b>247</b>	<b>(386)</b>	<b>(34)</b>	<b>487</b>
Transfers between funds	18	-	(306)	306	-	-
<b>Other recognised gains and losses</b>						
Gain on revaluation	12	-	-	-	-	3,396
Actuarial gain on defined benefit pension schemes	29	-	136	-	136	325
Asset ceiling adjustment	28	-	(161)	-	(161)	(44)
<b>Net movement in funds</b>		<b>105</b>	<b>(84)</b>	<b>(80)</b>	<b>(59)</b>	<b>4,164</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>	18	<b>720</b>	<b>1,407</b>	<b>16,267</b>	<b>18,384</b>	<b>14,220</b>
<b>Total funds carried forward</b>	18	<b>825</b>	<b>1,323</b>	<b>16,177</b>	<b>18,325</b>	<b>18,384</b>

All of the Alcester Grammar School's activities derive from acquisitions and continuing operations during the above two financial periods.

**BALANCE SHEET AS AT THE YEAR ENDED 31 AUGUST 2024**

	Note	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Tangible assets	12	16,121	16,201
		<u>16,121</u>	<u>16,201</u>
<b>Current assets</b>			
Current asset investments	13	694	-
Stock	14	-	5
Debtors	15	460	519
Cash at bank and in hand		2,205	2,838
		<u>3,359</u>	<u>3,362</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	16	(1,152)	(1,173)
<b>Net current assets</b>		<u>2,207</u>	<u>2,189</u>
<b>Total assets less current liabilities</b>		<b>18,328</b>	<b>18,390</b>
Creditors: Amounts falling due after more than one year	17	(3)	(6)
<b>Net assets excluding pension liability</b>		<u>18,325</u>	<u>18,384</u>
Defined benefit pension scheme liability	29	-	-
<b>Total Net Assets</b>		<u><u>18,325</u></u>	<u><u>18,384</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	18	16,177	16,257
- Restricted income fund	18	1,323	1,407
- Pension reserve	18	-	-
<b>Total Restricted Funds</b>		<u>17,500</u>	<u>17,664</u>
<b>Unrestricted income fund</b>	18	<u>825</u>	<u>720</u>
<b>Total Unrestricted Funds</b>		<u>825</u>	<u>720</u>
<b>Total Funds</b>		<u><u>18,325</u></u>	<u><u>18,384</u></u>

The financial statements on pages 25 to 49 were approved by the Governors and authorised for issue on 17 December 2024 and signed on their behalf by:

  
 .....  
 J Gough  
 Chair

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2024**

	<b>Notes</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	340	619
Cash flows from investing activities	23	(970)	106
Cash flows from financing activities	24	(3)	(4)
Change in cash and cash equivalents in the reporting period		<u>(633)</u>	<u>721</u>
Cash and cash equivalents at 1 September	25	2,838	2,117
Cash and cash equivalents at 31 August	25	<u>2,205</u>	<u>2,838</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024****1 Statement of Accounting Policies: Basis of preparation**

A summary of 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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**Going Concern**

The Governors 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 Governors 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 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 sheet in the restricted fixed asset fund.

**• Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

**• 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 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

- **Donated goods, facilities and services (cont'd)**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'. Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

### **Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

### **Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment, with the exception of freehold land & buildings which is recognised on the revaluation model, with assets of this class carried at fair value. Note 12 contains details as to the latest valuation undertaken.

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 a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on land. The principal annual rates used for other assets are:

Freehold buildings transferred on 1 April 2011	4%
Freehold buildings purchased after 1 April 2011	2%
Fixtures, fittings and equipment	20%
Computer equipment	33.33%
Motor vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**Tangible Fixed Assets (cont'd)**

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.

**Leased Assets**

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

**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 15. Prepayments are not financial instruments.

*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 instrument, and are measured at amortised cost as detailed in notes 16 and 17. 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.

**Stock**

Catering stock is valued at the lower of cost or net realisable value.

**Taxation**

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

**Pensions Benefits**

Retirement benefits to employees of the Academy 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. TPS is a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a multi funded employer 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 the 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 Governors. 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 areas of judgement**

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

**Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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.

**Critical areas of judgement**

The critical judgements that the Governors have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are; accounting for government grant, accounting for the write down of assets through depreciation, valuation of land & buildings and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Deprecation rates are based on the expected life of the asset. Land & buildings valuations are based on the work of an independent, suitably qualified surveyor.

In assessing whether there have been any indicators of impairment of assets, the Governors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

In assessing whether there have been any indicators of impairment assets, the Governors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Any LGPS surpluses will only be recognised as an asset in the financial statements to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

**Agency Arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

**2 GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the Alcester Grammar School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024 (see note 18).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
DfE/ESFA capital grants	-	29	29	86
Other ESFA capital grants	-	-	-	96
ESFA donated assets	-	-	-	160
Donations	35	6	41	58
	<u>35</u>	<u>35</u>	<u>70</u>	<u>400</u>

The income from donations and capital grants was £70,000 (2023: £400,000) of which £35,000 (2023: £58,000) was unrestricted, £Nil (2023: £Nil) restricted and £35,000 (2023: £342,000) restricted fixed assets.

**4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	4,418	4,418	4,270
Post 16-19 core grant	-	2,926	2,926	2,968
Rates relief grant	-	35	35	30
<b>Other DfE/ESFA grants</b>				
Pupil premium grant	-	22	22	20
Teachers pay grant	-	74	74	1
Teachers pension grant	-	176	176	118
Supplementary grant	-	-	-	140
Mainstream additional schools grant	-	145	145	61
Other DfE/ESFA grants	-	2	2	8
National tutoring programme	-	-	-	1
	-	<u>7,798</u>	<u>7,798</u>	<u>7,617</u>
<b>Other Government grants</b>				
Special educational needs	-	52	52	37
Other LA Grants	-	-	-	11
LA - Homes for Ukraine	-	21	21	8
	-	<u>73</u>	<u>73</u>	<u>56</u>
<b>COVID-19 DfE/ESFA additional funding</b>				
Recovery Premium	-	6	6	6
	-	<u>6</u>	<u>6</u>	<u>6</u>
<b>Other income from the academy trust's educational operations:</b>				
Other	17	-	17	-
Pupil catering income	-	91	91	428
	<u>17</u>	<u>91</u>	<u>108</u>	<u>428</u>
	<u>17</u>	<u>7,968</u>	<u>7,985</u>	<u>8,107</u>

The income from the Academy Trust's educational operations was restricted for both years.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

5 OTHER TRADING ACTIVITIES	Unrestricted	Restricted	Total	Total
	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000
Hire of facilities	15	-	15	17
Other income	8	18	26	24
	<u>23</u>	<u>18</u>	<u>41</u>	<u>41</u>

The income from the Academy Trust's other trading activities was £41,000 (2023: £41,000) of which £23,000 (2023: £24,000) was unrestricted and £18,000 (2023: £17,000) restricted.

6 INVESTMENT INCOME	Unrestricted	Restricted	Total	Total
	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000
Bank interest received	30	-	30	2
	<u>30</u>	<u>-</u>	<u>30</u>	<u>2</u>

The income from the academy trusts' investment activities was unrestricted for both 2024 and 2023.

7 EXPENDITURE	Staff Costs £'000	Non Pay Expenditure		Total 2024 £'000	Total 2023 £'000
		Premises £'000	Other £'000		
		Expenditure on raising funds	-		
- Direct costs	-	-	-	-	
- Allocated support costs	-	-	-	-	
<b>Academy's educational operations</b>					
- Direct costs	5,630	-	453	6,083	5,582
- Allocated support costs	699	1,075	303	2,077	2,481
	<u>6,329</u>	<u>1,075</u>	<u>756</u>	<u>8,160</u>	<u>8,063</u>
	<u>6,329</u>	<u>1,075</u>	<u>756</u>	<u>8,160</u>	<u>8,063</u>

The expenditure was £8,063,000 (2023: £8,054,000) of which £Nil (2023: £Nil) was unrestricted, £7,645,000 (2023: £7,572,000) restricted and £418,000 (2023: £482,000) restricted fixed assets.

	2024 £'000	2023 £'000
<b>Net (income)/expenditure for the year includes:</b>		
Operating leases rentals	22	33
Depreciation	421	416
Loss on disposal of fixed assets	-	2
Fees payable to auditor for:		
- audit	8	8
- other services	3	2
	<u>3</u>	<u>2</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

## 8 CHARITABLE ACTIVITIES

	Total 2024 £'000	Total 2023 £'000
Direct costs - educational operations	6,083	5,582
Support costs - educational operations	2,077	2,481
	<u>8,160</u>	<u>8,063</u>

	Total 2024 £'000	Total 2023 £'000
<b>Analysis of Support Costs</b>		
Support staff costs	699	1,000
Depreciation	421	416
Loss on disposal	-	2
Technology costs	69	80
Premises costs	654	520
Catering costs	72	292
Legal costs - other	20	20
Other support costs	52	64
Governance costs	90	87
	<u>2,077</u>	<u>2,481</u>

## 9 STAFF COSTS

## a Staff costs and employee benefits

	Total 2024 £'000	Total 2023 £'000
Staff costs during the year were:		
Wages and salaries	4,690	4,518
Social security costs	497	464
Pension costs	1,130	1,146
	<u>6,317</u>	<u>6,128</u>
Agency staff costs	12	42
Staff restructuring costs	-	-
	<u>6,329</u>	<u>6,170</u>

## b Staff numbers

The average number of persons (including School Leadership Team) employed by the Academy during the year ended 31 August 2024 expressed as whole persons was as follows:

	2024 No	2023 No
<b>Charitable Activities</b>		
Teachers	77	80
Administration and support - including Teaching Assistants	56	63
Management	10	6
	<u>143</u>	<u>149</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

**9 STAFF COSTS (cont'd)****c Higher paid staff**

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

	No	No
£60,001 - £70,000	2	2
£80,001 - £90,000	1	3
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

**f Key management personnel**

The key management of the academy trust comprise the Governors and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £891,334 (2023: £601,695).

**10 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION AND EXPENSES**

The Accounting Officer has been paid remuneration or has received other benefits from employment with Alcester Grammar School. The Accounting Officer only receives remuneration in respect of services provided undertaking the roles of Accounting Officer under their contract of employment. The value of CEO remuneration and other remuneration was as follows:

	2024	2023
R Thorpe (Principal & Trustee) appointed 1 June 2022		
Remuneration	£110,000 - £115,000	£100,000 - £105,000
Employers pension	£25,000 - £30,000	£20,000 - £25,000
S Parkes (Co-opted Trustee) resigned 14 December 2023		
Remuneration	£10,000 - £15,000	£35,000 - £40,000
Employers pension	£Nil - £5,000	£5,000-£10,000
A McIntyre (Co-opted Trustee) resigned 17 April 2024		
Remuneration	£30,000 - £35,000	£45,000 - £50,000
Employers pension	£5,000-£10,000	£10,000 - £15,000

During the year ended 31 August 2024, there were no expenses reimbursed to the governors undertaking their role as governors (2023: None).

Other related party transactions including directors are set out in note 30.

**11 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect directors' 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. It is not possible to quantify the Trustees and Officers indemnity from the overall cost of the insurance premium. The cost of this insurance is included in the total insurance cost.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

## 12 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Furniture & Equipment	Computer Equipment	Motor Vehicles	Total
Cost	£'000	£'000	£'000	£'000	£'000
At 1 September 2023	16,030	1,215	247	36	17,528
Additions	235	53	53	-	341
At 31 August 2024	<u>16,265</u>	<u>1,268</u>	<u>300</u>	<u>36</u>	<u>17,869</u>
<b>Depreciation</b>					
At 1 September 2023	252	846	225	4	1,327
Charged in year	254	145	15	7	421
At 31 August 2024	<u>506</u>	<u>991</u>	<u>240</u>	<u>11</u>	<u>1,748</u>
<b>Net book value</b>					
At 31 August 2024	<u>15,759</u>	<u>277</u>	<u>60</u>	<u>25</u>	<u>16,121</u>
At 31 August 2023	<u>15,778</u>	<u>369</u>	<u>22</u>	<u>32</u>	<u>16,201</u>

The freehold land and buildings were donated to Alcester Grammar School by Warwickshire County Council (WCC). On 1 April 2011 an existing use valuation and useful asset life assessment was prepared by the Valuation Office Agency, valuing the freehold Land & Buildings transferred on conversion at £12,809,941 in accordance with the requirements of the accounting standard FRS 102. On 1 September 2022 based on a desktop valuation from the ESFA the land and buildings increased in value to £15,870,000 from a depreciated replacement cost of £12,477,713. The value of freehold land which is not depreciated is £3,300,000.

## 13 CURRENT ASSET INVESTMENTS

	2024 £'000	2023 £'000
Fixed term deposits	694	-
	<u>694</u>	<u>-</u>

Fixed term deposits with a maturity period of over 90 days have been reclassified as current asset investments.

	2024 £'000	2023 £'000
14 STOCK		
Catering	-	5
	<u>-</u>	<u>5</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

	2024	2023
	£'000	£'000
<b>15 DEBTORS</b>		
Trade debtors	-	6
VAT recoverable	49	136
Prepayments and accrued income	91	39
Other debtors	320	338
	<u>460</u>	<u>519</u>

Included within other debtors is prepaid trip expenditure of £291,523 (2023: £327,552).

	2024	2023
	£'000	£'000
<b>16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade creditors	129	176
Other creditors	718	778
Salix loans	4	4
Taxation & social security	111	109
Accruals	133	75
Deferred income	57	31
	<u>1,152</u>	<u>1,173</u>

Included within other creditors is trip income received in advance of £513,094 (2023: £626,704).

**Deferred Income**

Deferred income at 1 September	31	17
Resources deferred in the year	57	31
Amounts recognised as income during the year	(31)	(17)
Deferred income at 31 August	<u>57</u>	<u>31</u>

At the balance sheet date the academy was holding funds received in advance for 2023/24 Minius Funding £24,769 (2023: £Nil), Rates Relief £20,440 (2023:£Nil), for other grants £8,759 (2023: £1,299), catering £Nil (2023: £16,312), lettings £1,200 (2023: £1,270), pupil premium £Nil (2023: £1,580), tutoring programme £1,337 (2023: £2,008), early career framework £Nil (2023: £1,600), homes for Ukraine £Nil (2023: £6,970) and other income £733 (2023: £15).

	2024	2023
	£'000	£'000
<b>17 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR</b>		
Salix loans	3	6
	<u>3</u>	<u>6</u>

The academy had taken out 3 ESFA approved Salix loans for: windows £8,098 repayable over 8 years and a boiler £20,224 repayable over 8 years. All loans are interest free and are repayable in six monthly instalments over the terms of the loans.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

## 18 FUNDS

The income funds of the academy applied for specific purposes are as follows:

	Balance at 1 September 2023 £'000	Incoming Resources Expended £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2024 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	1,407	4,418	(4,196)	(306)	1,323
Post 16-19 funding	-	2,926	(2,926)	-	-
Pupil premium - ESFA (note ii)	-	22	(22)	-	-
Teachers pension grant	-	176	(176)	-	-
Teachers pay grant	-	74	(74)	-	-
Rates relief	-	35	(35)	-	-
Local authority - SEN	-	52	(52)	-	-
Local authority - Homes for Ukraine	-	21	(21)	-	-
School catering	-	91	(91)	-	-
Covid recovery premium	-	6	(6)	-	-
Mainstream School Additional grant	-	145	(145)	-	-
Other restricted (note iii)	-	20	(20)	-	-
<b>Total general funds</b>	<b>1,407</b>	<b>7,986</b>	<b>(7,764)</b>	<b>(306)</b>	<b>1,323</b>
<b>Restricted fixed asset funds</b>					
Fixed assets donation (note iv)	11,808	6	(176)	1	11,639
ESFA capital grants (note iv)	3,677	29	(168)	-	3,538
Capital expenditure from GAG (note v)	766	-	(75)	305	996
Donated fixed assets - ESFA	6	-	(2)	-	4
<b>Total fixed asset funds</b>	<b>16,257</b>	<b>35</b>	<b>(421)</b>	<b>306</b>	<b>16,177</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note vi)	-	-	25	(25)	-
	-	-	25	(25)	-
<b>Total restricted funds</b>	<b>17,664</b>	<b>8,021</b>	<b>(8,160)</b>	<b>(25)</b>	<b>17,500</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note vii)	720	105	-	-	825
<b>Total unrestricted funds</b>	<b>720</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>825</b>
<b>Total funds</b>	<b>18,384</b>	<b>8,126</b>	<b>(8,160)</b>	<b>(25)</b>	<b>18,325</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****18 Funds (cont'd)****Notes**

- i) General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2024.
- ii) Other ESFA and local authority grants are utilised for the purposes intended. Grants include SEN, pupil premium, devolved formula revenue and other grants.
- iii) Other restricted general funds include payments made in advance towards academy trips that will take place in the future.
- iv) Restricted fixed assets were initially funded by WCC donating Academy land and buildings. Subsequently, DFE/ESFA capital grants and loan have been used to fund additions. Depreciation is then charged against these assets over the life of the asset. The Trust applies the revaluation model to freehold land & buildings. During the year, revaluation gains of £Nil (2023: £3,396,000) have been recognised.
- v) The gross transfer from the restricted general fund to the restricted fixed asset fund of £306,000 (2023: £48,000) represents the total capital expenditure from the General Annual Grant (GAG)
- vi) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 28).
- vii) Unrestricted funds include voluntary payments made to the school fund and surpluses transferred on academy conversion to be spent at the discretion of the governors.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

## 17 Funds (cont'd)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2022	Incoming Resources Resources Expended		Gains, Losses & Transfers	Balance at 31 August 2023
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	864	4,270	(3,679)	(48)	1,407
Post 16-19 funding	-	2,968	(2,968)	-	-
Pupil premium - ESFA (note ii)	5	20	(25)	-	-
Teachers pension grant	-	118	(118)	-	-
Teachers pay grant	-	1	(1)	-	-
Rates relief	-	30	(30)	-	-
Pupil premium - LA	-	11	(11)	-	-
Local authority - SEN	-	37	(37)	-	-
School catering	10	428	(438)	-	-
School Led Tutoring	-	1	(1)	-	-
Covid recovery premium	-	6	(6)	-	-
Supplementary Income	-	140	(140)	-	-
Mainstream School Additional grant	-	61	(61)	-	-
Other ESFA restricted grants (note ii)	-	8	(8)	-	-
Other restricted (note iii)	-	25	(25)	-	-
<b>Total general funds</b>	<b>879</b>	<b>8,124</b>	<b>(7,548)</b>	<b>(48)</b>	<b>1,407</b>
<b>18 Funds (Cont'd)</b>					
<b>Restricted fixed asset funds</b>					
Fixed assets donation (note iv)	8,649	160	(176)	3,175	11,808
ESFA capital grants (note iv)	3,449	182	(167)	213	3,677
Capital expenditure from GAG (note v)	785	-	(75)	56	766
Donated fixed assets - ESFA	6	-	-	-	6
<b>Total fixed asset funds</b>	<b>12,889</b>	<b>342</b>	<b>(418)</b>	<b>3,444</b>	<b>16,257</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note vi)	(184)	-	(97)	281	-
	(184)	-	(97)	281	-
<b>Total restricted funds</b>	<b>13,584</b>	<b>8,466</b>	<b>(8,063)</b>	<b>3,677</b>	<b>17,664</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note vii)	636	84	-	-	720
<b>Total unrestricted funds</b>	<b>636</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>720</b>
<b>Total funds</b>	<b>14,220</b>	<b>8,550</b>	<b>(8,063)</b>	<b>3,677</b>	<b>18,384</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

## 19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2024 are represented by:

	Unrestricted	Pension	General	Fixed	
	Funds	Restrict	Restricted	Assets	Total
	£'000	Funds	Funds	Restricted	£'000
		£'000	£'000	Funds	£'000
Tangible fixed	-	-	-	16,121	16,121
Current assets	825	-	2,478	56	3,359
Current liabilities	-	-	(1,152)	-	(1,152)
Non current liabilities	-	-	(3)	-	(3)
Pension scheme liability	-	-	-	-	-
	<b>825</b>	<b>-</b>	<b>1,323</b>	<b>16,177</b>	<b>18,325</b>

Fund balances at 31 August 2023 are represented by:

	Unrestricted	Pension	General	Fixed	
	Funds	Restrict	Restricted	Assets	Total
	£'000	Funds	Funds	Restricted	£'000
		£'000	£'000	Funds	£'000
Tangible fixed	-	-	-	16,201	16,201
Current assets	720	-	2,586	56	3,362
Current liabilities	-	-	(1,173)	-	(1,173)
Non current liabilities	-	-	(6)	-	(6)
Pension scheme liability	-	-	-	-	-
	<b>720</b>	<b>-</b>	<b>1,407</b>	<b>16,257</b>	<b>18,384</b>

## 20 CAPITAL COMMITMENTS

	2024	2023
	£'000	£'000
Contracted for, but not provided in the financial statements	111	-

## 21 LONG TERM COMMITMENTS INCLUDING OPERATING LEASES

**Operating leases**

At 31 August 2024 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2024	2023
	Other	Other
	£'000	£'000
Amounts due within one year	30	27
Amounts due between one and five years	65	55
	<b>95</b>	<b>82</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

**22 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2024	2023
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(34)	487
Adjusted for:		
Depreciation (note 12)	421	416
Loss on disposal of fixed assets	-	2
Capital grants from DfE/ESFA, sponsors and others	(35)	(342)
Interest receivable	(30)	(2)
Defined benefit pension scheme cost less contributions payable (note 29)	(22)	88
Defined benefit pension scheme finance cost (note 29)	(3)	9
Decrease/(increase) in stock	5	(1)
Decrease/(increase) in debtors	59	(363)
(Decrease)/increase in creditors	(21)	325
<b>Net cash provided by operating activities</b>	<b>340</b>	<b>619</b>
<b>23 CASH FLOWS FROM INVESTING</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000
Interest received	30	2
Purchase of tangible fixed assets	(341)	(238)
Cash deposits	(694)	-
Capital grants from DfE/ESFA, sponsors and other	35	342
<b>Net cash (used in)/provided by investing activities</b>	<b>(970)</b>	<b>106</b>
<b>24 CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000
Repayments of borrowing	(3)	(4)
<b>Net cash used in financing activities</b>	<b>(3)</b>	<b>(4)</b>
<b>25 ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>At 31 Aug</b>	<b>At 31</b>
	<b>2024</b>	<b>2023</b>
	£'000	£'000
Cash in hand and at bank	2,205	2,838
<b>Total cash and cash equivalents</b>	<b>2,205</b>	<b>2,838</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

## 26 ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sept 2023 £'000	Cash Flows £'000	At 31 Aug 2024 £'000
Cash at bank	2,838	(633)	2,205
	<u>2,838</u>	<u>(633)</u>	<u>2,205</u>
Loans within one year	(4)	-	(4)
Loans within more than one year	(6)	3	(3)
	<u>2,828</u>	<u>(630)</u>	<u>2,198</u>

## 27 CONTINGENT LIABILITIES

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

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Alcester Grammar School serving notice, the Alcester Grammar School is obliged to repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the Alcester Grammar School's sites and premises and other assets held for the purpose of the Alcester Grammar School; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

As a result of the Harpur Trust v Brazel (2011) case, the Supreme Court has ruled that employees who only work for part of the year are entitled to 5.6 weeks of holiday pay like employees that work all year round.

The government hopes to amend legislation to allow holiday entitlement to be pro-rated for part-year and irregular hours workers, so that annual leave is directly proportionate to the time they spend working. Pending any law change being approved by parliament, there remains a potential obligation for the Trust of uncertain timing, value and likelihood.

## 28 MEMBER LIABILITY

Each member of the Alcester Grammar School undertakes to contribute to its assets 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****29 PENSION AND SIMILAR OBLIGATIONS**

Alcester Grammar School'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 Warwickshire County Council Pension Fund. Both are defined multi employer benefit schemes.

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

The total pension cost to the Academy during the year ended 31 August 2024 was £1,130,000 (2023: £1,146,000) of which £951,000 (2023: £845,000) relates to the TPS and £179,000 (2023: £301,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

Contributions amounting to £118,671 were payable to the schemes at 31 August 2024 (2023: £96,300) and are included within other creditors.

**Teachers' Pension Scheme****Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****29 PENSION AND SIMILAR OBLIGATIONS (cont'd)****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 every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's costs paid to TPS in the period amounted to £951,000 (2023: £845,000).

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 an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 a separate trustee administered funds. The total contributions made for the year ended 31 August 2024 was £258,000 (2023: £260,000) of which employers contributions totalled £204,000 (2023: £204,000) and employees contributions totalled £54,000 (2023: £56,000).

The agreed contributions for future years are 22.6% (2023: 22.6%) for employers and ranges from 5.5% to 9.9% (2023 : 5.5% to 9.9%) 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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

## 29 PENSION AND SIMILAR OBLIGATIONS (cont'd)

## Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	2024 August % per annum	2023 August % per annum
Discount rate	5.0%	5.2%
Salary increases	3.7%	4.0%
Pension increase	2.7%	3.0%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2024 Approx Change to Employers Liability £'000	At 31 August 2023 Approx Change to Employers Liability £'000
Discount rate reduced by 0.1% per annum	77	69
Salary increase rate increased by 0.1%	3	8
Pension increase rate increased by 0.1%	75	62

The mortality assumptions used were as follows:

	At 31 August 2024 years	At 31 August 2023 years
Longevity at age 65 retiring		
- Men	19.7	19.7
- Women	23.8	23.8
Longevity at age 65 retiring in 20 years		
- Men	22.3	22.4
- Women	25.9	25.9

Alcester Grammar School's share of the assets in the scheme were:

	Fair value at 31 August 2024 £'000	Fair value at 31 August 2023 £'000
Equity instruments	1,736	1,764
Debt instruments	1,065	760
Property	709	487
Cash and other liquid assets	35	30
<b>Total market value of assets</b>	<b>3,545</b>	<b>3,041</b>
Present value of scheme liabilities:		
- Funded	3,340	2,997
- Unfunded	-	-
<b>Total liabilities</b>	<b>3,340</b>	<b>2,997</b>
<b>Surplus In the scheme</b>	<b>205</b>	<b>44</b>

The actual return on the scheme assets in the year was a return of £274,000 (2023: £324,000).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

## 29 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Amounts recognised in the Statement of Financial Activities:

	2024	2023
	£'000	£'000
Current service cost	182	292
Interest income	(164)	(110)
Interest cost	161	119
<b>Total amount recognised in the SoFA</b>	<b>179</b>	<b>301</b>

	2024	2023
	£'000	£'000
<b>Changes in deficit during the year:</b>		
Balance at 1 September	-	184
Movement in year:		
- Employer service cost (net of employee contributions)	182	292
- Employer contributions	(204)	(204)
- Expected return on scheme assets	(164)	(110)
- Interest cost	161	119
- Actuarial gains	(136)	(325)
- Asset ceiling adjustment	161	44
<b>Deficit in the scheme at 31 August</b>	<b>-</b>	<b>-</b>

	2024	2023
	£'000	£'000
<b>Changes in the present value of defined benefit obligations were as follows:</b>		
Balance at 1 September	2,997	2,664
Current service cost	182	292
Interest cost	161	119
Contributions by scheme participants	54	56
Benefits paid	(28)	(23)
Actuarial gains	(26)	(111)
<b>Scheme liabilities at 31 August</b>	<b>3,340</b>	<b>2,997</b>

	2024	2023
	£'000	£'000
<b>Changes in the fair value of the share of scheme assets:</b>		
Balance at 1 September	2,997	2,480
Expected return on scheme assets	164	110
Actuarial gains	110	214
Asset ceiling adjustment	(161)	(44)
Contributions by employer	204	204
Benefits paid	(28)	(23)
Contributions by scheme participants	54	56
<b>Fair value of scheme assets at 31 August</b>	<b>3,340</b>	<b>2,997</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)****29 PENSION AND SIMILAR OBLIGATIONS (cont'd)**

The estimated value of employer contributions for the year ended 31 August 2025 is £204,000 (2024: £205,000).

The fair value of the pension plan assets at 31 August 2024 is in excess of the present value of the defined benefit obligations at that date, giving rise to a net surplus of £161,000 (2023: £44,000). This surplus is recognised in the financial statements only to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

The academy trust is not able to determine that future contributions will be reduced and it is not possible for the academy trust to receive a refund from the scheme, as the specific conditions for this have not been met. Therefore an asset ceiling is in place such that the surplus of £161,000 (2023: £44,000) is not recognised as an asset at 31 August 2024 and the net asset/liability recognised in the financial statements is capped at £Nil.

**30 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, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. During the year ended 31 August 2024 there were no such transactions.

No related party transactions took place during the period with the Directors. No amounts are owed to or due from the Directors as at 31 August 2024.

**31 AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2024 the trust received £38,978 (2023: £37,450) and disbursed or repaid to the ESFA £36,730 (2023: £36,200) from the fund. An amount of £18,412 (2023: £17,692) relating to surplus funds is to be repaid to the ESFA. An amount of £38,978 (2023: £37,450) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

**32 EVENTS AFTER THE END OF THE REPORTING PERIOD**

There are no material adjusting or non adjusting events arising after the balance sheet date.

