

**THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON  
(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2023**

***Company Limited by Guarantee  
Registration Number:07696173  
(England & Wales)***

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

<b>Members</b>	Mr V G Matts Mr J Blann Mr K Dhaliwal (from 8/12/22) Mr M Evans Mrs F Fairbairn Mrs J Gallagher Dr M Fenton Prof N Johnson Mr J A Jones (until 8/12/22) Mr P Maundrill Mr I Pavey (from 8/12/22) Mrs J Short Ms P Streeter (until 8/12/22) Mr P P Swann
<b>Governors</b>	Mr B Carr (Headmaster and Accounting Officer) Mr V G Matts (Chairman) Mr J Blann (Parent Governor to 8/12/22) Mr K Dhaliwal* (from 8/12/22) Mr R Drain (Co-opted) Mr M Evans (Deputy Chairman) Mrs F Fairbairn Dr M Fenton Mrs J Gallagher (Parent Governor) Prof N Johnson* Mr J A Jones* (until 8/12/22) Mr P Maundrill* Mr S McCrink (Staff Governor) Mr I Pavey (Parent Governor from 8/12/22) Mrs FJ Roberts* (Staff Governor) Mrs J Short Mr P P Swann Mr N Treble (Staff Governor) <i>* members of the Finance and General Purposes Group (see page 6)</i>
<b>Company Secretary</b>	Mr M D Hawley
<b>Senior Leadership Team</b>	
<b>Headmaster</b>	Mr B Carr
<b>Deputy Headmaster</b>	Mr P E Mills (Pastoral)
<b>Deputy Headmaster</b>	Mr T M Walton (Academic)
<b>Assistant Headmaster</b>	Mr S McCrink
<b>Bursar</b>	Mr M D Hawley
<b>Clerk to the Governors</b>	Mrs H Brazier
<b>Responsible Officer</b>	Mr A Baker, Warwickshire County Council
<b>Company Name</b>	The Grammar School of King Edward VI at Stratford-upon-Avon
<b>Company Trading Name</b>	King Edward VI School (K.E.S)
<b>Principal and Registered Office</b>	Church Street Stratford-upon-Avon Warwickshire, CV37 6HB
<b>Company Registered Number</b>	07696173 (England and Wales)

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

<b>Independent Auditors</b>	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
<b>Bankers</b>	National Westminster Bank plc 31 Rother Street Stratford-upon-Avon CV37 6ZS  Lloyds Bank plc 22 Bridge Street Stratford-upon-Avon CV37 6AG
<b>Solicitors</b>	Harrison Clark Rickerbys LLP Solicitors Ellenborough House Wellington Street Cheltenham GL50 1YD

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023**

The Governors present their report and the audited financial statements of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Governors' report and a Directors' report, including a strategic report, under company law.

The Trust operates as an Academy Trust for pupils aged 11 to 18 serving a catchment area geographically centred on Stratford-upon-Avon, with a pupil capacity of 770 and 839 (2022:793) pupils enrolled based on the 2023 Census.

**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 act as the Governors for the charitable activities of the Grammar School of King Edward VI at Stratford-upon-Avon and are also the Directors of the charitable company for the purposes of company

Details of Governors who served throughout the year except as noted 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 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 they cease to be a member. The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

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

All Members of the Academy Trust shall be Governors. The following composition complies with articles 45-81. The Full Governing Body consists of:

- **2 Elected Parent Governors** who are nominated and elected by a ballot of all parents to serve an initial four year term which is renewable. They will however relinquish their role when their child leaves the School.
- **3 Elected Staff Governors** (the intention being to include one non-teacher) who are nominated and elected by a ballot of all staff to serve a four year term which is renewable.
- **10 Appointed Governors** who serve a four year term. Three of these Governors at the time of their initial appointment will be parents of existing students. A meeting of the Full Governing Body will select this class of Governors. Each appointee will be proposed and seconded by other Governors and appointed by a majority vote in favour. Academy policy is that they may serve up to a maximum of four continuous terms from the date of their initial appointment (as either a Parent or Appointed
- **The Headmaster** is an ex-officio Governor. The total number of Governors is 16.

**Policies and Procedures Adopted for the Induction and Training of Governors**

All Governors are given the opportunity to attend training sessions. A number of sessions were held for Governors covering the main elements of the position, including the legal framework and governor responsibilities. Each year all members of the Governing body are offered updates on relevant issues and changes in legislation etc.

The topics covered are regularly reviewed to ensure that Governors are kept up to date as far as possible. When appointing new Members, the Board will give consideration to the skills and experience mix of existing Members in order to ensure the Board has the necessary skills to contribute fully to the Academy Trust's ongoing development. All new Governors also have the opportunity to undertake National Governor Association training and all Governors receive regular National Governor Association updates.

**Organisational Structure**

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

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Organisational Structure (cont'd)**

The Full Governing Body (FGB) meets four times in each academic year. Twice in the Michaelmas term, once in the latter half of the Lent Term and once in the latter half of the Summer Term. The FGB has decided that it should be solely responsible for the following matters (which comply with articles 94-97):

- the School Strategic and Development Plans.
- the financial management of the School.
- approving the School budget and annual accounts.
- reviewing School budget monitoring reports from the Finance and General Purposes Group.
- the School income and expenditure, balance sheets and cash flows, having liaised with Governors regarding the strategic financial position and priorities.
- the appointment and review of professional advisors (including auditors).
- personnel (with advice from the Leadership and Management Group)
- the procedure in pecuniary interest matters.
- accepting tenders above an agreed figure proposed by the Finance and General Purposes Group.
- election and removal of Chairman and/or Deputy Chairman.
- setting up of groups and decisions on what should be delegated (within these regulations) and to whom
- the annual review of the following mandatory policies:
  - *School Governance*
  - *Mission Statement*
  - *Safeguarding*
  - *Whistleblowing*

The FGB has also decided that it should be solely responsible for additional matters which are identified in each Governors' Group's Terms of Reference. Whilst the FGB has not delegated responsibility for these matters, the different Governors' Groups are responsible for producing proposals relating to these matters for consideration by the FGB.

- To establish a framework for effective delegation and decision-making.
- To provide regular reports to the FGB.
- To provide a clear audit trail for each decision of the FGB.
- To free the FGB for policy making.
- To provide opportunities for the debate of key issues.
- To provide for the full involvement of all Governors in the decision-making process.
- To strengthen the partnership between Governors and the School.
- To support the Headmaster and the staff.
- To ensure conformity with legislation and (where appropriate) with guidelines through detailed scrutiny of proposals.
- To promote efficient communication between Governors' Groups and with the FGB.

**Governor Groups (Standing)**

The Governors' Groups meet on one or more occasions in the lead up to each termly meeting of the FGB (Meeting 2 of the Michaelmas Term). Every Governor is a member of at least one of the following groups which comply with articles 101-103:

- **Leadership and Management Group** (Five Governors plus the Headmaster)
- **Education Group** (Five Governors plus two Deputy Headmasters)
- **Finance and General Purposes Group** (Five Governors plus the Bursar)

The FGB appoints members to each Governor Group. Each Group elects its own Chairman. The Chairman of Governors shall not be Chairman or Deputy Chairman of any Governor Group. Governor Groups act with the authority of the FGB but each Chairman must provide a detailed report of activities and any recommendations to each FGB meeting.

**Ad Hoc Committees**● **Disciplinary**

This committee shall be chosen from members of the FGB, excluding the Headmaster and staff

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Governor Groups (Standing) (cont'd)****● Appeals**

This committee will hear appeals relating to exclusions in accordance with legislation, guidelines and good practice. This Committee shall include governors appointed by the FGB in accordance with current regulations.

**● Health and Safety**

This is a sub-committee which reports to the Finance and General Purposes Group (See Terms of Reference).

**● Audit**

This is a sub-committee which forms as/when necessary and which would report to the Finance and General Purposes Group.

**Link Governors**

All Governors are allocated to departments in the School to act as a Link Governor. The aims of the Link Governor Programme are to:

- enable Governors to know and understand more about the day-to-day work of the School;
- triangulate evidence between Governors, SLT and staff.
- establish another opportunity for Governors and staff to meet and discuss issues concerning the School and its development.
- enable staff to share and celebrate the success of their work.
- be involved, where possible, in the appointment of new teaching staff within subject areas.

**Governor Agreement**

All Governors sign an agreement to adhere to this policy, the Articles of Association and to uphold the Nolan Standards of Public Life. To comply with Article 79 all governors complete an enhanced DBS check at the start of their first term of office.

**Responsible Officer**

The FGB has appointed Mr Graeme Hornsby as Responsible Officer ("RO") to provide an independent oversight of the Academy's financial affairs. The RO carries out spot checks of finance activities on a termly basis and reports to the Finance and General Purposes Group. The Responsible Officer is not a Member of the Academy or a Governor.

**Accounting Officer**

The Headmaster is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headmaster has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headmaster manages the Academy on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets weekly to discuss emerging matters and to help to develop strategies for future development to be put to the Headmaster and the Governing Body as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headmaster to manage certain aspects of the Academy. Please refer to the Reference and Administrative details on page 1 for more information.

**Risk management**

The major risks to which the Academy is exposed are as follows:

- Loss of (or reduction in) funding
- Loss of building or facilities preventing the delivery of education
- Loss of members of staff (either suddenly or gradually over time)
- Loss of reputation
- Lack of safeguarding of students
- Funding of pension deficits under the Local Government Pension Scheme (LGPS).

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Risk management (cont'd)**

The Senior Leadership Team has considered these risks. Policies and procedures have been put into place to minimise these risks, including budget management and forecasting procedures, the procurement of adequate insurance cover, investing in staff training and continuing professional development, and continued local marketing and advertising highlighting the achievement of our students. We also include a budgeted reserve for staff cover costs, and maintain a large number of policies and procedures which protect our staff, students and the Academy, also reducing the risk of safeguarding failures. The pension scheme is reviewed by qualified actuaries on behalf of the Academy. There is currently a deficit on this scheme as disclosed in note 28.

The Governors of the LGPS pension scheme arrange for appropriate contribution rates to be paid by the members and the employer to ensure that the pension scheme is properly funded over time. The academy is increasingly concerned by the LGPS deficit and the apparent growth in this. The imposition of capital payments by the Actuary for 2014/15 was an unwelcome development which has since escalated further the justification for which appears to be, at least in part, as a result of changing and increasingly conservative assumptions by the Actuary. The in-year servicing of a very long term, inherited debt impacts on the Academy's ability to continue to offer the same high quality education and it is felt that the DfE should consider offering extra funding to offset pension deficit demands. Furthermore, the DfE should also actively consider and provide guidance to help academies become pooled for support staff pension purposes or to offer an alternate akin to the Teachers' Pension Scheme. This would spread risk considerably and reduce employer contributions significantly. Nevertheless the pension deficit has reduced over successive years, but it remains a long-term burden for the Academy.

**Arrangements for Setting Pay and Remuneration**

The pay structure for all employees is set with reference to and without variation from the nationally published scales for all staff. In the case of the Senior Leadership team, this is a function of the size of the academy. In the case of teachers this is with reference to the published main and upper pay scales as well as that for TLR allowances. In the case of support staff, pay is referenced to the National Joint Council Scale. Pay progression is subject to satisfactory performance, as determined by annual appraisal. Teaching and Senior Leadership Team pay scales are listed in a Staff Handbook which is published annually.

**Connected Organisations, including Related Party Relationships**

The Governors of The Grammar School of King Edward VI School (established separately under Charity Number 528769) are a related party as they and the School share a common Trustee; refer to note 29 for further details.

**Trade Union Facility Time**

There are no employees who elect to act as union officials during the course of their work, and therefore the time spent on these activities is 0%.

**OBJECTIVES AND ACTIVITIES**

The principal objects of the Academy Trust, as set out in its Articles of Association, are 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; and
- promote for the benefit of the inhabitants of Stratford-upon-Avon and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

**Objectives, Strategies and Activities**

- This was the tenth full year of operation the Grammar School of King Edward VI at Stratford-upon-Avon. Through the implementation of the key objectives in the School Development Plan 2022-23 the School has:
  - Established a five-year Strategic Plan 2023-28
  - Conducted bespoke student, parent and staff surveys to inform the Strategic Plan 2023-28



**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Objectives, Strategies and Activities (cont'd)**

- Updated the Safeguarding Policy and deliver staff and governor training in light of changes to 'KCSIE' (2022)
- Continued to support student well-being in the post pandemic period by implementing ideas from Promoting children and young people's emotional health and wellbeing
- Implemented Year 3 of the Digital Strategy for Teaching and Learning through the work of a time-limited SLT role
- Introduced digital attendance registration for all lessons
- Obtained planning permission for the enabling development to install an all-weather surface and modernise of the Pavilion at the Manor Road Sports Ground
- Continued to make improvements to the accommodation via the rolling programme
- Implemented a general uplift in the value of TLRs in line with the TLR Review 2021
- Conducted the five-yearly review of uniform suppliers, taking into account the Education (Guidance about Costs of School Uniforms) Act (2021)

**Student Achievements and Performance****A Level**

- Students achieved 90.0% A\*-B

**GCSE**

- Students achieved 84.9% A\*-A

**Music Examinations**

- Thirty-seven students achieved Grade 6 or above in Associated Board of the Royal Schools of Music examinations.
- Five students achieved Grade 6 or above in Trinity College London Music examinations.

**Duke of Edinburgh Awards**

- Duke of Edinburgh Gold Award was achieved by 13 students.
- Duke of Edinburgh Silver Award was achieved by 34 students.
- Duke of Edinburgh Bronze Award was achieved by 47 students.

**Arkwright Scholarships**

- Arkwright Engineering Scholarships were awarded to 3 students.

**Art**

- Esme Cornish qualified for the regional heats of ARTiculation at the MK Gallery, Milton Keynes.
- Isobel Edelsten had two pieces of Art work selected for the Coventry Open Exhibition.

**Athletics**

- The Year 7 Athletics team qualified for the Warwickshire Indoor Athletics Finals.
- The Year 8 Athletics team qualified for the Warwickshire Indoor Athletics Finals.
- Three students were selected to represent Warwickshire in the Combined Events Midland Regional Finals.
- Selected to represent South Warwickshire: Juniors – 5 students, Intermediates – 5 students and Seniors – 2 students.
- The Minor Boys team of 3 students came second in the Combined Events Athletics Championships.
- Sixth Form Athletes came second in the Senior K.E.S. Foundation Cup.
- The Year 9 and Year 10 teams both finished second in the Junior K.E.S. Foundation Cup.

**Biology**

- Thirty students achieved Awards in the Biology Olympiad.

**Chemistry**

- Thirty-six students achieved Awards in the Chemistry Olympiad.
- Sixth Form students sat the Cambridge Chemistry Challenge achieving 3 Gold, 6 Silver and 14 Copper awards.
- Ninety students in Year 10 took part in National Scientific Challenge: 46 students achieved Gold, placing them in the top 10% nationally. 19 students achieved Silver, placing them in the top 25% nationally. 16 students achieved Bronze, placing them in the top 40% nationally.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Student Achievements and Performance (cont'd)****Computer Science**

- A team of 13 students won through to the final round of the Perse Coding Team Challenge.

**Cross Country**

- Three students were selected to represent Warwickshire at the National Finals.

**Debating**

- The Intermediate team of 3 students won their category in the Youth Speaks Debating Competition and progressed to the District Final.

**Drama**

- A student obtained a place at the Bristol Old Vic Theatre School.
- Four students were accepted onto the National Youth Theatre Programme.

**F1 In School National Final**

- The Years 11 and 13 teams represented the School at the National Finals having successfully won their respective regional competitions.

**Fencing**

- A student was the top ranked the Under 17 fencer in the U.K.
- Two students were ranked in the top 10 of UK Under 20s fencers.
- A student achieved bronze at the Stratford Leon Paul Junior Series in the Under 13 category.
- A student was selected for the Under 20 Great Britain Squad.
- Three students were selected for the Under 17 Great Britain Squad.
- A student won the Under 16 British Youth Championship and participated in the Under 17 World Championship. He was ranked 35th in the World, 1st in Great Britain and 4th in Great Britain in the Senior age group.
- A student was ranked 4th in Great Britain in the Under 17 age group.

**Hockey**

- The 1st XI won the Tier 4 National Championship.
- The Under 13A team reached the semi-finals of the Warwickshire Tier 1 Cup.
- A student was selected for England Hockey's Talent Academy Festival in Birmingham.

**In-line Skating**

- A student represented Great Britain in the World Series In-line Skating Event in Belgium.

**LAMDA Public Speaking Award**

- Grade 8 - Gold Medals were achieved by 45 students.
- Grade 6 – Bronze Medals were achieved by 23 students.

**LEJOG Challenge**

- 352 students completed in the Land's End to John O'Groats Challenge, walking 720 miles across 5 expeditions and 9-day trips.

**Linguistics**

- In the Linguistics Olympiad, 7 students achieved Bronze, 3 achieved Silver and 2 achieved Gold Awards.

**Magistrates Court National Mock Trial**

- The Year 9 Team won the Regional Final of the Magistrates Court Mock Trial at Coventry Magistrates Court, progressing to the National Final.

**Mathematics**

- Fourteen students achieved Distinctions in the Maths Olympiad for Girls.
- Three students were invited to the British Mathematical Olympiad based on their performance in the Senior Maths Challenge.
- Twenty-one students achieved Gold in the Senior Maths Challenge.
- Thirty-eight students from Years 9-11 scored in the top 8% nationally in the Intermediate Maths Challenge and have qualified for the Intermediate Kangaroo.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Student Achievements and Performance (cont'd)****Mathematics (cont'd)**

- Having completed the Junior Maths Challenge, thirty-one students from Years 7 and 8 were invited to participate in the Maths Kangaroo and seven were invited to compete in the Maths Olympiad.
- A Year 10 student qualified for the prestigious Hamilton Olympiad

**Model United Nations**

- Three students attended the International Model UN Conference in Oxford, one winning the award for Outstanding Delegate.

**Music**

- A student took part in the National Children's Orchestra Under 12s Orchestra.
- A student led the National Children's Under 13s Orchestra.
- A student achieved Grade 8 in the Rock School Music Examinations in Drums (Distinction), Bass Guitar (Distinction) and Electric Guitar (Merit).
- A student took part in the Oxford Brass Band Festival where he won the U14 Slow Melody section, the Under 19 Solo section and was awarded the trophy for the highest score for a player aged 15 and under in the solo section.

**National Language Challenge**

- Eight students from Year 9 took part in the GCHQ National Language Challenge.

**Rowing**

- The Mixed VIII won the 2023 Schools' Head of the River Race and set a new course record.
- The squad from across Years 8-13 won eight medals, including three golds, at the King's School Worcester Indoor Rowing Championship.
- At the Stourport Winter Head, the Senior Boys and Senior Girls Coxed Fours and the J16 Quad all won their races
- The J18 Quad won their race at the Worcester Main Head.
- The J18 Quad also won their race at West Midlands Junior Rowing Championships.
- A student was selected to represent Great Britain in the Munich Junior International Regatta, where she won Gold as part of the Under 19 Great Britain Four and Bronze as part of the Under 19 Great Britain Pair.
- At the Ball Cup Regatta at Dorney Lake:
  - The 1st IV Boys' crew won gold in the Ball Cup trophy and the 2nd IV won Silver.
  - The 1st IV Girls' crew won gold in the Girls' Ball Cup trophy.
  - The J18 2x Boys' crew won gold and the J18 4x Boys' crew won bronze.

**Rugby Sevens**

- The Under 12 VII won the Sibford Sevens Tournament.
- The Under 13 VII and Under 15 VII both won the Plate at the Sibford Sevens Tournament.

**Shakespeare Institute's Anne Hathaway Competition**

- A student won the competition to set the epitaph from Anne Hathaway's gravestone to music, marking 400 years since she died. Her winning composition was performed as part of the Shakespeare Birthday Celebrations and will be published in a forthcoming book, two other students were runners up.

**Tennis**

The Under 13 team won the Warwickshire Tennis Slam.

**PUBLIC BENEFIT STATEMENT**

The primary purpose of the Grammar School of King Edward VI at Stratford-Upon-Avon is the advancement of education within the local area. The School's Mission Statement is:

King Edward VI School is committed to being the school of choice for the most able students in our locality by developing and maintaining an educational community in which we:

- provide the context to allow all individuals to achieve success in all aspects of school life;

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****PUBLIC BENEFIT STATEMENT**

- create a safe and secure environment in which self-confidence, respect for oneself and for others is valued;
- encourage each individual to fulfil their academic potential by placing particular emphasis on challenge, teamwork, independence, creativity and enjoyment;
- appreciate the value of extra-curricular activities and encourage – equally – wide participation and excellence;
- use open lines of communication and engagement across all interested parties to ensure we are a self-evaluative school, which constantly looks to improve.

We seek to prepare our students for rewarding lives, aware of their obligation to serve the local, national and international communities in a fast-changing world, and to inculcate in them a sense of pride in the unique character of Shakespeare's School.

In accordance with legislation the Academy is an exempt Charity. The Governors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

**STRATEGIC REPORT**

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves carried forward. At 31 August 2023, the balance of the unrestricted and restricted income reserves was a deficit of £140,000 (2022: £54,000 deficit), which is after transfers of £39,000 (2022: £32,000) to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. [As noted earlier in this report, pupil numbers at the most recent census were 839 (2022:793). Pupil numbers are stable and the School is approaching its capacity, unless a decision is taken to add a form of entry at Year 7.

**Going Concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies at note 1 of these financial statements.

**Fundraising**

The Academy requests voluntary donations from parents to help sustain an extensive extracurricular programme, which would otherwise be extremely difficult to sustain in light of continuing funding pressures. Additional funds are also generated from on-site pay-and-display parking outside school hours. A self-funding Development Officer post was established in 2019 and which has already raised significant sums for the benefit of the School. The Academy also derived modest additional income by virtue of offering the *Easyfundraising* programme through which participants can shop generating cashback for the

**Promoting the Success of the Academy Trust**

The Governors have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance. As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Governors' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO<sub>2</sub> emissions throughout its buildings, facilities and operations.

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Governors also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Governors are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Governors and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academies Financial Handbook.

Our people

The Academy Trust's key asset is its people. It employs an average of 93 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Governors' report above.

Our Members

The Governors are committed and openly engaged with our Members through the active involvement of Members as Governors. The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

The Academy Trust has been in existence for 10 years, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers.

The information in the "Achievements and Performance" section of the Governors' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

**FINANCIAL REVIEW**

The majority of the Academy Trust's income is received from 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 ESFA during the year ended 31 August 2023 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****FINANCIAL REVIEW (cont'd)**

For the year ended 31 August 2023, the Academy Trust's total income (excluding capital grants) was £5,336,000 (2022: £4,624,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £5,372,000 (2022: £4,844,000), resulting in a net deficit before transfer to the fixed assets fund and investment losses for the year of £36,000 (2022: £188,000 losses).

The balance of reserves at 31 August 2023, excluding the restricted fixed asset funds and LGPS liability fund was a deficit of £140,000 (2022: £54,000 deficit).

The net book value of fixed assets at 31 August 2023 were £17,381,000 (2022 : £17,654,000). The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £30,000 (2022: £113,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. Further details regarding the deficit in the LGPS at 31 August 2023 are set out in note 28 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Governors, Headmaster, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

The 2022-23 academic year largely represented a return to normal examinations for students and was noteworthy for their record attainment (excluding Covid years). The financial outcome for the year is summarised by higher than expected pay rises for all staff, unforeseen levels of utility costs, particularly for electricity, and inflationary pressures in general, all of which were only partially offset by extra income received meaning downward pressure on the School's finances and an eventual deficit being recorded, albeit this was partly due to accounting inconsistencies with the prior year.

**Reserves Policy**

The School budget is managed proactively by drawing on an appropriate amount of funds and any significant reserves are held in the Foundation Account, controlled by the Governing Body. The Foundation account receives income exclusively from Trust Funds. The Trust Funds, although not a part of these accounts, are managed by a separate charity with the School as its sole object. The School is able to draw on additional funds from this Trust if required.

**Investment Policy**

The School maintains an investment portfolio for its prize funds with M&G Investments. This fund sustains the two annual prize giving occasions: Lower School Celebration (LSC) (Years 7 and 8) held in July and Speech Day (Years 10 to 13) held in September. Due to extreme heat in July, the LSC was held in September. The School maintains a further investment account (The David Biddle Foundation), established following a donation from a former student and teacher on his death, to further students' extracurricular activities at the School. The School also has plans for further investments established through the work of the Development Officer.

**Principal Risks and Uncertainties**

The Governors have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. Where significant financial risk still remains, the Governors have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.



**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Principal Risks and Uncertainties (cont'd)**

The principal risks and uncertainties facing the Academy Trust are as follows:

**Educational**

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

**Safeguarding and child protection**

The Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Financial**

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the year, approximately 90% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light continuing changes in to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Schemes, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Governors examine the financial health of the Academy Trust formally twice termly, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance and Resources Committee meetings.

**Staffing**

The success of the Academy Trust is reliant on the quality of its staff so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Failures in governance and / or management**

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

**Fraud and mismanagement of funds**

The Academy Trust engaged Mr Graeme Hornsby as responsible officer (RO) to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

**Estates**

The School takes pride in keeping the site tidy and free of hazards. We have a proactive Estates Team that deals with issues promptly and we take a proactive approach to accidents or incidents as/when they happen. The School has a Health and Safety Committee, chaired by the Bursar and attended by the Headmaster and a Governor, that meets termly and reports to the Governors' F&GP Group.

**TRADE UNION FACILITY TIME**

There were no employees who were relevant union officials during the period.

**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

**PLANS FOR FUTURE PERIODS**

We remain mindful that the long-term funding of schools remains under pressure and the National Funding Formula (NFF) has only offset some of the cuts that have been borne in the previous decade. With inflation having increased rapidly in 2022/23, pay awards in the last 2 years have exceeded the budgetary uplift and this undermined a recovery in the academy's finances. A balanced budget is set for 2023/24, albeit this was prior to the confirmation of pay awards and how or if these will be mitigated if they are higher than assumed. A permanent growth in student numbers by over 40 will lead to higher GAG revenue from 2024/25 onwards and this will help to claw back the deficit currently being borne.

A consideration to grow the School was approved by the Board in 2022/23. Although we remain constrained by our town centre site, it is still possible to grow the School through a fourth form of entry at Year 7 and an expansion of the Sixth Form, albeit a significant building programme and/or alternate premises for Sixth Form students would be necessary to deliver this and options to secure such facilities will be pursued in parallel including a bid for CIF funds in 2024/25 for a major building project. We will also be implementing a long overdue improvements at our playing fields site with the erection of an all-weather surface and improvements to changing facilities in the pavilion.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy Trust and its Governors do not act as Custodian Governors of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

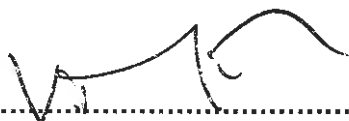
**AUDITOR**

Audit Services were retendered during 2022 with UHY (Hacker Young) being appointed as the Academy's auditors.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

The Governors' Annual Report is approved by order of the board of Governors and the Strategic Report (included therein) is approved by the board of Governors in their capacity as the Directors at a meeting on 14 December 2023 and signed on its behalf by:



.....  
**VGF Matts**  
**Chair of Governors**  
**14 December 2023**



**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023****Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that The Grammar School of King Edward VI at Stratford-upon-Avon 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 Board of Governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Grammar School of King Edward VI at Stratford-upon-Avon and the Secretary of State for Education. They are 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 Board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Full Governing Body</b>	<b>Meeting attended</b>	<b>Out of a possible</b>
Mr B Carr	4	4
Mr R Drain	2	2
Mr V G Matts	4	4
Mr J Blann	4	2
Mr M Evans	4	4
Mrs F Fairbairn	4	4
Dr M Fenton	4	2
Mrs F J Roberts	4	4
Prof. N Johnson	4	3
Mr J A Jones	2	2
Mr P Maundrill	4	3
Mr S McCrink	4	2
Mr N P Treble	4	2
Mrs J Short	4	3
Mr P P Swann	4	4
Mrs J Gallagher	4	4
Mr I Pavey	2	2
Mr K Dhaliwal	2	1
Mrs P A Streeter	2	2
Mrs E J Speechley	2	-

The details of the changes in the Board of Governors during the year are provided in the Reference and Administrative Details on page 3.

**Conflict of Interest**

All Governors make an annual declaration of their interests in any external organisations. Any conflicts of interest are declared at meetings and the Governor concerned either does not vote on any decision made, or in the case of large or contentious decisions leaves the meeting during discussions and voting.

**Governance Reviews**

Although the Board of Governors has met less than 6 times during the current year, the Governors are satisfied they have maintained effective financial oversight of the Trust through the separate meetings of the Finance and General Purposes Group.

**Governance Reviews (cont'd)**

The Finance and General Purposes Group is a sub-group of the main Board of Governors. Its purpose is to provide proposals relating to the matters identified in its Terms of Reference for the Full Governing Body and to provide detailed scrutiny of relevant proposals. Attendance during the year at meetings was as follows:

<b>Governor</b>	<b>Meeting attended</b>	<b>Out of a possible</b>
Mr J A Jones	1	2
Prof N Johnson	4	6
Mr P Maundrill	6	6
Mrs F Roberts	4	6
Ms P Streeter	1	2
Mr J Blann	4	4
Mr R Drain	3	4
Mr K Dhaliwal	-	4
Mr B Carr (Optional)	4	6
Mr V G Matts (Optional)	6	6

**Review of value for money**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider social outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy 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 where appropriate.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- The Academy Trust has procedures in place that require at least 3 quotes to be sought for purchases over £20,000.
- Utilities supplies are purchased through the Eastern Shires Purchasing Organisation (ESPO) which saves the School thousands of pounds per year when compared to commercial energy suppliers, and ESPO is a supplier recommended by the DfE.
- In parallel to CIF improvement works that have made the site more energy-efficient, the Academy also took the opportunity to install LED lighting in these same teaching spaces, with LED now the prevalent lighting source.
- The School has expanded its maintenance team increase capacity and enable a greater proportion of repair and improvement works to be carried out internally, in preference to using contractors where costs have soared.

**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 in place in The Grammar School of King Edward VI at Stratford-upon-Avon for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Governors 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 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 2023 (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 and accountability.

In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The School utilises the services offered by Warwickshire County Council for Internal Scrutiny (i.e. Responsible Officer work). This comprises two visits annually in the Lent and Summer Terms and areas monitored this year included financial oversight, internal control & risk management, financial reporting, fixed asset register, IT security, census data, audit requirements and the Gifts and Hospitality Register.

On an annual basis, the responsible officer reports to the Board of Governors through the Finance and General Purposes Group on the operation of the systems of control and on the discharge of the Governors' financial responsibilities. The work of the responsible officer was carried out in accordance with the ESFA's requirements during the year, and no material control issues were identified as a result of their work.

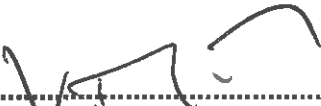
**Review of effectiveness**


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

- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self assessment process or the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- correspondence from the ESFA

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Group and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 14 December 2023 and signed on their behalf by:

  
.....  
**Mr V G Matts**  
**Chair of Governors**

  
.....  
**Mr B Carr**  
**Accounting Officer**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023**

As accounting officer of The Grammar School King Edward VI at Stratford-Upon-Avon I have considered my responsibility to notify the Academy Trust board of trustees and the Education and 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 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

**Financial issues identified based on the Academy Trust Handbook 2022 were:**

- Paragraph 2.18: The trust must prepare management accounts every month setting out its financial performance and position. Management must take appropriate action to ensure ongoing viability. Management were not appropriately informed through accurate management accounts and therefore did not take appropriate action to ensure ongoing viability, resulting in a net current liability position of £324k and a carried forward deficit on revenue reserves of £140k.
- Paragraph 2.17: a deficit position on total revenue funding is non-compliant with both the funding agreement and the handbook. As at 31 August 2023 the revenue reserves of the Trust are in a deficit position of £140k.
- Paragraph 5.41: trusts must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing. A related party transaction of £450 was not disclosed in advance to the ESFA.



.....  
Mr B Carr

Accounting Officer

14 December 2023

**STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023**

The trustees (who act as governors of The Grammar School of King Edward VI at Stratford-Upon-Avon and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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 academy will continue in business.

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

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

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

Approved by order of the members of the board of governors on 14 December 2023 and signed on its behalf by:



.....  
**Mr V G Matts**  
**Chair of Governors**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON FOR THE YEAR ENDED 31 AUGUST 2023****Opinion**

We have audited the financial statements of The Grammar School of King Edward VI at Stratford-Upon-Avon (the charitable company) for the year ended 31 August 2023 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 2022 to 2023 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 Grammar School of King Edward VI at Stratford-Upon-Avon's affairs as at 31 August 2023 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 2022 to 2023.

**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 trustees' 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 Grammar School of King Edward VI at Stratford-Upon-Avon's 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 trustees 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 trustees 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 THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON FOR THE YEAR ENDED 31 AUGUST 2023 (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 trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of governors**

As explained more fully in the governors' responsibilities statement set out on page 20, 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 trustees are responsible for assessing The Grammar School of King Edward VI at Stratford-Upon-Avon's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees 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:

Based on our understanding of The Grammar School of King Edward VI at Stratford-Upon-Avon 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 Grammar School of King Edward VI at Stratford-Upon-Avon, 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 2022 and 2023. 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 Grammar School of King Edward VI at Stratford-Upon-Avon's net income for the year.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

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 trustees 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.

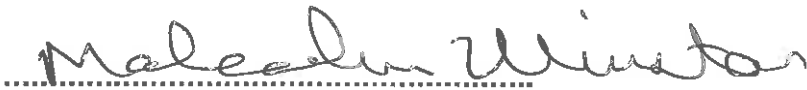
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 trustees.
- 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 THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Use of our report**

This report is made solely to The Grammar School of King Edward VI at Stratford-Upon-Avon'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 Grammar School of King Edward VI at Stratford-Upon-Avon'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 Grammar School of King Edward VI at Stratford-Upon-Avon's and The Grammar School of King Edward VI at Stratford-Upon-Avon'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**

**14 December 2023**

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023**

In accordance with the terms of our engagement letter dated 6 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2022 to 2023 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy Trust during the period 1 September 2022 to 31 August 2023 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 Grammar School of King Edward VI at Stratford-Upon-Avon 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 Grammar School of King Edward VI at Stratford-Upon-Avon and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Grammar School of King Edward VI at Stratford-Upon-Avon's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Grammar School of King Edward VI at Stratford-Upon-Avon's funding agreement with the Secretary of State for Education dated 9 December 2011, and the Academy Trust Handbook extant from 1 September 2022 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 2022 to 2023. 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 2022 to 31 August 2023 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.

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)  
Approach (con't)**

Summary of the work undertaken was as follows:

- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the Academy Trust 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 trustees 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 trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or
- Review of income received in accordance with the activities permitted within the Academy Trust's charitable objectives.

**Conclusion**

In the course of our work, the following instances of material irregularity were identified which were not in accordance with the Academy Trust Handbook 2022:

- Paragraph 2.18: The trust must prepare management accounts every month setting out its financial performance and position. Management must take appropriate action to ensure ongoing viability. Management were not appropriately informed through accurate management accounts and therefore did not take appropriate action to ensure ongoing viability, resulting in a net current liability position of £324k and a carried forward deficit on revenue reserves of £140k.
- Paragraph 2.17: a deficit position on total revenue funding is non-compliant with both the funding agreement and the handbook. As at 31 August 2023 the revenue reserves of the Trust are in a deficit position of £140k.
- Paragraph 5.41: trusts must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing. A related party transaction of £450 was not disclosed in advance to the ESFA.

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

**14 December 2023**

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted		As Restated
	Note	Funds	General	Fixed	Total	Total
		£'000	£'000	Asset	2023	2022
				Funds	£'000	£'000
				£'000		
<b>Income from:</b>						
Donations and capital grants	3	219	389	117	725	436
Charitable activities:						
- Funding for the Academy Trust's educational	4	-	4,481	-	4,481	4,149
Other trading activities	5	215	-	-	215	38
Investment income	6	4	7	-	11	11
<b>Total</b>		<b>438</b>	<b>4,877</b>	<b>117</b>	<b>5,432</b>	<b>4,634</b>
<b>Expenditure on:</b>						
Raising funds	7	-	-	-	-	-
Charitable activities:						
- Academy Trust's educational operations	7 & 8	-	5,417	410	5,827	5,381
<b>Total</b>	7	<b>-</b>	<b>5,417</b>	<b>410</b>	<b>5,827</b>	<b>5,381</b>
<b>Net income/(expenditure)</b>		<b>438</b>	<b>(540)</b>	<b>(293)</b>	<b>(395)</b>	<b>(747)</b>
Transfers between funds	17	(437)	398	39	-	-
<b>Other recognised gains and losses</b>						
Net losses on fixed asset investments	13	(2)	(9)	-	(11)	(13)
Actuarial gain on defined benefit pension schemes	28	-	128	-	128	1,542
<b>Net movement in funds</b>		<b>(1)</b>	<b>(23)</b>	<b>(254)</b>	<b>(278)</b>	<b>782</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	17	33	(200)	17,656	17,489	16,707
<b>Total funds carried forward</b>	17	<b>32</b>	<b>(223)</b>	<b>17,402</b>	<b>17,211</b>	<b>17,489</b>

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

## BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £'000	As Restated 2022 £'000
<b>Fixed assets</b>			
Tangible assets	12	17,381	17,654
Investments	13	190	201
		<u>17,571</u>	<u>17,855</u>
<b>Current assets</b>			
Debtors	14	95	81
Cash at bank and in hand		113	125
		<u>208</u>	<u>206</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	(532)	(452)
<b>Net current liabilities</b>		<u>(324)</u>	<u>(246)</u>
<b>Total assets less current liabilities</b>		<u>17,247</u>	<u>17,609</u>
Creditors: Amounts falling due after more than one year	16	(6)	(7)
<b>Net assets excluding pension liability</b>		<u>17,241</u>	<u>17,671</u>
Defined benefit pension scheme liability	28	(30)	(113)
<b>Total Net Assets</b>		<u>17,211</u>	<u>17,489</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	17	17,381	17,656
- Restricted income fund	17	(172)	(87)
- Pension reserve	17	(30)	(113)
<b>Total restricted funds</b>		<u>17,179</u>	<u>17,456</u>
<b>Unrestricted income fund</b>	17	<u>32</u>	<u>33</u>
<b>Total unrestricted funds</b>		<u>32</u>	<u>33</u>
<b>Total Funds</b>		<u>17,211</u>	<u>17,489</u>

The financial statements on pages 28 to 52 were approved by the governors and authorised for issue on 14 December 2023 and signed on their behalf by:



.....  
Mr V G Matts  
Chair of Governors

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	(2)	333
Cash flows from investing activities	22	(9)	(436)
Cash flows from financing activities	23	(1)	8
Change in cash and cash equivalents in the reporting period		<u>(12)</u>	<u>(95)</u>
Cash and cash equivalents at 1 September	24	125	220
Cash and cash equivalents at 31 August	24	<u>113</u>	<u>125</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

**1 Statement of Accounting Policies**

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Grammar School of King Edward VI at Stratford Upon Avon 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.

The balance of reserves at 31 August 2023 is a cumulative deficit of £140,000 (2022: £54,000 deficit), which consists of unrestricted funds of £32,000 (2022:£33,000), restricted prize funds of £168,000 (2022:£181,000), Old Edwardians funds of £26,000 (2022: £Nil), school funds of £19,000 (2022: £Nil) and a deficit on restricted General Annual Grant fund of £385,000 (2022: £268,000 deficit). As some funds are restricted in their use, the Academy Trust therefore has an overall deficit of revenue funds of £140,000 (2022: £54,000 deficit). The Academy Trust has net current liabilities at 31 August 2023 of £324,000 (2022: £246,000 net current liabilities) however this includes £Nil (2022: £2,000) current assets allocated against restricted fixed asset funds. Excluding this gives net current liabilities of £324,000 (2022:£248,000 net current liabilities).

The Governors are aware of the challenges and issues that having low reserves bring. The Governors are reliant on the ongoing funding provided by the Trustees of The Grammar School of King Edward VI School (the "School Charity") each year and the commitment from the School Charity Trustees to provide ongoing and additional funding to support the Academy Trust in continuing to operate as a going concern for the foreseeable future. With the expected increases in funding in future years from the implementation of the new National Funding Formula and increases in pupil numbers, together with the ongoing funding and financial support available from the School Charity, the continued focus on exploring additional income generating opportunities and a continued focus on reviewing key areas of operational expenditure, the Governors are satisfied that the overall financial position of the Academy Trust will improve and that the GAG fund will return to a surplus position over the next 3 to 5 year period. The School Charity have provided a letter of support to the Governors, which indicates that the School Charity will continue to provide ongoing funding and financial support to the Academy Trust to enable it to continue as a going concern for the foreseeable future.

As such, after making appropriate enquiries, the Board of Governors, including all sub-Groups, has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the academy's ability to continue as a going concern. For this reason, the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****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.

**• Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

**• Donated goods, facilities and services (continued)**

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.

**• Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

**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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

- **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.

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 leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Leasehold land - gifted from The Trustees of the Grammar School of King Edward VI	Not depreciated
Leasehold buildings - gifted from The Trustees of the Grammar School of King Edward VI	50 years straight line
Furniture and equipment	2 - 10 years straight line
Computer equipment and software	3 years straight line

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

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

### **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 13. 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 note 14. 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****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. The TPS is a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****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 28, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

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.

**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 cannot use any of the allocation towards its own administration costs. 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 2023 (cont'd)

**2 GENERAL ANNUAL GRANT (GAG)**

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 could carry forward at 31 August 2023 (See note 17).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Donations	219	66	285	141
CIF Grant	-	-	-	(9)
Other ESFA Capital Grants	-	37	37	-
Devolved Formula Capital Grant	-	19	19	19
Private Sponsorship	-	384	384	285
	<u>219</u>	<u>506</u>	<u>725</u>	<u>436</u>

The income from donations and capital grants was £725,000 (2022 : £436,000) of which £219,000 (2022 : £141,000) was unrestricted, £410,000 (2022 : £285,000) restricted and £96,000 (2022 : £10,000) restricted fixed assets.

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	2,475	2,475	2,426
Post 16 core funding	-	1,754	1,754	1,557
Rates relief grant	-	19	19	-
<b>Other DfE/ESFA Grants</b>				
Pupil premium grant	-	12	12	10
School led tutoring grant	-	-	-	2
Teachers pay grant	-	-	-	23
Teachers pension grant	-	65	65	65
Other ESFA revenue grants	-	5	5	-
ESFA supplementary grant	-	118	118	34
	-	<u>4,448</u>	<u>4,448</u>	<u>4,117</u>
<b>Other Government grants</b>				
Pupil premium grant	-	-	-	5
	-	-	-	5
<b>COVID-19 DfE/ESFA additional funding</b>				
COVID recovery premium	-	6	6	7
Other DfE/ESFA COVID-19 funding	-	-	-	19
	-	<u>6</u>	<u>6</u>	<u>26</u>
<b>Other income from the academy trust's educational operations</b>				
	-	27	27	1
	-	<u>27</u>	<u>27</u>	<u>1</u>
	-	<u>4,481</u>	<u>4,481</u>	<u>4,149</u>

The income from the Academy Trusts's Educational Operations was £4,481,000 (2022: £4,149,000) of which £Nil (2022: £1,000) was unrestricted and £4,481,000 (2022: £4,148,000) was restricted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

5 OTHER TRADING ACTIVITIES	Unrestricted	Restricted	Total	Total
	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000
Lettings	58	-	58	38
Other Income	157	-	157	-
	<u>215</u>	<u>-</u>	<u>215</u>	<u>38</u>

The income from the Academy Trusts's other trading activities was unrestricted for both 2023 and 2022.

6 INVESTMENT INCOME	Unrestricted	Restricted	Total	Total
	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000
Other investment income	4	7	11	11
	<u>4</u>	<u>7</u>	<u>11</u>	<u>11</u>

7 EXPENDITURE	Staff Costs £'000	Non Pay Expenditure		As Restated	
		Premises	Other Costs	Total	Total
		£'000	£'000	2023	2022
Expenditure on raising funds					
- Direct costs	-	-	-	-	-
- Allocated support costs	-	-	-	-	-
Academy's educational operations					
- Direct costs	3,406	-	472	3,878	3,611
- Allocated support costs	677	798	474	1,949	1,770
	<u>4,083</u>	<u>798</u>	<u>946</u>	<u>5,827</u>	<u>5,381</u>
	<u>4,083</u>	<u>798</u>	<u>946</u>	<u>5,827</u>	<u>5,381</u>

The expenditure was £5,827,000 (2022 : £5,381,000) of which £Nil (2022 : £1,000) was unrestricted, £5,419,000 (2022 : £4,984,000) restricted and £410,000 (2022 : £396,000) restricted fixed assets.

Net (income)/expenditure for the year includes:	Total	Total
	2023	2022
	£'000	£'000
Operating lease rentals	32	32
Depreciation	410	396
Fees payable to auditor for:		
- audit	9	8
- other services	2	2
	<u>453</u>	<u>428</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

8 CHARITABLE ACTIVITIES	As Restated	
	Total 2023 £'000	Total 2022 £'000
Direct costs - educational operations	3,878	3,611
Support costs - educational operations	1,949	1,770
	<u>5,827</u>	<u>5,381</u>
<b>Analysis of Support Costs</b>		
Support staff costs	677	690
Depreciation	410	396
Premises costs	388	314
Legal costs - other	13	35
Technology costs	4	-
Other support costs	446	325
Governance	11	10
	<u>1,949</u>	<u>1,770</u>
9 STAFF COSTS	2023	2022
a Staff costs during the year were:	£'000	£'000
Wages and salaries	3,051	2,857
Social security costs	298	273
Pension costs	714	776
	<u>4,063</u>	<u>3,906</u>
Agency staff costs	-	-
	<u>4,063</u>	<u>3,906</u>

**b Staff severance contractual and non contractual payments**

No staff restructuring or special severance payments were made in either 2023 or 2022.

**c Special staff severance non contractual payments**

No staff restructuring or special severance payments were made in either 2023 or 2022.

**d Staff numbers**

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2023 expressed as whole persons was as follows:

	2023	2022
<i>Charitable Activities</i>	No	No
Teachers	53	53
Administration and support - including Teaching Assistants	56	50
Management	5	5
	<u>114</u>	<u>108</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**e 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	1
£70,001 - £80,000	2	2
£130,001 - £140,000	1	1

**f Key management personnel**

The key management of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £565,978 (2022 : £545,170).

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

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The headteacher and other staff trustees receive remuneration in respect of their contracts of employment as headteacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

	2023	2022
<b>Mr B Carr</b>		
Remuneration	£135,000 - £140,000	£130,000 - £135,000
Employers pension contributions	£30,000 - £35,000	£25,000 - £30,000
<b>Mr S McCrink</b>		
Remuneration	£60,000 - £65,000	£60,000 - £65,000
Employers pension contributions	£10,000 - £15,000	£10,000 - £15,000
<b>Mr N Treble</b>		
Remuneration	£45,000 - £50,000	£45,000 - £50,000
Employers pension contributions	£10,000 - £15,000	£10,000 - £15,000
<b>Mrs F Roberts</b>		
Remuneration	£15,000 - £20,000	£15,000 - £20,000
Employers pension contributions	£0 - £5,000	£0 - £5,000

During the year ended 31 August 2023, there were no travel, subsistence or other expenses reimbursed to the trustees in their role as governors (2022: none).

Other related party transactions including trustees are set out in note 29.

**11 GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2023 is not separately identifiable. The cost of this insurance is included in the total insurance cost.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 12 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2022	20,517	587	298	21,402
Additions	107	24	6	137
At 31 August 2023	20,624	611	304	21,539
<b>Depreciation</b>				
At 1 September 2022	3,217	309	222	3,748
Charged in year	329	45	36	410
At 31 August 2023	3,546	354	258	4,158
<b>Net book value</b>				
At 31 August 2023	17,078	257	46	17,381
At 31 August 2022	17,300	278	76	17,654

Included in the leasehold property is the Academy Trusts interest in the land, which is carried at a value at 31 August 2023 of £4,113,000 (2022 : £4,113,000) and which is not depreciated.

The freehold of the property occupied by the school is owned by the trustees of the School Charity for the sole use of the school in perpetuity as disclosed in note 29.

## 13 FIXED ASSET INVESTMENTS

	Listed Securities Total £'000
<b>Cost or Valuation</b>	
At 1 September 2022	201
Loss on revaluation	(11)
At 31 August 2023	190
<b>Net book value</b>	
At 31 August 2023	190
At 31 August 2022	201

	2023 £'000	2022 £'000
<b>14 DEBTORS</b>		
Trade debtors	4	6
VAT recoverable	21	39
Other debtors	2	2
Prepayments and accrued income	68	34
	95	81



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>As Restated</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	2	2
Other taxation and social security	74	70
Other creditors	114	132
Salix Loan	1	1
Accruals and deferred income	341	247
	<u>532</u>	<u>452</u>

In 2021 the Trust took out an ESFA approved, interest free Salix loan with an outstanding balance due within 1 year as at 31 August 2023 of £1,052 (2022 : £1,052).

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Deferred Income</b>		
Deferred income at 1 September 2022	147	65
Resources deferred in the year	116	147
Amounts released from previous years	(147)	(65)
Deferred income at 31 August 2023	<u>116</u>	<u>147</u>

Deferred income consists of music fee income and trip income received in advance, which will be utilised during the year ending 31 August 2024.

**16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Creditors include amounts not wholly repayable within 1 year as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Salix loan	<u>6</u>	<u>7</u>

In 2021 the Trust took out an ESFA approved, interest free Salix loan with an outstanding balance due after year 2 as at 31 August 2023 of £5,788 (2022 : £6,840) payable over 8 years.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 17 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2023 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	(268)	4,229	(4,725)	379	(385)
Rates relief grant (note ii)	-	19	(19)	-	-
Pupil premium grant (note iv)	-	12	(12)	-	-
ESFA Supplementary grant (note vi)	-	118	(118)	-	-
Teachers pension (note vi)	-	65	(65)	-	-
Other DfE / ESFA grants - (note vi)	-	11	(11)	-	-
School Trips	-	27	(27)	-	-
Private sector sponsorship (note v)	-	384	(384)	-	-
Old Edwardian's fund	-	26	-	-	26
School Fund	-	-	-	19	19
Prize funds	181	7	(11)	(9)	168
	<b>(87)</b>	<b>4,898</b>	<b>(5,372)</b>	<b>389</b>	<b>(172)</b>
<b>Restricted fixed asset funds</b>					
ESFA capital grants (note vii)	810	56	(39)	-	827
Fixed assets donation (note viii)	16,638	-	(325)	-	16,313
Capital expenditure from GAG (note ix)	-	-	-	-	-
Unrestricted funds transfer (note xii)	86	-	(29)	39	96
Voluntary capital donations (note x)	122	40	(17)	-	145
	<b>17,656</b>	<b>96</b>	<b>(410)</b>	<b>39</b>	<b>17,381</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note xiii)	(113)	-	(45)	128	(30)
	<b>(113)</b>	<b>-</b>	<b>(45)</b>	<b>128</b>	<b>(30)</b>
<b>Total restricted funds</b>	<b>17,456</b>	<b>4,994</b>	<b>(5,827)</b>	<b>556</b>	<b>17,179</b>
<b>Unrestricted funds</b>					
Biddle designated fund	33	1	-	(2)	32
Unrestricted funds (notes xi and xii)	-	437	-	(437)	-
<b>Total unrestricted funds</b>	<b>33</b>	<b>438</b>	<b>-</b>	<b>(439)</b>	<b>32</b>
<b>Total funds</b>	<b>17,489</b>	<b>5,432</b>	<b>(5,827)</b>	<b>117</b>	<b>17,211</b>

The academy trust is carrying a net deficit of £140,000 on restricted general funds (excluding pension reserve) plus unrestricted funds. The academy trust is taking the following action to return these funds to surplus:

The Board notes the School's deficit position has worsened this year and it is already working with management to stabilise the position in 2023/24. This will be done via a rigorous process of minimising non-essential expenditure. From 2024/25 onwards additional revenue from additional students on roll in the Sixth Form will provide extra funding that will allow the budget to further stabilise and for the deficit to be recovered. The Board has an active objective in its current 5-year Strategic Plan to grow the School through an additional form of entry and if this is achieved then greater financial stability will be in place for the long-term future.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****17 FUNDS (cont'd)****Notes**

- i) General Annual Grant must be used for the normal running costs of the School. 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 2023. (see note 2)
- ii) Rates relief grant has been used to pay for rates.
- iii) Pupil Premium catch-up money was used for individual and small-group tuition for year 7 pupils to promote improvements with literacy and numeracy.
- iv) Pupil premium grants have been used to support pupils with learning or behavioural issues by providing teaching and teaching assistant support.
- v) Private sector sponsorship is used on the educational activities of the School.
- vi) Teachers pay, teachers pension and free school meal supplementary grants have been used to improve skills for employment and behaviour in school.
- vii) Devolved formula capital and CIF grant has been used for a new replacement building and a new boiler.
- viii) Restricted fixed assets were funded by government grants, a transfer from General Annual Grant (GAG) and by WCC donating Academy land and buildings on a 125 year lease at a pepper corn rent.
- ix) The gross transfer from the restricted general fund to the restricted fixed asset fund was £Nil for both 2023 and 2022.
- x) Trustee capital donations are used to purchase tangible fixed assets.
- xi) Unrestricted funds have been used on activities to generate funds.
- xii) An unrestricted funds transfer of £39,000 (2022: £32,000) has been used to contribute to the restricted fixed asset fund.
- xiii) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 28).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 17 FUNDS (cont'd)

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

	As Restated Balance at 1 September 2021 £'000	As Restated Incoming Resources £'000	As Restated Resources Expended £'000	Gains, Losses & Transfers £'000	As Restated Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	(265)	3,983	(4,349)	363	(268)
Rates relief grant (note ii)	-	-	-	-	-
Pupil premium grant (note iv)	-	10	(10)	-	-
Teachers pay (note vi)	-	23	(23)	-	-
Teachers pension (note vi)	-	65	(65)	-	-
Other DfE / ESFA grants - (note vi)	-	62	(62)	-	-
Pupil premium - LA (note iv)	-	5	(5)	-	-
Private sector sponsorship (note v)	-	285	(285)	-	-
Prize funds	195	9	(12)	(11)	181
	<u>(70)</u>	<u>4,442</u>	<u>(4,811)</u>	<u>352</u>	<u>(87)</u>
<b>Restricted fixed asset funds</b>					
ESFA capital grants (note vii)	831	10	(31)	-	810
Fixed assets donation (note viii)	16,967	-	(329)	-	16,638
Capital expenditure from GAG (note ix)	-	-	-	-	-
Unrestricted funds transfer (note xii)	81	-	(27)	32	86
Trustee capital funding (note x)	131	-	(9)	-	122
	<u>18,010</u>	<u>10</u>	<u>(396)</u>	<u>32</u>	<u>17,656</u>
<b>Restricted pension scheme liability</b>					
Pension reserve (note xiii)	(1,482)	-	(173)	1,542	(113)
	<u>(1,482)</u>	<u>-</u>	<u>(173)</u>	<u>1,542</u>	<u>(113)</u>
<b>Total restricted funds</b>	<b>16,458</b>	<b>4,452</b>	<b>(5,380)</b>	<b>1,926</b>	<b>17,456</b>
<b>Unrestricted funds</b>					
Biddle designated fund	33	2	(1)	(1)	33
Unrestricted funds (notes xi and xii)	216	180	-	(396)	-
<b>Total unrestricted funds</b>	<b>249</b>	<b>182</b>	<b>(1)</b>	<b>(397)</b>	<b>33</b>
<b>Total funds</b>	<b>16,707</b>	<b>4,634</b>	<b>(5,381)</b>	<b>1,529</b>	<b>17,489</b>

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	17,381	17,381
Fixed asset investments	27	-	163	-	190
Current assets	5	-	203	-	208
Current liabilities	-	-	(532)	-	(532)
Non current liabilities	-	-	(6)	-	(6)
Pension scheme liability	-	(30)	-	-	(30)
	<u>32</u>	<u>(30)</u>	<u>(172)</u>	<u>17,381</u>	<u>17,211</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS (cont'd)

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

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £'000	As Restated		Fixed	As Restated Total £'000
		Pension Restricted Funds £'000	General Restricted Funds £'000	Assets	
				Restricted Funds £'000	
Tangible fixed assets	-	-	-	17,654	17,654
Fixed asset investments	29	-	172	-	201
Current assets	4	-	200	2	206
Current liabilities	-	-	(452)	-	(452)
Non current liabilities	-	-	(7)	-	(7)
Pension scheme liability	-	(113)	-	-	(113)
	<b>33</b>	<b>(113)</b>	<b>(87)</b>	<b>17,656</b>	<b>17,489</b>

## 19 CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

Authorised by trustees, but not yet contracted

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	Nil	Nil
Authorised by trustees, but not yet contracted	Nil	Nil

## 20 COMMITMENTS UNDER OPERATING LEASES

*Operating leases*

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases which expire:

	2023 Other £'000	2022 Other £'000
Operating leases which expire:		
- Within one year	24	32
- Within two to five years	16	40
- After five years	-	-
	<b>40</b>	<b>72</b>

## 21 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	As Restated	
	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(406)	(760)
Adjusted for:		
Depreciation (note 12)	410	396
Capital grants from DfE and other capital income	(56)	(10)
Capital funding received from sponsors and others	(61)	-
Interest receivable (note 6)	(11)	(11)
Defined benefit pension scheme cost less contributions payable (note 28)	39	147
Defined benefit pension scheme finance cost (note 28)	6	26
(Increase)/decrease in debtors	(14)	348
Increase in creditors	80	184
Loss on revaluation of investments	11	13
<b>Net cash (used in)/provided by operating activities</b>	<b>(2)</b>	<b>333</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 22 CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £'000	2022 £'000
Interest received	11	11
Purchase of tangible fixed assets	(137)	(457)
Capital grants from DfE/ESFA	56	10
Capital funding received from sponsors and others	61	-
Receipts from sale of tangible fixed assets	-	-
<b>Net cash used in investing activities</b>	<b>(9)</b>	<b>(436)</b>

## 23 CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowing	(1)	(1)
Interest on borrowing	-	-
Cash inflows from new borrowing	-	9
<b>Net cash provided by financing activities</b>	<b>(1)</b>	<b>8</b>

## 24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2023 £'000	At 31 Aug 2022 £'000
Cash in hand and at bank	113	125
<b>Total cash and cash equivalents</b>	<b>113</b>	<b>125</b>

## 25 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £'000	Cash Flows £'000	At 31 Aug 2023 £'000
Cash at bank	125	(12)	113
	<u>125</u>	<u>(12)</u>	<u>113</u>
Loans within one year	1	-	1
Loans within more than one year	7	(1)	6
	<u>133</u>	<u>(13)</u>	<u>120</u>

## 26 CONTINGENT LIABILITIES

**Disposal of government funded assets**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest 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 academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to :

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy; 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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****26 CONTINGENT LIABILITIES (cont'd)****Harpur v Brazel**

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 the same holiday pay of 5.6 weeks a year as employees who work full time. This will potentially impact any employer with term time employees, zero hours employees or other working arrangements which involve employees being employed for a full year, but working only for part of that year.

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.

**27 MEMBERS' LIABILITY**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**28 PENSION AND SIMILAR OBLIGATIONS**

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

The total pension cost to the Academy during the year ended 31 August 2023 was £714,000 (2022: £776,000) of which £529,000 (2022 : £497,000) relates to the TPS and £185,000 (2022: £279,000) 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 £61,459 were payable to the schemes at 31 August 2023 (2022: £69,595) 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.

**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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- 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 SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth

The next valuation result is due to be implemented from 1 April 2027.

The employers pension costs paid to TPS in the period amounted to £529,000 (2022: £497,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2023 was £178,000 (2022: £135,000) of which employers contributions totalled £140,000 (2022: £106,000) and employees contributions totalled £38,000 (2022: £29,000). The agreed contributions for future years are 23.1% (2022: 23.1%) for employers and an average rate of 5.8% (2022: 5.8%) 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.

**Principal Actuarial Assumptions**

The major assumptions used by the actuary were:

	At 31 August 2023	At 31 August 2022
	% per annum	% per annum
Discount rate	5.2%	4.3%
Salary increases	4.0%	3.9%
Pension increase	3.0%	3.1%

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

	At 31 August 2023	At 31 August 2023	At 31 August 2022	At 31 August 2022
	Approx % Increase to Employers Liability	Approx £'000	Approx % Increase to Employers Liability	Approx £'000
Discount rate reduced by 0.1% per annum	2%	50	2%	51
Assumed pension increased by 0.1% per annum	2%	47	2%	47
Salary growth increased by 0.1% per annum	0%	4	0%	4
Assumed life increased by 1 year	4%	100	4%	93

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

	2023 years	2022 years
Longevity at age 65 retiring today		
- Men	19.7	21.6
- Women	25.2	24.1
Longevity at age 65 retiring in 20 years		
- Men	21.9	22.7
- Women	25.9	25.9

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

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

## Local Government Pension Scheme (cont'd)

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

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equity instruments	1,426	1,326
Bonds	615	596
Property	393	243
Cash	25	44
<b>Total market value of assets</b>	<u>2,458</u>	<u>2,209</u>
<b>Present value of scheme liabilities</b>		
- Funded	(2,458)	(2,209)
- Unfunded	(30)	(113)
<b>Total liabilities</b>	<u>(2,488)</u>	<u>(2,322)</u>
<b>Deficit in the scheme</b>	<u>(30)</u>	<u>(113)</u>

The actual deficit on the scheme assets in the year was £22,000 (2022: £95,000 deficit).

## Amounts recognised in the Statement of Financial Activities

	2023 £'000	2022 £'000
Current service cost	179	253
Interest income	(96)	(37)
Interest cost	102	63
<b>Total amount recognised in the SoFA</b>	<u>185</u>	<u>279</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023	2022
	£'000	£'000
<b>Movement in deficit during the period</b>		
Deficit in the scheme at 1 September 2022	113	1,482
Movement in year:		
- Employer service cost (net of employee contributions)	179	253
- Employer contributions	(140)	(106)
- Expected return on scheme assets	(96)	(37)
- Interest cost	102	63
- Actuarial gain	(128)	(1,542)
<b>Deficit in the scheme at 31 August 2023</b>	<u>30</u>	<u>113</u>

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

	2023	2022
	£'000	£'000
Scheme liabilities at 1 September 2022	2,322	3,703
Current service cost	179	253
Interest cost	102	63
Contributions by scheme participants	38	29
Benefits paid	(61)	(52)
Actuarial gain	(92)	(1,674)
<b>Scheme liabilities at 31 August 2023</b>	<u>2,488</u>	<u>2,322</u>

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

	2023	2022
	£'000	£'000
Fair value of scheme assets at 1 September 2022	2,209	2,221
Expected return on scheme assets	96	37
Actuarial loss	36	(132)
Contributions by employer	140	106
Benefits paid	(61)	(52)
Contributions by scheme participants	38	29
<b>Fair value of scheme assets at 31 August 2023</b>	<u>2,458</u>	<u>2,209</u>

The estimated value of employers contributions for the year ended 31 August 2024 is £141,000 (2023 : £106,000).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****29 RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted 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.

The following related party transactions took place during the year:

The Trustees of The Grammar School of King Edward VI School (established separately under Charity Number 528769) are a related party as they and the Academy Trust share a common Trustee. Mr V G F Matts acts as both a Trustee of the Charity and as a Governor of the Academy Trust. The charity owns the freehold of the land and buildings for the sole use of the Academy Trust in perpetuity. This was recognised in the 2013 financial statements at a valuation of £17,784,000. Depreciation of £273,420 (2022: £273,420) has been charged in the current year.

The School Charity receives monies in the form of a non-discretionary grant from the Stratford Town Trust and transfers a proportion of these monies to the Academy Trust each year as an annual contribution, as specified in note 3 as "Private sponsorship".

Mr V G F Matts is a director of IDPE. The academy paid IDPE £450 for membership in 2022/23 (2022: £Nil) and £Nil was outstanding at 31 August 2023 (31 August 2022: £Nil).

In entering into the transactions the trust has complied with the requirements of the Academy Trust Handbook 2022.

**30 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 2023 the trust received £15,409 (2022: £13,081) and disbursed £7,756 (2022: £13,081) from the fund. An amount of £7,653 (2022: £Nil) is included in other creditors relating to undistributed funds repayable to the ESFA.

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

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

**32 RESTATEMENT OF THE PRIOR YEAR**

Music tuition is paid to Warwickshire County Council in arrears in 3 tranches per annum. This expenditure is recognised evenly over the course of the term to which it relates.

The following errors were identified in the prior year:

- Expenditure of £101,000 relating to 2020/21 was recognised within the SOFA, having not been previously accrued.
- Expenditure of £69,000 relating to 2021/22 was not accrued.

As a result, the following adjustments have been made:

- The brought forward GAG reserve as at 1 September 2021 has been reduced by £101,000.
- Accruals as at 31 August 2022 have been increased by £69,000.
- Direct expenditure for the year ended 31 August 2022 has been reduced by £32,000.