

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 2024

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

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

Mr V G Matts
 Mr J Blann
 Mr K Dhaliwal (to 14/12/23)
 Mr R Drain
 Mr M Evans
 Mrs F Fairbairn
 Mrs J Gallagher
 Dr M Fenton (to 13/6/24)
 Prof N Johnson
 Mr P Maundrill
 Mr I Pavey
 Mrs J Short
 Mr P P Swann

Governors

Mr B Carr (Headmaster and Accounting Officer)
 Mr V G Matts (Chairman)
 Mr J Blann*
 Mr K Dhaliwal* (to 14/12/23)
 Mr R Drain*
 Mr M Evans (Deputy Chairman)
 Mrs F Fairbairn
 Dr M Fenton (to 13/6/24)
 Mrs J Gallagher (Parent Governor)
 Prof N Johnson*
 Mr B Lance (Staff Governor) (from 14/12/23)
 Mr P Maundrill*
 Mr S McCrink (Staff Governor)
 Mr I Pavey (Parent Governor)
 Mrs FJ Roberts* (Staff Governor)
 Mrs J Short
 Mr PP Swann
 Mr N Treble (Staff Governor) (to 14/12/23)
 * members of the Finance and General Purposes Group (see page 6)

Company Secretary

Mr M D Hawley

Senior Leadership Team**Headmaster**

Mr B Carr

Second Master

Mr T M Walton

Deputy Headmaster

Mr S McCrink

Assistant Headmasters

Miss R Biggs, Mr C Dunford, Mr S Temple

Bursar

Mr M D Hawley

Clerk to the Governors

Mrs H Brazier

Responsible Officer

Mr A Baker, Warwickshire County Council

Company Name

The Grammar School of King Edward VI at Stratford-upon-Avon

Company Trading Name

King Edward VI School (K.E.S)

Company Registered Number

07696173 (England and Wales)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, GOVERNORS AND ADVISORS

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

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

The Governors present their report and the audited financial statements of the charitable company for the period 1 September 2023 to 31 August 2024. 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 850 and 871 (2023: 839) pupils enrolled based on the 2024 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 law.

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 Governor).
- **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 2024 (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 members.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (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 3 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 2024 (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 eleventh 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 2023-24 the School has:
 - Embedded and delivered against a five-year Strategic Plan 2023-28
 - Introduced a taught Personal Development curriculum for all students in Years 7 to 13
 - Restructured the Senior Leadership Team to best serve the School's needs and ambition
 - Updated the Safeguarding Policy and deliver staff and governor training in light of changes to 'KCSIE' (2023)

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

- Developed a mutually beneficial partnerships with local secondary schools to share expertise
- To develop the Sixth Form Digital Classroom and Student Laptop Scheme
- Undertaken the installation of an all-weather surface and to modernise of the Pavilion at the Manor Road Sports Ground, due for completion in late 2024
- Continued to make improvements to the accommodation via the rolling programme

Student Achievements and Performance**A Level**

- Students achieved 90.4% A*-B

GCSE

- Students achieved 86.7% A*-A

Music Examinations

- A student was accepted as a member of the second violins of the National Youth Orchestra of Great Britain.
- Thirty-two students achieved Grade 6 or above in the Associated Board of the Royal Schools of Music Examinations.

Duke of Edinburgh Awards

- Duke of Edinburgh Gold Award was achieved by 11 students.
- Duke of Edinburgh Silver Award was achieved by 49 students.
- Duke of Edinburgh Bronze Award was achieved by 49 students.

Arkwright Scholarships

- Arkwright Engineering Scholarships were awarded to 2 students.

Art

- A student qualified for the Grand Final of the national ARTiculation Competition at the British Library, where he was awarded the prize for 2nd place out of 1,400 entries.
- A student reached the national Discover ARTiculation final, hosted by the University of Leeds.

Athletics

- The Year 7 and 8 Athletics teams won the South Warwickshire Indoor Championships to retain their titles from last year and progress to the County Finals.
- A student won Silver at the 300m England Open Indoor Athletics Championships.
- The Year 7 team won the South Warwickshire Multi-Event Championships.
- The Year 8 team came 1st and the Year 9 team came 2nd in the South Warwickshire Schools Super Sixes.

Biology

- Students achieved the following Awards in the Biology Olympiad: 1 Gold, 4 Silver and 8 Bronze.
- The Year 10 team won the Biology Big Quiz at Birmingham University.
- A student won the Peterhouse Kelvin Biological Sciences Essay Competition at the University of Cambridge.

Chemistry

- A team of 4 students won their heat of the Top of the Bench competition at Coventry University and progressed through to Round Two of the competition.
- Four students took part in the national Chemistry Race at the University of Oxford and came 2nd for accuracy out of the 84 teams.
- Students achieved Awards in the Chemistry Challenge: 1 gold, 12 Silver and 8 Bronze.

Computer Science

- Forty-four students achieved a Distinction, equivalent to the top 25% nationally, in the Perse Coding Team Challenge.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**Student Achievements and Performance (cont'd)****Cricket**

- The Under 14s won the Solihull Sixes tournament.

Cross Country

- A student won the Senior Boys event and a student finished 3rd in the Senior Girls event at the South Warwickshire Trials.
- A student came 1st; James Day came 2nd and another came 4th in the Inter Boys event at the South Warwickshire Trials.
- A student came 2nd in the Junior Boys event at the South Warwickshire Trials.
- The Junior and Inter Boys teams each secured 3rd place at the ESAA Cup.
- The Senior Boys team secured 1st place at the ESAA Cup and qualified for the Regional Finals, where they finished in 4th place.
- Five students were selected to represent Warwickshire in their respective age groups.
- A student finished ninth in the National ESAA Cross Country Championship (Under 12).

Debating

- A student came 2nd in The Great Debate Regional Heat.
- The Year 10 team of three students progressed to the regional final round of the English Speaking Union Churchill Public Speaking Competition, where one was awarded Best Questioner.
- A student won the best individual speaker prize in the Senior Competition of the local heat of Rotary Youth Speaks.
- The Intermediate Team of three students won the local heat of Rotary Youth Speaks and went on to receive the runners-up prize at the District Round of the competition.

Drama

- Arts Award Bronze certificates were awarded to 15 students.
- A play by a student entitled The Come Down, was Highly Commended in the National Theatre's 'New Views Playwriting' programme.

Fencing

- A student came 2nd in the Under 17 National Championships and another was placed 3rd.
- Shakespeare's Swords teams won all three age group events at the British School Fencing Team Championships: Under 18, Under 15, Under 13.
- Two students represented Great Britain at the Under 17 European Championships in Italy.
- A student finished in 77th place in the Cadet World Championship.
- Two students earned bronze medals in the Under 14 and Under 12 categories respectively in the British Youth Championships.

Magistrates' Court Mock Trial

- The Year 9 team qualified for the regional final, where a student won the prize for the 'Best Witness' and another won the prize for the best 'Defence Lawyer'.

Mathematics

- Gold Certificates in the Senior Mathematics Challenge were awarded to 27 students.
- Twenty-seven students qualified for the next round, the Senior Kangaroo.
- Four students qualified for the Mathematics Olympiad.
- 222 students achieved Gold, Silver or Bronze level in the Intermediate Mathematical Challenge. 46 students advanced to the Kangaroo round.
- Five students qualified for the Mathematical Olympiad.
- The Year 11 team finished in 2nd place in the junior competition of the International Naboj competition at The Centre for Mathematical Sciences, University of Cambridge. The Year 13 team came 3rd in their event.
- The two Year 10 teams took 1st and 2nd place at the Midlands region Maths Feast.
- In the Junior Maths Challenge 24 students from Years 7 & 8 achieved Bronze, 66 achieved Silver and 75 achieved Gold. 51 students qualified for the second round, The Junior Kangaroo.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**Student Achievements and Performance (cont'd)****Psychology**

- A student was placed 12th nationally and qualified for the second round of the Brain Bee, the Olympiad event for Psychology. Two other students also qualified for the second round.

Public Speaking

- All Twenty-five participating students achieved Distinctions in the LAMDA Gold Award for Public Speaking.
- 37 students achieved LAMDA Bronze Award for Public Speaking, with 36 achieving Distinctions and one a Merit.

Rowing

- The Mixed VIII came fourth in the Schools' Head of the River Race.
- A student won Silver and another Bronze in the 500m at the King's Worcester Indoor Rowing Championships. Two students won Silver in the relay.
- The Boat Club won five medals at the national Ball Cup Regatta at Dorney Lake. The Girls' and Boys' crews both won the Ball Cup Fours for the second year running, with the Boys B crew coming second. A student won a silver medal in the J17 single scull. The Women's J18 4x crew won silver in their race.
- At the Stratford-upon-Avon Regatta, the Boat Club won all four of the events entered, taking 1st place in the Boys and Girls J18 Pairs 2x and J18 4x races.

Rugby

- A student represented Canada in Under 18s in Rugby Sevens at the Commonwealth Youth Games in Trinidad & Tobago.
- Five students were selected for the initial training squad for the Midlands West (formerly Worcester Warriors) Developing Player Programme.
- The U14 Rugby Sevens team won the Cup at the Sibford Sevens Tournament.

School's Challenge

- The Junior Quiz team made it through to the National Finals in London where they came 2nd from a field of approximately 120 schools.
- The Intermediate Quiz Team also made it through to the National Finals in London and came 8th from a field of approximately 120 schools.

Swimming

- A student won Silver in 800m Freestyle at the Warwickshire County Swim Championships.

Triathlon

- A student won the Under 18 category of the Stratford Triathlon.

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;
- 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.

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

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 2024, the balance of the unrestricted and restricted income reserves was a deficit of £281,000 (2023: £140,000 deficit), which is after transfers of £9,000 (2023: £39,000) 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 are also a key performance indicator. [As noted earlier in this report, pupil numbers at the most recent census were 871 (2023: 839). 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

The Governors have prepared the financial statements on the going concern basis. However, they acknowledge that a material uncertainty exists regarding The Grammar school of King Edward VI at Stratford-upon-avon's ability to continue operating as a going concern due to the cumulative GAG deficit of £638,000.

The Governors have carefully reviewed the financial forecasts and taken into account the potential risks and mitigating factors. The Governors are proactively engaged in assessing opportunities to increase the School's capacity to accommodate four forms of entry, and are actively reviewing and refining financial processes to ensure robust governance, transparency and long-term sustainability. Further information is fully detailed in Note 1 to the 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 Academy.

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):

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.

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

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 CO₂ 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) are 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 2024 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.

For the year ended 31 August 2024, the Academy Trust's total income (excluding capital grants was £5,934,000 (2023: £5,336,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £6,087,000 (2023: £5,372,000), resulting in a net deficit before transfer to the fixed assets fund and investment losses for the year of £153,000 (2023: £36,000 deficit).

The balance of reserves at 31 August 2024, excluding the restricted fixed asset funds and LGPS liability fund was a deficit of £281,000 (2023: £140,000 deficit).

The net book value of fixed assets at 31 August 2024 were £17,955,000 (2023: £17,381,000). 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.

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

Included within the Academy's balance sheet at year end is a defined benefit pension scheme. The fair value of the pension plan assets at 31 August 2024 is in excess of the present value of the defined benefit obligations at that date, giving rise to a net surplus of £70,000 (2023: £30,000 deficit). This surplus is recognised in the financial statements only to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust. Further details regarding the LGPS at 31 August 2024 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 financial outturn for the 2023-24 year is summarised by higher than expected pay rises for all staff, continuing high 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 benefits from the support of a separate charitable trust: The Grammar School of King Edward VI at Stratford-upon-Avon (registered charity 528769) and this trust has a sole object: the School. The separate Trust supports the operational budget of the academy with over £300,000 annually and the academy is also able to draw on additional funds if required. In addition to this operational support the Trust retains a significant proportion of its income for investment purposes and these investments, plus the Trust's cash and property portfolio represent the academy's strategic reserve. Nevertheless, the Trust will provide additional funds to the academy from academic year 2024/25 onwards with the intent that over time these funds plus the forecast operating surpluses will enable the academy to attain and sustain working reserves of at least 5% of GAG.

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.

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.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**Principal Risks and Uncertainties (cont'd)***Financial*

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the year, approximately 70% 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 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%.

Percentage of pay bill spent on facility time

Total cost of facility time	£-
Total pay bill	£4,443,000
Percentage of total pay bill spent on facility time	0%

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024 (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 surplus budget is set for 2024/25, 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 has led to higher GAG revenue from 2024/25 onwards and this will help to claw back the deficit currently being borne. Additional funds of £75,000 annually are being provided by the separate Trustee body and the School has been notified that it will be a beneficiary from the Will of a former student in 2025 which is likely to bring £300,000 in unrestricted funds.

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 are also 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 provided by UHY Hacker Young who were reappointed 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 12 December 2024 and signed on its behalf by:



.....
VGF Matts
Chair of Governors

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024**Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that 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:

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

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

Governor	Meeting attended	Out of a possible
Mr P Maundrill	6	6
Mr J Blann	5	6
Mr K Dhaliwal	-	2
Mr R Drain	6	6
Prof. N Johnson	6	6
Mrs F J Roberts	6	6
Mr V G Matts (optional)	6	6
Mr B Carr (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 2023 to 31 August 2024 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 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**The risk and control framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation 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 Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors appointed a Responsible Officer to carry out a programme of internal checks. The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems, with a particular emphasis on compliance with the ATH, in the context that the Academy is a small SAT and likely to remain so for the foreseeable future.

On an annual basis, the reviewer 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.

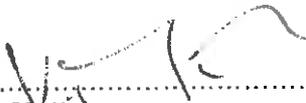
Review of effectiveness

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:

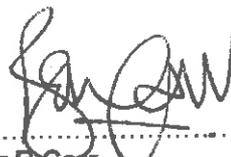
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self assessment process or the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance 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 12 December 2024 and signed on their behalf by:



Mr V G Matts
Chair of Governors



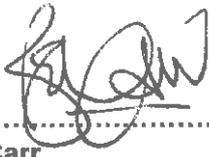
Mr B Carr
Accounting Officer

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

As Accounting Officer of The Grammar School Of King Edward VI At Stratford-Upon-Avon, I have considered my responsibility to notify the board of trustees and the Education Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement, between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibility for estates safety and management.

I confirm that I and the academy trust board of 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 2023 including responsibilities for estates safety and management.

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



.....
B Carr
Accounting Officer
12 December 2024

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

The 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 Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Trust will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 12 December 2024 and signed on its behalf by:



.....
V G Matts
Chair of Trustees

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 2024**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the The Grammar School Of King Edward VI At Stratford-Upon-Avon's affairs as at 31 August 2024 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024

Emphasis of Matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Statement of Accounting Policies on page 31 concerning the charitable company's ability to continue as a going concern. The charitable company is reliant on support from the charity 'The trustee's of the Grammar School of King Edward VI in Stratford upon Avon'. The GAG deficit of £638,000 and the annual support of £400,000 is greater than the net current assets held by the charity in the last set of publicly available financial statements.

This financial position, together with the other matters set out in the Statement of Accounting Policies, indicates the existence of a material uncertainty which may cast significant doubt on the charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charitable company was unable to continue as a going concern.

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.

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 2024 (cont'd)**Other information**

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 21, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the The Grammar School Of King Edward VI At Stratford-Upon-Avons ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)

Based on our understanding of the 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 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 2023 to 2024. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the The Grammar School Of King Edward VI At Stratford-Upon-Avon's net income for the year.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**Use of our report**

This report is made solely to the 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 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 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 The Grammar School Of King Edward VI At Stratford-Upon-Avon's and the 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

12 December 2024

INDEPENDENT REPORTING ACCOUNTANT'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 2024

In accordance with the terms of our engagement letter dated 27 June 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2023 to 2024 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the The Grammar School Of King Edward VI At Stratford-Upon-Avon during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the 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 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 The Grammar School Of King Edward VI At Stratford-Upon-Avon's funding agreement with the Secretary of State for Education dated 1 July 2013, and the Academy Trust Handbook extant from 1 September 2023 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2023 to 2024. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the The Grammar School Of King Edward VI At Stratford-Upon-Avon's general activities are within the multi academy trusts framework of authorities;
- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GRAMMAR SCHOOL OF KING EDWARD VI AT STRATFORD-UPON-AVON AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2024 (cont'd)**Approach (cont'd)**

- Review of the general control environment for the The Grammar School Of King Edward VI At Stratford-Upon-Avon on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the multi academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the multi academy trust's delegated authorities;
- Formal representations obtained from the board of directors 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 directors;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or directors; and
- Review of income received in accordance with the activities permitted within the multi academy trust's charitable objectives.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

UHY Hacker Young (Birmingham) LLP

9-11 Vittoria Street

Birmingham

B1 3ND

12 December 2024

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

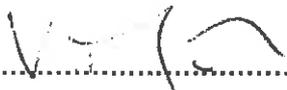
		Unrestricted	Restricted	Restricted		
	Note	Funds	General	Fixed	Total	Total
		£'000	Funds	Asset	2024	2023
		£'000	£'000	Funds	£'000	£'000
Income from:						
Donations and capital grants	3	257	611	971	1,839	725
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	4,866	-	4,866	4,481
Other trading activities	5	183	-	-	183	215
Investment income	6	7	10	-	17	11
Total		447	5,487	971	6,905	5,432
Expenditure on:						
Raising funds	7	-	-	-	-	-
Charitable activities:						
- Academy trust's educational operations	7	-	6,077	406	6,483	5,827
Total		-	6,077	406	6,483	5,827
Net income/(expenditure)		447	(590)	565	422	(395)
Transfers between funds	17	(442)	436	6	-	-
Other recognised gains and losses						
Net gains/(losses) on fixed asset investments		-	18	3	21	(11)
Actuarial gain on defined benefit pension schemes	28	-	90	-	90	128
Asset ceiling	28	-	(70)	-	(70)	-
Net movement in funds		5	(46)	574	463	(278)
Reconciliation of funds						
Total funds brought forward	17	32	(202)	17,381	17,211	17,489
Total funds carried forward	17	37	(248)	17,955	17,674	17,211

All of the The Grammar School Of King Edward Vi At Stratford-Upon-Avon's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible assets	12	17,955	17,381
Fixed asset investment	13	211	190
		<u>18,166</u>	<u>17,571</u>
Current assets			
Debtors	14	137	95
Cash at bank and in hand		101	113
		<u>238</u>	<u>208</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	(725)	(532)
Net current liabilities		<u>(487)</u>	<u>(324)</u>
Total assets less current liabilities		17,679	17,247
Creditors: Amounts falling due after more than one year	16	(5)	(6)
Net assets excluding pension liability		<u>17,674</u>	<u>17,241</u>
Defined benefit pension scheme liability	28	-	(30)
Total Net Assets		<u><u>17,674</u></u>	<u><u>17,211</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	17	17,955	17,381
- Restricted income fund	17	(318)	(172)
- Pension reserve	17	-	(30)
Total Restricted Funds		<u>17,637</u>	<u>17,179</u>
Unrestricted income fund	17	<u>37</u>	<u>32</u>
Total Unrestricted Funds		<u>37</u>	<u>32</u>
Total Funds		<u><u>17,674</u></u>	<u><u>17,211</u></u>

The financial statements on pages 28 to 51 were approved by the Governors and authorised for issue on 12 December 2024 and signed on their behalf by:

.....

V G Matts
Chair

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(19)	19
Cash flows from investing activities	22	8	(30)
Cash flows from financing activities	23	(1)	(1)
Change in cash and cash equivalents in the reporting period		<u>(12)</u>	<u>(12)</u>
Cash and cash equivalents at 1 September	24	113	125
Cash and cash equivalents at 31 August	24	<u>101</u>	<u>113</u>

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 2023 to 2024 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.

Material uncertainty relating to 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 there are material uncertainties about the Academy Trust's ability to continue as a going concern.

The balance of revenue reserves at 31 August 2024 is a cumulative deficit of £281,000 (2023: £140,000 deficit), which consists of unrestricted funds of £37,000 (2023:£32,000), restricted prize funds of £185,000 (2023:£168,000), Old Edwardians funds of £19,000 (2023: £26,000), school funds of £19,000 (2023: £19,000), Nick Collins Fund of £97,000, (2023: £Nil) and a deficit on restricted General Annual Grant fund of £638,000 (2023: £385,000 deficit). As some funds are restricted in their use, the Academy Trust therefore has an overall deficit of revenue funds of £281,000 (2023: £140,000 deficit). The Academy Trust has net current liabilities at 31 August 2024 of £487,000 (2023: £324,000 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 support the operations for the foreseeable future.

The Governors have carefully reviewed the financial forecasts and taken into account the potential risks and mitigating factors. The Governors are proactively engaged in assessing opportunities to increase the School's capacity to accommodate four forms of entry and ensure longer-term financial sustainability for the future. To strengthen the School's financial management, a School Business Manager has recently been appointed to focus on refining financial processes, improving financial reporting and supporting strategic decision moving forwards. This appointment reflects the Governors' commitment to enhancing financial oversight and ensuring that the School operates effectively while maintaining a focus on delivering high-quality education.

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

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

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.

- **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.

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.

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 2022 has been used by the actuary in valuing the pensions liability at 31 March 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

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

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.

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 2024 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the The Grammar School Of King Edward Vi At Stratford-Upon-Avon was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024 (see note 17).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Devolved formula capital grant	-	19	19	19
Other ESFA capital grants	-	-	-	37
Private sponsorship (capital)	-	952	952	40
Private sponsorship	-	514	514	344
Donations	257	97	354	285
	257	1,582	1,839	725

The income from donations and capital grants was £1,839,000 (2023: £725,000) of which £257,000 (2023: £219,000) was unrestricted, £611,000 (2023: £410,000) restricted and £971,000 (2023: £96,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	2,555	2,555	2,475
Post 16-19 core grant	-	2,017	2,017	1,754
Rates relief grant	-	26	26	19
Other DfE/ESFA grants				
Pupil premium grant	-	13	13	12
Teachers pay grant	-	44	44	-
Teachers pension grant	-	112	112	65
Supplementary grant	-	-	-	118
Mainstream additional schools grant	-	86	86	-
Other DfE/ESFA grants	-	5	5	11
	-	4,858	4,858	4,454
Other Government grants				
Future careers - WCC	-	8	8	-
	-	8	8	-
Other income from the academy trust's educational operations:				
Other income	-	-	-	27
	-	-	-	27
	-	4,866	4,866	4,481

The income from funding for the Academy Trust's Charitable Activities was £4,866,000 (2023: £4,481,000) of which £Nil (2023: £Nil) was unrestricted and £4,866,000 (2023: £4,481,000) restricted.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Hire of facilities	68	-	68	58
Other income	115	-	115	157
	183	-	183	215

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

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

6 INVESTMENT INCOME	Unrestricted	Restricted	Total	Total	
	Funds	Funds	2024	2023	
	£'000	£'000	£'000	£'000	
Other investment income	7	10	17	11	
	<u>7</u>	<u>10</u>	<u>17</u>	<u>11</u>	
7 EXPENDITURE	Staff Costs	Non Pay Expenditure		Total	Total
	£'000	Premises	Other Costs	2024	2023
Expenditure on raising funds	£'000	£'000	£'000	£'000	£'000
- Direct costs	-	-	-	-	-
- Allocated support costs	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Academy's educational operations					
- Direct costs	3,750	-	688	4,438	3,878
- Allocated support costs	693	872	480	2,045	1,949
	<u>4,443</u>	<u>872</u>	<u>1,168</u>	<u>6,483</u>	<u>5,827</u>
	<u>4,443</u>	<u>872</u>	<u>1,168</u>	<u>6,483</u>	<u>5,827</u>

The expenditure was £6,483,000 (2023: £5,827,000) of which £Nil (2023: £Nil) was unrestricted, £6,077,000 (2023: £5,417,000) restricted and £406,000 (2023: £410,000) restricted fixed assets.

	2024	2023
	£'000	£'000
Net (income)/expenditure for the year includes:		
Operating leases rentals	31	32
Depreciation	406	410
Fees payable to auditor for:		
- audit	10	9
- other services	4	2
	<u>4</u>	<u>2</u>

8 CHARITABLE ACTIVITIES	Total	Total
	2024	2023
	£'000	£'000
Direct costs - educational operations	4,438	3,878
Support costs - educational operations	2,045	1,949
	<u>6,483</u>	<u>5,827</u>
	Total	Total
	2024	2023
	£'000	£'000
Analysis of Support Costs		
Support staff costs	693	677
Depreciation	406	410
Technology costs	-	4
Premises costs	466	388
Legal costs - other	10	13
Other support costs	456	446
Governance costs	14	11
	<u>2,045</u>	<u>1,949</u>

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

9 STAFF COSTS	Total	Total
a Staff costs and employee benefits	2024	2023
Staff costs during the year were:	£'000	£'000
Wages and salaries	3,334	3,051
Social security costs	338	298
Pension costs	771	714
Other employee benefits	-	-
	<u>4,443</u>	<u>4,063</u>
Agency staff costs	-	-
Staff restructuring costs	-	-
	<u>4,443</u>	<u>4,063</u>

b Staff severance contractual and non contractual payments

The academy trust paid no severance payments in the year (2023: £nil)

c Special staff severance non contractual payments

Included in staff restructuring costs there are no non statutory/non contractual special severance payments (2023: £nil).

d Staff numbers

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

	2024	2023
	No	No
Charitable Activities		
Teachers	49	53
Administration and support - including Teaching Assistants	54	56
Management	7	5
	<u>110</u>	<u>114</u>

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	4	2
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

f Key management personnel

The key management of the academy trust comprise the Governors and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £761,486 (2023: £565,978).

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

10 RELATED PARTY TRANSACTIONS – GOVERNORS' REMUNERATION AND EXPENSES

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

	2024	2023
Mr B Carr		
Remuneration	£140,001 - £150,000	£135,000 - £140,000
Employers pension	£30,000 - £35,000	£30,000 - £35,000
Mr S McCrink		
Remuneration	£70,001 - £80,000	£60,000 - £65,000
Employers pension	£15,000 - £20,000	£10,000 - £15,000
Mr B Lanoe		
Remuneration	£45,000 - £50,000	£Nil
Employers pension	£10,000 - £15,000	£Nil
Mr N Treble		
Remuneration	£Nil	£45,000 - £50,000
Employers pension	£Nil	£10,000 - £15,000
Mrs F Roberts		
Remuneration	£25,000 - £30,000	£15,000 - £20,000
Employers pension	£5,000 - £10,000	£0 - £5,000

During the year ended 31 August 2024, there were no travel, subsistence or other expenses reimbursed to the governors in their role as governors (2023: none)

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

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £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.

12 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings	Furniture & Equipment	Computer Equipment	Assets Under Construction	Total
Cost	£'000	£'000	£'000	£'000	£'000
At 1 September 2023	20,624	611	304	-	21,539
Additions	-	-	28	952	980
At 31 August 2024	20,624	611	332	952	22,519
Depreciation					
At 1 September 2023	3,546	354	258	-	4,158
Charged in year	324	45	37	-	406
At 31 August 2024	3,870	399	295	-	4,564
Net book value					
At 31 August 2024	16,754	212	37	952	17,955
At 31 August 2023	17,078	257	46	-	17,381

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

	2024	2023
	£'000	£'000
13 FIXED ASSET INVESTMENT		
Cost or Valuation		
At 1 September	190	201
Gain / (Loss) on revaluation	21	(11)
At 31 August	<u>211</u>	<u>190</u>
Net book value		
At 31 August 2024		<u>211</u>
At 31 August 2023		<u>190</u>
	2024	2023
	£'000	£'000
14 DEBTORS		
Trade debtors	3	4
VAT recoverable	89	21
Prepayments and accrued income	45	68
Other debtors	-	2
	<u>137</u>	<u>95</u>
15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2024	2023
	£'000	£'000
Trade creditors	47	2
Other creditors	151	114
Salix loans	1	1
Taxation & social security	77	74
Accruals	289	225
Deferred income	160	116
	<u>725</u>	<u>532</u>
Deferred Income		
Deferred income at 1 September	116	147
Resources deferred in the year	160	116
Amounts recognised as income during the year	(116)	(147)
Deferred income at 31 August	<u>160</u>	<u>116</u>
Deferred income consists of music fee income and trip income received in advance, which will be utilised in the year ending 31 August 2025.		
16 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR		
	2024	2023
	£'000	£'000
Salix loans	5	6
	<u>5</u>	<u>6</u>

In 2021 the Trust took out an ESFA approved, interest free Salix loan with an outstanding balance due after year 3 as at 31 August 2024 of £5,788 (2023: £6,840) payable over 8 years.

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

17 FUNDS

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

	Balance at 1 September 2023 £'000	Incoming Resources Resources £'000	Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2024 £'000
Restricted general funds					
General annual grant (GAG) (note i)	(385)	2,555	(3,244)	436	(638)
Post 16 core funding (note i)	-	2,017	(2,017)	-	-
Rates relief grant (note ii)	-	26	(26)	-	-
Pupil premium grant (note iv)	-	13	(13)	-	-
Mainstream schools additional grant (note vi)	-	86	(86)	-	-
Teachers pension (note vi)	-	112	(112)	-	-
Teachers pay grant (note vi)	-	44	(44)	-	-
Other DfE / ESFA grants - (note vi)	-	5	(5)	-	-
Future careers - WCC	-	8	(8)	-	-
Private sector sponsorship (note v)	-	514	(514)	-	-
Nick Collins Fund	-	97	-	-	97
Old Edwardian's fund	26	-	(7)	-	19
School Fund	19	-	-	-	19
Prize funds	168	10	(11)	18	185
Total general funds	(172)	5,487	(6,087)	454	(318)
Restricted fixed asset funds					
ESFA capital grants (note vii)	827	19	(23)	-	823
Fixed assets donation (note viii)	16,313	-	(335)	-	15,978
Unrestricted funds transfer (note xii)	96	-	(31)	9	74
Voluntary capital donations (note x)	145	952	(17)	-	1,080
Total fixed asset funds	17,381	971	(406)	9	17,955
Restricted pension scheme liability					
Pension reserve (note xiii)	(30)	-	10	20	-
	(30)	-	10	20	-
Total restricted funds	17,179	6,458	(6,483)	483	17,637
Unrestricted funds					
Biddle designated fund	32	2	-	3	37
Unrestricted funds (notes xi and xii)	-	445	-	(445)	-
Total unrestricted funds	32	447	-	(442)	37
Total funds	17,211	6,905	(6,483)	41	17,674

The academy trust is carrying a net deficit of £281,000 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 2024/25. 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 more quickly. Further growth in 2024/25 will further accelerate this process in 2025/26. 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. The Academy was notified in June 2024 that it is the beneficiary in the Will of a former student and will bequest a donation of unrestricted funds estimated at £300,000 in mid-late 2025.

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 2024. (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 2024 and 2023.
- 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 £9,000 (2023: £39,000) 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).

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

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

17 FUNDS (cont'd)

	Balance at 1 September 2022 £'000	Incoming Resources Resources £'000	Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
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
Total general funds	(87)	4,898	(5,372)	389	(172)
Restricted fixed asset funds					
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
Total fixed asset funds	17,656	96	(410)	39	17,381
Restricted pension scheme liability					
Pension reserve (note xiii)	(113)	-	(45)	128	(30)
	(113)	-	(45)	128	(30)
Total restricted funds	17,456	4,994	5,827	556	17,179
Unrestricted funds					
Biddle designated fund	33	1	-	(2)	32
Unrestricted funds (note ix)	-	437	-	(437)	-
Total unrestricted funds	33	438	-	(439)	32
Total funds	17,489	5,432	(5,827)	117	17,211

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2024 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	17,955	17,955
Fixed asset investment	34	-	177	-	211
Current assets	3	-	235	-	238
Current liabilities	-	-	(725)	-	(725)
Non current liabilities	-	-	(5)	-	(5)
Pension scheme liability	-	-	-	-	-
	37	-	318	17,955	17,674

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

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)
	32	(30)	(172)	17,381	17,211

19 CAPITAL COMMITMENTS

	2024 £'000	2023 £'000
Contracted for, but not provided in the financial statements	449	-

20 LONG TERM COMMITMENTS INCLUDING OPERATING LEASES**Operating leases**

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

	2024 Other £'000	2023 Other £'000
Amounts due within one year	16	24
Amounts due between one and five years	6	16
Amounts due more than five years	-	-
	22	40

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

	2024 £'000	2023 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	422	(395)
Adjusted for:		
Depreciation (note 12)	406	410
Capital grants from DfE and other capital income	(971)	(96)
Interest receivable	(17)	(11)
Defined benefit pension scheme cost less contributions payable (note 28)	(11)	39
Defined benefit pension scheme finance cost (note 28)	1	6
Increase in debtors	(42)	(14)
Increase in creditors	193	80
Net cash (used in)/provided by operating activities	(19)	19

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

22 CASH FLOWS FROM INVESTING	2024	2023	
	£'000	£'000	
Interest received	17	11	
Purchase of tangible fixed assets	(980)	(137)	
Capital grants from DfE/ESFA, sponsors and others	971	96	
Net cash provided by/(used in) investing activities	8	(30)	
23 CASH FLOWS FROM FINANCING ACTIVITIES	2024	2023	
	£'000	£'000	
Repayments of borrowing	(1)	(1)	
Cash inflows from new borrowing	-	-	
Net cash used in financing activities	(1)	(1)	
24 ANALYSIS OF CASH AND CASH EQUIVALENTS	At 31 Aug	At 31	
	2024	2023	
	£'000	£'000	
Cash in hand and at bank	101	113	
Total cash and cash equivalents	101	113	
25 ANALYSIS OF CHANGES IN NET DEBT		At 31	
	At 1 Sept	Cash	Aug
	2023	Flows	2024
	£'000	£'000	£'000
Cash at bank	113	(12)	101
Overdraft	-	-	-
	113	(12)	101
Loans within one year	(1)	-	(1)
Loans within more than one year	(6)	1	(5)
	106	(11)	95

26 CONTINGENT LIABILITIES

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

Upon termination of the funding agreement, whether as a result of the Secretary of State or the The Grammar School Of King Edward VI At Stratford-Upon-Avon serving notice, the The Grammar School Of King Edward VI At Stratford-Upon-Avon is obliged to repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the The Grammar School Of King Edward VI At Stratford-Upon-Avon's sites and premises and other assets held for the purpose of the The Grammar School Of King Edward VI At Stratford-Upon-Avon; 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.

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 MEMBER LIABILITY

Each member of the The Grammar School Of King Edward VI At Stratford-Upon-Avon undertakes to contribute to it's assets in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

28 PENSION AND SIMILAR OBLIGATIONS

The Grammar School Of King Edward VI At Stratford-Upon-Avon'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 Pension Fund. Both are defined multi employer benefit schemes.

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

The total pension cost to the Academy during the year ended 31 August 2024 was £771,000 (2023: £714,000) of which £633,000 (2023: £529,000) relates to the TPS and £138,000 (2023: £185,000) 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 £77,840 were payable to the schemes at 31 August 2024 (2023 : £61,459) 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 ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

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

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

The employer's costs paid to TPS in the period amounted to £633,000 (2023: £529,000).

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2024 was £188,000 (2023: £178,000) of which employers contributions totalled £148,000 (2023: £140,000) and employees contributions totalled £40,000 (2023: £38,000).

The agreed contributions for future years is an average of 21.1% (2023: 21.1%) for employers and a minimum of 5.5% to 7.5% (2023: 5.5% to 7.5%) 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:

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

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

	At 31	At 31
	August	August
	2024	2023
	Approx	Approx
	Change to	Change to
	Employers	Employers
	Liability	Liability
	£'000	£'000
Discount rate reduced by 0.1% per annum	53	50
Salary increase rate increased by 0.1%	2	4
Assumed life increased by 1 year	109	100
Pension increase rate increased by 0.1%	52	47

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

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

The mortality assumptions used were as follows:

	At 31 August 2024 years	At 31 August 2023 years
Longevity at age 65		
- Men	19.6	19.7
- Women	25.1	25.2
Longevity at age 65		
- Men	21.8	21.9
- Women	25.9	25.9

The Grammar School Of King Edward VI At Stratford-Upon-Avon's share of the assets in the scheme were

	Fair value at 31 August 2024 £'000	Fair value at 31 August 2023 £'000
Equity instruments	1,365	1,425
Debt instruments	836	615
Property	557	393
Cash and other liquid assets	28	25
Asset ceiling	(70)	-
Total market value of assets	2,716	2,458
Present value of scheme liabilities:		
- Funded	2,716	2,458
- Unfunded	-	30
Total liabilities	2,716	2,488
Deficit in the scheme	-	(30)

The actual return on the scheme assets in the year was a surplus of £218,000 (2023: £22,000 deficit).

Amounts recognised in the Statement of Financial Activities:

	2024 £'000	2023 £'000
Current service cost	137	179
Interest income	(131)	(96)
Interest cost	132	102
Total amount recognised in the SoFA	138	185

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

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2024	2023
	£'000	£'000
Changes in deficit during the year:		
Balance at 1 September	30	113
Movement in year:		
- Employer service cost (net of employee contributions)	137	179
- Employer contributions	(148)	(140)
- Expected return on scheme assets	(131)	(96)
- Interest cost	132	102
- Asset ceiling	70	-
- Actuarial gains	(90)	(128)
Deficit in the scheme at 31 August	<u>-</u>	<u>30</u>

	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations were as follows:		
Balance at 1 September	2,488	2,322
Current service cost	137	179
Interest cost	132	102
Contributions by scheme participants	40	38
Benefits paid	(78)	(61)
Actuarial gains	(3)	(92)
Scheme liabilities at 31 August	<u>2,716</u>	<u>2,488</u>

	2024	2023
	£'000	£'000
Changes in the fair value of the share of scheme assets:		
Balance at 1 September	2,458	2,209
Expected return on scheme assets	131	96
Actuarial gains	87	36
Contributions by employer	148	140
Benefits paid	(78)	(61)
Contributions by scheme participants	40	38
Asset ceiling	(70)	-
Fair value of scheme assets at 31 August	<u>2,716</u>	<u>2,458</u>

The estimated value of employer contributions for the year ended 31 August 2025 is £148,000 (2024: £141,000).

The fair value of the pension plan assets at 31 August 2024 is in excess of the present value of the defined benefit obligations at that date, giving rise to a net surplus of £70,000 (2023: £Nil). This surplus is recognised in the financial statements only to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

The academy trust is not able to determine that future contributions will be reduced and it is not possible for the academy trust to receive a refund from the scheme, as the specific conditions for this have not been met. Therefore an asset ceiling is in place such that the surplus of £70,000 (2023: £Nil) is not recognised as an asset at 31 August 2024 and the net asset/liability recognised in the financial statements is capped at £Nil.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (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 Governors 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 (2023: £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 £475 for membership in 2023/24 (2024: £450) and £Nil was outstanding at 31 August 2024 (31 August 2023: £Nil).

In entering into the transactions the trust has complied with the requirements of the Academy Trust Handbook 2023.

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 2024 the trust received £20,876 (2023: £15,409) and disbursed £9,890 (2023: £7,756) from the fund. An amount of £18,639 (2023: £7,653) is included in other creditors relating to the undistributed funds that is 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.