
ALCESTER ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

ALCESTER ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr M Dean Mrs F Williams Mrs G Forman (resigned 24 August 2023) Mr A Lewis Mr T Harrison (appointed 12 September 2023) Mrs C Hodgetts (appointed 12 September 2023)
Trustees	Mr M Dean, Chair of Trustees Mrs S Mellors, Head Teacher Miss K Buckthorp Mrs C Hodgetts Mrs A Grant (resigned 25 July 2023) Mrs S Wright Mrs G Forman (resigned 24 August 2023) Mr D Plumb Mr T Harrison Mrs L Horne (resigned 24 April 2023) Mrs J Clarke Mrs W Woodman (appointed 7 September 2023) Mr A Lewis Mrs F Williams Mr D Paterson (resigned 13 September 2022) Mr G Brown (appointed 8 November 2023) Mr M Brown (appointed 8 November 2023)
Company registered number	07700251
Company name	Alcester Academy
Principal and registered office	Gerard Road Alcester Warwickshire B49 6QQ
Company secretary	Ms S Bell
Chief financial officer	Mrs C Haynes
Senior leadership team	Mrs S Mellors, Head Teacher Mrs W Woodman, Director of Studies (resigned 31 August 2023) Miss K Buckthorp, Assistant Head Teacher Mr N Cooke, Deputy Head Teacher Miss C McKenzie, Assistant Head Teacher (appointed 1 September 2023)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 158 Edmund Street Birmingham West Midlands B3 2HB
Bankers	Lloyds Bank 22 Bridge Street Stratford upon Avon CV37 6AG
Solicitors	Harrison Clark Rickerbys Limited Overross House Ross park Ross-on-Wye HR9 7US

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the Financial Statements and Auditor's report of the Charitable Company for the 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in South Warwickshire. It has a pupil capacity of 650 and currently has 642 on roll.

The principal object of the academy is:

- a) to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- b) to promote for the benefit of individuals living in South Warwickshire and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

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 Trustees of Alcester Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as Alcester Academy.

Details of the Trustees who served throughout the period from 1 September 2022 to 31 August 2023 are included in the Reference and Administrative Details on page 1.

Members' Liability

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

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education.

The members of the Company are the signatories to the Memorandum, any person appointed by the Secretary of State, the chairman of the Trustees, and any person appointed under Article 16.

Trustees' Indemnities

The structure of the Academy consists of a Board of Trustees (who act as the Trustees for the charitable activities of Alcester Academy) and who are also the Directors of the academy for the purposes of the Company. The Academy has insurance to cover Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Method of Recruitment and Appointment or Election of Trustees

Governors are recruited via a number of ways to include:

- Advertisements in school circulars to parents, and on the Warwickshire Governor Services notices; and
- Networking via existing Governors.

All potential new Governors are expected to meet with the Chair and the Accounting Officer before being appointed in order that the details of this commitment can be discussed and the skill set ascertained

Policies and Procedures Adopted for the Induction and Training of Trustees

Key considerations for appointment of Trustees include personal experience, professional and specialist skills. New Trustees undertake induction to the workings of the academy. Training is offered to all Trustees and is provided through a number of sources. Trustees, with the exception of the Head Teacher, are appointed for a four year term. At the end of this period, they can offer themselves either for re appointment or re-election as appropriate.

Organisational Structure

The strategic management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The governing body comprises:

- Up to 1 Trustee appointed under article 50;
- Up to 1 LA Trustee if appointed under article 51;
- 7 Parent Trustees appointed under articles 53 and 58;
- Up to 3 Staff Trustees appointed under article 58a, not including the Head Teacher;
- Up to 6 Community Trustees, if appointed under articles 58b;
- Any additional Trustees, if appointed under articles 62, 62a or 68a;
- The Head Teacher by virtue of office; and
- Any further Trustees, if appointed under articles 63 or 68a.

The Academy may also have any co-opted Trustees appointed under article 59.

The Board of Trustees met 7 times this year. The Finance Committee and Risk and Audit Committee (FR&A) are sub-groups who met 6 times this year. The other permanent sub-committees are Quality of Education / HR and Behaviour and Attendance (B+A).

Most members of the Board of Trustees are on one of the standing committees, and the Head Teacher and Chairman are ex officio members of all Committees.

Terms of reference exist for each committee and are reviewed annually.

Trustees

Committee Membership as at 31 August 2023

Miss K Buckthorp	B+A
Mr M Dean	Ex officio on all committees
Mrs C Hodgetts (link DSEN&CP)	B+A, Quality of Education / HR
Mrs F Williams	B+A (Chair), Quality of Education / HR
Mr A Lewis	Quality of Education / HR
Mrs S Wright	B+A, Quality of Education / HR
Mr D Plumb	Quality of Education / HR

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Mr T Harrison	FR&A (Finance Chair), B+A
Mrs J Clarke	B+A
Mrs S Mellors	All Committees

Committees

FR&A: Finance, Risk and Audit, Quality of Education / HR Human Resources; B+A: Behaviour and Attendance.

The operational running of the Academy is the responsibility of the Head Teacher and her Senior Leadership Team (SLT). The Head sits on all Trustee Committees; she is responsible to the Board of Trustees and reports to them regularly.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

No member of the Board of Trustees received any remuneration in respect of their trustee duties during the year ended 31 August 2023. Mrs Mellors, Miss Buckthorp and Mrs Clarke were remunerated as employees of Alcester Academy.

All staff receive annual pay reviews following their performance management assessment. The leadership team's salaries are reviewed and approved by both the Finance committee and the HR and quality of education committee during the first Autumn term meeting of these Committees.

The performance of the Head Teacher is reviewed annually by the trustees who have this responsibility delegated to them by the Full Governing Body. The trustees are supported in this role by the challenge advisor who is independent and whose services are paid for. Following the Head Teacher's Performance review the trustees will review the Head Teacher's pay and will recommend any changes to the Full Governing Body, which is then subsequently approved or rejected.

Related Parties and Other Connected Charities and Organisations

A review of business and pecuniary interests took place in September 2023. Governors are asked at the beginning of every meeting if they have any business and pecuniary interest changes to declare. To view the business and pecuniary interests register, visit Governors' Information and Duties on the Academy's website.

Trade Union Facility Time

Information, as it applies to the Academy Trust, is included below to satisfy requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 for the period from 1 April 2022 to 31 March 2023 (the relevant period).

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Risk Management Arrangements

The Board of Trustees is responsible for the management of the risks faced by the academy. The academy has in place a formal risk management process to assess risks. The risk register is reported to the Board of Trustees at least annually so that they can be satisfied that there are systems in place to remove or mitigate any exposure to those risks.

A formal review of the risk management process is undertaken on an annual basis and key controls in place include:

- Formal agendas for all committee activity;
- Terms of reference for all governing body and delegated committees under the direction of the governing body;
- Pecuniary interests of Trustees reviewed at each meeting;
- Comprehensive budgeting and management reporting;
- Established organisational structure and clear lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

The Trustees carried out their last review in September 2023. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Achievements and Performance including Key Performance Indicators

The performance of the Academy is monitored against the aims and objectives. This is carried out initially by the Head Teacher and the SLT, but at a higher level monitoring and governance is exercised by the Trustee sub committees and the Board of Trustees.

There are a number of performance measures and key performance indicators which are used in the school and they form an important part of the management reporting framework. They are used to enable the SLT and various trustee sub committees to actively monitor performance and take corrective action. They mainly cover the pupils, teaching staff and the schools finances; academic indicators for example track the exam attainment of the pupils within the school and also against external league tables; the progress of the pupils, particularly those with SEND (Special Educational Needs and Disability) and those for whom Pupil Premium is received, also the number of students leavers on the NEET register (Not in Employment, Education or Training).

Teaching staff have annual performance appraisals linked to pupil performance with relevant objectives and targets.

Financial indicators include budget targets, income and costs per pupil, the pupil to teacher ratio, and the staff cost and support cost overhead ratios.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Review of Academic Activities

The academy continues to build on the academic successes of previous years. In 2023, the school achieved a Progress 8 score of +0.76. This was the last formal measured set of outcomes against DfE league tables.

This pattern of school improvement is illustrated as follows:

	2016	2017	2018	2019	2020 (COVID)	2021 (COVID)	2022	2023
Whole School	+0.04	+0.49	+0.55	+0.77	+0.91	+0.49	+0.46	+0.76
English	+0.05	+0.67	+0.95	+0.87	+1.03	+0.60	+0.51	+0.84
Maths	+0.42	+0.88	+0.66	+1.05	+1.02	+0.59	+0.66	+0.88
Ebacc	-0.21	+0.06	-0.04*	+0.52	+0.78	+0.36	+0.42	+0.78
Open	+0.04	+0.54	+0.79	+0.77	+0.90	+0.45	+0.34	+0.72

We have achieved what is now a seven year improvement in performance through considered curriculum changes and a rigorous intervention programme. The academy offers a high level of support for students with an average of 12 additional hours of learning each week being offered per week. We are able to provide such a high level of support through lunchtime classes, afterschool classes and by opening the academy on a Saturday for our highly valued Saturday School. We believe that this extra provision, which is provided at no additional cost to students and only minimal cost to the academy is exceptional.

Wider measures show a narrowing of the progress and attainment gap for disadvantaged students. Our students supported by the Pupil Premium achieved a Progress 8 score of +0.85 source:

	2016	2017	2018	2019	2020	2021	2022	2023
PP	+0.04	+0.11	+0.05	+0.76	+0.55	+0.53	+0.57	+0.85
Non-PP	+0.04	+0.57	+0.61	+0.77	+0.91	+0.27	+0.10	+0.50

Positive attendance at the academy has been promoted in spite of the turbulent covid disruption and consequent attempt at a national recovery. Every attempt is made to engage with students not in school and their parents and offer as much support as possible. The academy recognises the importance of preparing students for the next phase of their education. We offer a broad careers programme as well as a highly focused programme for those at risk of not securing a place in education, employment or training. As a direct consequence of this the vast majority of students take up places in sixth form or college education, studying level 3 courses. A small number of students take up apprenticeships.

As a result of our determination to be the best that we can be, the academy was judged as Good by Ofsted in January 2022 with several outstanding areas.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Whole school improvement priorities for the year 2023-24 have been identified as:

Achievement:

- Continue to raise attainment in those few subjects not yet above the national average;
- Continue to focus upon the gap between Pupil Premium and non-Pupil Premium students, even though Pupil Premium students achieve well above their national counterparts, and
- Boys' achievement.

Teaching and Learning:

- Enhance IT provision across the school; and
- Look at strategies to improve information retention in the classroom.

Behaviour and Attendance:

- Continue to improve school attendance

Leadership and Management:

- The development of a newly formed SLT;
- The development of a new Alliance with the academy and 4 other secondary schools; and
- The creation of a SEND Resource Provision for students with Communication and Interaction needs.

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Equal Opportunities

The Trustees recognise that equal opportunities are an integral part of good practice within the workplace. The academy has established equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

The average number of employees at Alcester Academy during the accounting period was 61 FTE. Alcester Academy recruits widely and encourages applications from all for any vacancy that exists in the Academy and is aware of the requirements placed upon it by both the Equality Act 2010 and the Disability Equality Duty in the Disability Discrimination Act.

Employee Consultation

Arrangements to provide information and consult employees on matters affecting them are in place principally through regular staff meetings. In addition, 'Staff Voice', a body which includes representatives from all main elements of the staff base, meets every term to discuss various matters in relation to the academy, and feedback from this meeting is presented to the Board of Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial Review

Movement on Reserves

The Statement of Financial Activities (page 25) and Funds Note 16 (page 42) show the movements on the academy's funds. The funds include the restricted general fund (which includes the General Annual Grant reserve and the pension reserve), the fixed asset fund and the unrestricted general fund.

Excluding the pension reserve deficit, the general reserve in which the educational activities are accounted shows an income of £4,389,000 and expenditure of £4,273,000 hence a net surplus of £116,000 for the year, and has a cumulative balance of £1,114,000. This balance will be used to finance future years where funding does not meet operating costs as well as contributions to anticipated capital projects.

The unrestricted reserve is where fund raising and non educational activities are accounted. This has a surplus of £13,000 and a carry forward balance of £75,000, mainly as a result of interest earned on bank deposits. This unrestricted reserve can be used for any charitable purpose.

The fixed asset reserve is where the capital activities of the academy are accounted. The movement represents capital grant income, capital purchases and depreciation of fixed assets. The net movements for the year were a £408,000 deficit with a carry forward surplus of £5,229,000.

Finally, the pension reserve represents the value of the Local Government Pension Scheme (LGPS) which is in deficit. In the year, the deficit was reduced by £297,000 and the reserve now has a negative balance of £218,000. The academy has no influence over the pension reserve which is subject to an annual independent actuarial valuation.

Reserves Policy

The Academy's reserves policy is to maintain the General reserve at a sufficient level to sustain operations during the years when ESFA grant funding may not be sufficient to cover annual costs. The unrestricted reserve is to be used for financing any potential commercial opportunities.

Investment Policy

The Academy's policy is to ensure funds that are not immediately required to cover anticipated expenditure are invested to maximise the academy's income but with minimal risk. Presently approximately 46% of the Academy's reserves are held on 32 day notice variable interest deposit. The Academy does not consider the investment of surplus funds as a primary activity, rather as an act of good stewardship as and when circumstances allow.

Financial Monitoring

The principal financial management policies adopted continue to be regular financial reviews, of income and expenditure through the analysis of actuals, budgets, forecasts and plans. These are conducted regularly with the Head Teacher and at the Finance, Risk and Audit Committee meetings.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial Plans for the Future

The academy has a five year Strategic Plan in place. This plan is based on achieving a number of academic and financial targets. The academy's site capital requirements are continuously reviewed.

There is also an ongoing staff development programme in place to ensure the teaching staff are well supported and assisted to enable them to achieve good academic results.

Principal Risks and Uncertainties

The academy has a Risk Management Policy, a risk register and risk review process. The objective is to, where it is considered necessary, put in place measures of control and mitigation in order to effectively manage risk.

The principal risk facing the academy is a change of Government Education policy. This includes both the potential for a change in funding policy and the introduction of new education priorities that may come from either the existing government as a reaction to societal changes and pressures or from a newly formed government as a result of a general election. The academy manages this risk by (a) regularly reviewing the development plan to ensure all known changes and effects are included, (b) subscribing to a number of education platforms in order to stay up to date with all latest developments, and (c) working with other schools in the area which allows local factors to be provided for.

Associated with the principal risk is the fact that schools are experiencing 'real term cuts'. Should the running costs of the academy further increase at a rate in excess of inflation or the 'per head' funding fall, the academies financial planning would need to be re visited. This is a pressure that all academies face.

The academy requires large amounts of building and maintenance work, due to the buildings that house the academy being old. It is difficult to assess what health and safety issues will emerge throughout the year and costs can build up. The building/maintenance work is continuous and can lead to disruption to pupils and staff. These risks are managed through the academy holding good reserves and timing the works to be scheduled for completion out of school hours and during holidays where practical.

In addition there are the usual risks of accidents and natural disasters and the need to maintain standards across the academy. Control measures are in place to address all the above risks and to continue to monitor the internal and external environment for new potential risk.

Funds Held on Behalf of Others

The academy operates School Fund accounting records for the purpose of managing income and expenditure for trips, activities and other events undertaken for students. The School Fund income and expenditure and creditor balances are included in the year end accounts of the academy for the period ending 31 August 2023.

Fundraising

The Academy Trust does not use any external fundraiser's and all fundraising undertaken during the year was monitored by the Trustees.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 20/12/2023 and signed on its behalf by:



Mr M Dean
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Alcester Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Dean, Chair of Trustees	5	7
Mrs S Mellors, Head Teacher	6	7
Miss K Buckthorp	5	7
Mrs C Hodgetts	6	7
Mrs S Wright	5	7
Mr D Plumb	5	7
Mr T Harrison	7	7
Mrs J Clarke	4	7
Mrs F Williams	5	7
Mr A Lewis	4	7
Mrs G Forman (resigned 24/08/2023)	2	7
Mrs A Grant (resigned 25/07/2023)	7	7
Mrs L Horne (resigned 24/04/2023)	5	5
Mr D Paterson (resigned 13/09/2022)	0	0

Governance Review

The Headteacher and other members of the Senior Leadership Team met with the Full Governing Body discussed Governance, Finance and Standards. Senior Leadership also reviewed the audit findings report and considered what remediation action was required. This included the appointment of a Chartered Accountant as business manager to ensure full financial compliance and the production of more timely reports.

The Governance Review is concluded on an annual basis. The trust completes the School Resource Management self-assessment, which is reviewed and challenged by the Finance, Risk and Audit Committees before the agreed self-assessment online.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

A governor skills audit is carried out annually to identify areas of strength and areas for development. The audit has a specific focus on member skills: its strengths were education expertise, project management, HR and finance, the annual review identified a particular gap in legal expertise. As a result of this, trustees have appointed external legal advisors until such time as this gap can be filled by the recruitment of a new governor.

The trust self-evaluates regularly, and at least once an academic year.

Conflict of interest

The Trust has a Conflict of Interest Policy which sets out the framework for ensuring that the decisions and decision-making processes at the Academy are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the school.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety. This Policy operates without prejudice to any of the provisions in the Company's Articles of Association relating to conflicts of interest.

The Finance, Risk and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure of sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Harrison	6	6
Mrs F Williams	1	1
Mrs S Mellors	6	6
Mrs J Clarke	3	3
Mrs A Grant (resigned 25/07/2023)	2	2
Mrs G Forman (resigned 24/08/2023)	5	6
Mrs L Horne (resigned 24/04/2023)	2	4

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees 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 period by:

- obtaining multiple quotes for goods and services and ensuring the best price is obtained;
- challenging existing suppliers to improve their pricing
- enforcing procedures such as turning off lights when leaving a room; and
- using the skills and capacity of existing staff to do tasks rather than outsourcing.

Reviewed the school's work on a regular basis, compared performance and outcomes with similar schools, consulted widely about the school's work and used fair competition to ensure that goods and services are secured in the most economic, efficient and effect way.

The Trustees of Alcester Academy are committed to achieving best value in all aspects of the school's work and have adopted the principles of Best Value in order to raise standards and to meet the needs of our students.

The budget was set to support the above using the following strategy: Set out key priorities, outcomes and targets in a School Development Plan, ensured that all staff are trained appropriately using predominantly online courses to save money and only using external trainers sparingly and inviting other schools to participate and share the costs, reviewed Capitation budgets for Departments and monitored these closely, offered support to students in a variety of ways, including, individual counselling, one-to-one tuition and extra-curricular activities, ensured all income is accounted for and monitored appropriately, used school credit cards to facilitate online purchases, thereby securing competitive prices and deals, used benchmarking website's and tools for comparison with similar schools, Business Manager has managed spending, reviewed contracts and SLA's regularly, maintained links with business colleagues and Accountants and is a member of a local Business Managers Group, Head teacher maintains links with other Heads in the area via the SWEP forum, the Finance Policy is updated and in line with the Academy Trust Handbook and other Government guidance and legislation, regularly reviewed potential cost savings throughout school but specifically around staffing costs, if staff leave, reviewing roles, responsibilities and experience required to fill vacancies.

As noted, the school's building requires capital investment to be made. To address this, the Trust has appointed a variety of experts for a number of reports including a capacity survey, a condition survey, a fire risk assessment and fire door survey and a RAAC survey to ensure work is prioritised and is effective in keeping the estate safe, well maintained and compliant with regulations.

NEET (Not in employment, education or training)

The Trust prides itself that for the last 7 years it has achieved NEET figures well below national averages and Warwickshire averages. This is a significant achievement given the current economic climate and is another measure that demonstrates that the Trust invests its money in curriculum delivery, interventions, vocational courses and careers guidance effectively.

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GOVERNANCE STATEMENT (CONTINUED)

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 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 Alcester Academy for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Audit 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 Trustees has decided to buy-in an internal audit service from Warwickshire Education Services. The Board of Trustees chose this service due to their reputation and technical knowledge in the industry.

The Board of Trustees appointed external consultants to undertake a support role and to perform checks. The appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. During the year this included checks on the following:

- Financial plans and financial health
- Internal control and risk management
- Gifts and hospitality register
- Accounting system
- Purchases
- Credit card control
- Payroll

On a semi-annual basis, the reviewer reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The Trustees are satisfied with the delivered work from the reviewer.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Head teacher 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 internal auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;
- the Board through the Finance, Risk and Audit sub-committee.
- Correspondence from 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, Risk and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 20/12/2023 and signed on their behalf by:



Mr M Dean
Chair of Trustees



Mrs S Mellors
Accounting Officer

ALCESTER ACADEMY
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Alcester Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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



Mrs S Mellors
Accounting Officer

Date: 20/12/2023

ALCESTER ACADEMY
(A company limited by guarantee)

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

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Mr M Dean
Chair of Trustees

Date: 20 | 12 | 2023

ALCESTER ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALCESTER ACADEMY**

Opinion

We have audited the financial statements of Alcester Academy (the 'academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

ALCESTER ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALCESTER ACADEMY (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report including the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ALCESTER ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALCESTER ACADEMY (CONTINUED)**

Auditors' 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 Auditors' 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. Based on our understanding of the Academy and sector, we identified the key laws and regulations affecting the Academy to be Charities SORP 2019, Companies Act, tax legislation, health and safety and employment legislation. 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.

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made,
- management override of control;
- posting of unusual journals or transactions; and
- non-compliance with the Academy Trust Handbook and Accounts Direction.

We focused on those areas that could give rise to a material misstatement in the Academy's financial statements.

Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, in particular review of depreciation of tangible fixed assets and the defined benefit scheme valuation; and
- A separate limited scope regularity review has been undertaken in respect of compliance with the Academy Trust Handbook and our report in respect of this is contained within the financial statements.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

ALCESTER ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALCESTER ACADEMY (CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

PKF SMITH COOPER AUDIT LIMITED

Lucy Robinson (Senior statutory auditor)
for and on behalf of
PKF Smith Cooper Audit Limited
Statutory Auditors
158 Edmund Street
Birmingham
West Midlands
B3 2HB

Date: 21 / 12 / 2023

ALCESTER ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALCESTER
ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alcester Academy during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Alcester Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Alcester Academy's funding agreement with the Secretary of State for Education dated 01 August 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions is:

- planned our assurance procedures identifying key risks;
- carried out a program of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- undertook controls testing where considered appropriate;
- concluded on the procedures undertaken.

ALCESTER ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALCESTER
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF SMITH COOPER AUDIT LIMITED

PKF Smith Cooper Audit Limited
Statutory Auditors

158 Edmund Street
Birmingham
West Midlands
B3 2HB

Date: 21/12/2023

ALCESTER ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:						
Donations and capital grants	3	1	-	44	45	14
Investments	5	10	-	-	10	-
Charitable activities:						
Funding for the academy trust's educational operations	4	-	4,389	-	4,389	4,004
Other income	6	2	-	-	2	1
Total income		13	4,389	44	4,446	4,019
Expenditure on:						
Charitable activities. Academy trust educational operations	7	-	4,306	523	4,829	4,485
Total expenditure		-	4,306	523	4,829	4,485
Transfers between funds	16	-	(71)	71	-	-
Net movement in funds before other recognised gains		13	12	(408)	(383)	(466)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	22	-	330	-	330	1,829
Net movement in funds		13	342	(408)	(53)	1,363

ALCESTER ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Note					
Reconciliation of funds:					
	17				
Total funds brought forward	62	554	5,637	6,253	4,890
Net movement in funds	13	342	(408)	(53)	1,363
Total funds carried forward	<u>75</u>	<u>896</u>	<u>5,229</u>	<u>6,200</u>	<u>6,253</u>

The Statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 29 to 54 form part of these financial statements.

ALCESTER ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07700251

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	5,193	5,647
Current assets			
Debtors	14	195	169
Cash at bank and in hand		1,354	1,276
		<u>1,549</u>	<u>1,445</u>
Creditors: amounts falling due within one year	15	(324)	(324)
Net current assets		<u>1,225</u>	<u>1,121</u>
Total assets less current liabilities		<u>6,418</u>	<u>6,768</u>
Defined benefit pension scheme liability	22	(218)	(515)
Total net assets		<u><u>6,200</u></u>	<u><u>6,253</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	5,229	5,637
Restricted income funds	16	1,114	1,069
Restricted funds excluding pension liability	16	<u>6,343</u>	<u>6,706</u>
Pension reserve	16	(218)	(515)
Total restricted funds	16	<u>6,125</u>	<u>6,191</u>
Unrestricted income funds	16	75	62
Total funds		<u><u>6,200</u></u>	<u><u>6,253</u></u>

The financial statements on pages 25 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr M Dean
Chair of Trustees

Date: 20/12/2023

ALCESTER ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	93	195
Cash flows from investing activities	19	(15)	(7)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		78	188
Cash and cash equivalents at the beginning of the year		1,276	1,088
Cash and cash equivalents at the end of the year	20, 21	<u>1,354</u>	<u>1,276</u>

The notes on pages 29 to 54 form part of these financial statements

ALCESTER ACADEMY
(A company limited by guarantee)

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

1. Accounting policies

Alcester Academy ("the academy") is a private company limited by guarantee and incorporated in England. The registered address of the academy is Alcester Academy, Gerard Road, Alcester, Warwickshire, B49 6QQ.

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the Academy. Monetary amounts in these financial statements are rounded to the nearest £'000.

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Academy 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 year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund.

ALCESTER ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

1.4 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 assets use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

ALCESTER ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

The Academy assess its policy for capitalisation of assets on a case by case basis. Qualifying expenditure is then recognised as tangible fixed assets and is 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 all tangible fixed assets other than assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Leasehold land	- Life of lease (125 years) - straight line
Freehold buildings	- Remaining useful economic life - straight line
Improvements to land and buildings	- 10% Straight line
Furniture and equipment	- 20% Straight line
Computer equipment	- 20% - 33% 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 and reclassified to buildings or improvements to properties.

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.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

ALCESTER ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 14. 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 instruments, and are measured at amortised cost as detailed in note 15. 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.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

ALCESTER ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the Academy 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded 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 funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

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2. 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Trustees have elected to use the valuation of land and buildings which took place on conversion to an academy as the deemed cost under FRS102. These accounting policies describe the basis of calculating depreciation, the trustees consider that they have exercised due judgment in setting the rates of depreciation.

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3. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	1	-	1	(1)
Capital Grants	-	44	44	15
	<u>1</u>	<u>44</u>	<u>45</u>	<u>14</u>
<i>Total 2022</i>	<u>(1)</u>	<u>15</u>	<u>14</u>	

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4. Funding for the Academy's charitable activities

	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	3,765	3,765	3,482
Other DfE/ESFA grants			
Pupil premium	145	145	119
Others	34	34	94
	3,944	3,944	3,695
Other Government grants			
Special educational needs	94	94	81
Other grants	7	7	-
	101	101	81
Other income from the Academy's academy's educational operations	344	344	228
	4,389	4,389	4,004
<i>Total 2022</i>	4,004	4,004	

Other DfE/ESFA grants of £34,000 (2022: £94,000) comprise of rates relief received of £16,000 (2022: £10,000, £18,000 (2022: £nil) in relation to ECF mentor training, recovery premium of £nil (2022: £16,000), school lead tutoring £nil (2022: £17,000), supplementary grants of £nil (2023: £46,000) and early career funding of £nil (2022: £5,000).

Other income from the Academy's educational operations comprise of charity donations £3,000 (2022: £8,000), trip income of £245,000 (2022: £147,000), schools production income of £11,000 (2022: £3,000), Music lesson income of £22,000 (2022: £9,000), material resale income of £9,000 (2022: £8,000), other miscellaneous income of £52,000 (2022: £51,000) and lockers income of £2,000 (2022: £2,000).

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5. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Bank interest	10	10	-
<i>Total 2022</i>	<i>-</i>	<i>-</i>	

6. Other incoming resources

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Hire of facilities	2	2	1
<i>Total 2022</i>	<i>1</i>	<i>1</i>	

7. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Academy's educational operations:					
Direct costs	2,929	-	452	3,381	3,130
Allocated support costs	305	834	309	1,448	1,355
	<u>3,234</u>	<u>834</u>	<u>761</u>	<u>4,829</u>	<u>4,485</u>
<i>Total 2022</i>	<i>3,110</i>	<i>794</i>	<i>581</i>	<i>4,485</i>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations	3,381	1,448	4,829	4,485
<i>Total 2022</i>	<i>3,130</i>	<i>1,355</i>	<i>4,485</i>	

Analysis of support costs

	Academy's educational operations 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Staff costs	316	316	323
Depreciation	523	523	519
Recruitment	3	3	2
Maintenance of premises and equipment	68	68	71
Maintenance of grounds	8	8	10
Utilities	134	134	84
Rates	16	16	10
Cleaning and caretaking	101	101	101
ICT	81	81	66
Insurance	34	34	36
Other support costs	111	111	95
Legal and professional	20	20	15
Audit	12	12	9
Accountancy	15	15	12
Training and cover	6	6	2
	1,448	1,448	1,355
<i>Total 2022</i>	<i>1,355</i>	<i>1,355</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Operating lease rentals	24	25
Depreciation of tangible fixed assets	523	519
Fees paid to auditors for:		
- audit	8	8
- other services	2	2
	24	24

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	2,421	2,260
Social security costs	244	206
Pension costs	569	644
	3,234	3,110

b. Staff numbers

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

	2023 No.	2022 No.
Teaching	40	44
Administration and Support	32	36
Management	4	4
	76	84

c. Higher paid staff

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FOR THE YEAR ENDED 31 AUGUST 2023**

10. Staff (continued)

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	1	-

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £396,000 (2022 - £370,000).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023	<i>As restated</i> 2022
		£000	£000
Miss K Buckthorp	Remuneration	65 - 70	60 - 65
	Pension contributions paid	15 - 20	15 - 20
Ms K Evason	Remuneration	nil	15 - 20
	Pension contributions paid	nil	0 - 5
Mrs S Mellors, Head Teacher	Remuneration	90 - 95	80 - 85
	Pension contributions paid	20 - 25	15 - 20
Mrs J Clarke	Remuneration	20 - 25	0 - 5
	Pension contributions paid	5 - 10	0 - 5

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

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12. Trustees' and Officers' insurance

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

13. Tangible fixed assets

	Land and buildings £000	Furniture and equipment £000	Computer equipment £000	Assets in the course of construction £000	Total £000
Cost					
At 1 September 2022	7,520	2,642	66	-	10,228
Additions	-	14	9	46	69
At 31 August 2023	<u>7,520</u>	<u>2,656</u>	<u>75</u>	<u>46</u>	<u>10,297</u>
Depreciation					
At 1 September 2022	2,883	1,638	60	-	4,581
Charge for the year	249	272	2	-	523
At 31 August 2023	<u>3,132</u>	<u>1,910</u>	<u>62</u>	<u>-</u>	<u>5,104</u>
Net book value					
At 31 August 2023	<u>4,388</u>	<u>746</u>	<u>13</u>	<u>46</u>	<u>5,193</u>
At 31 August 2022	<u>4,637</u>	<u>1,004</u>	<u>6</u>	<u>-</u>	<u>5,647</u>

In August 2011, the Academy signed a 125 year lease agreement on the premises in which it operates from.

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14. Debtors

	2023 £000	2022 £000
Due within one year		
Trade debtors	-	1
Prepayments and accrued income	171	142
VAT recoverable	24	26
	195	169
	195	169

15. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	85	78
Other creditors	6	29
Accruals and deferred income	233	217
	324	324
	324	324

	2023 £000	2022 £000
Deferred income		
Deferred income at 1 September 2022	162	108
Resources deferred during the year	133	103
Amounts released from previous periods	(162)	(49)
	133	162
	133	162

Deferred income at 31 August 2023 relates to funding in advanced of; £10,500 for music tuition, £5,000 for school productions, £8,100 in respect of National Tutoring grants, £2,000 from Newport Foundation and school trip income £107,000.

Deferred income at 31 August 2022 related to funding in advanced of £142,000 for school trips, £500 for the staff Christmas party, £10,000 for summer school funding, £1,000 for textile awards and £8,000 in respect of music tuition.

Included in other creditors is £6,000 (2022 - £15,000) relating to Salix loans.

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16. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General Funds	62	13	-	-	-	75
Restricted general funds						
General Annual Grant (GAG)	1,046	3,765	(3,626)	(71)	-	1,114
Pupil premium	-	145	(145)	-	-	-
Other DfE/ESFA grants	-	34	(34)	-	-	-
Local authority - SEN	-	94	(94)	-	-	-
Other government grants	-	7	(7)	-	-	-
Other	23	344	(367)	-	-	-
Pension reserve	(515)	-	(33)	-	330	(218)
	<u>554</u>	<u>4,389</u>	<u>(4,306)</u>	<u>(71)</u>	<u>330</u>	<u>896</u>
Restricted fixed asset funds						
Capital Grant	836	8	(249)	71	-	666
Assets transferred on conversion	4,801	-	(274)	-	-	4,527
Unspent Capital Grant	-	36	-	-	-	36
	<u>5,637</u>	<u>44</u>	<u>(523)</u>	<u>71</u>	<u>-</u>	<u>5,229</u>
Total Restricted funds	<u>6,191</u>	<u>4,433</u>	<u>(4,829)</u>	<u>-</u>	<u>330</u>	<u>6,125</u>
Total funds	<u><u>6,253</u></u>	<u><u>4,446</u></u>	<u><u>(4,829)</u></u>	<u><u>-</u></u>	<u><u>330</u></u>	<u><u>6,200</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

The restricted fund includes grant receivable from the ESFA, other grants, other income, amounts transferred from the predecessor school and the pension reserve, all funds to be used for the educational activities of the academy.

The restricted fixed asset fund includes amounts receivable from the ESFA, and fixed assets transferred from the predecessor school in respect of tangible fixed assets held for the academy use. Depreciation is charged against this fund together with fixed asset purchases and certain maintenance and replacement costs.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Unrestricted funds						
General Funds	62	-	-	-	-	62
Restricted general funds						
General Annual Grant (GAG)	843	3,482	(3,282)	3	-	1,046
Pupil premium	-	119	(119)	-	-	-
Other DfE/ESFA grants	-	94	(94)	-	-	-
Local authority - SEN	-	81	(81)	-	-	-
Other	23	228	(228)	-	-	23
Pension reserve	(2,182)	-	(162)	-	1,829	(515)
	<u>(1,316)</u>	<u>4,004</u>	<u>(3,966)</u>	<u>3</u>	<u>1,829</u>	<u>554</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>As restated Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>As restated Balance at 31 August 2022 £000</i>
Restricted fixed asset funds						
Capital Grant	1,089	15	(265)	(3)	-	836
Assets transferred on conversion	5,055	-	(254)	-	-	4,801
	<u>6,144</u>	<u>15</u>	<u>(519)</u>	<u>(3)</u>	<u>-</u>	<u>5,637</u>
Total Restricted funds	<u>4,828</u>	<u>4,019</u>	<u>(4,485)</u>	<u>-</u>	<u>1,829</u>	<u>6,191</u>
Total funds	<u>4,890</u>	<u>4,019</u>	<u>(4,485)</u>	<u>-</u>	<u>1,829</u>	<u>6,253</u>

During the financial year, the depreciation charge on fixed assets was reclassified between categories. There was no impact on prior or current year reserves.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	5,193	5,193
Current assets	75	1,438	36	1,549
Creditors due within one year	-	(324)	-	(324)
Provisions for liabilities and charges	-	(218)	-	(218)
Total	<u>75</u>	<u>896</u>	<u>5,229</u>	<u>6,200</u>

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Restricted fixed asset funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	-	-	5,647	5,647
Current assets	62	1,383	-	1,445
Creditors due within one year	-	(314)	(10)	(324)
Provisions for liabilities and charges	-	(515)	-	(515)
Total	62	554	5,637	6,253

18. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of financial activities)	(383)	(466)
Adjustments for:		
Depreciation	523	519
Capital grants from DfE and other capital income	(44)	(15)
Interest receivable	(10)	-
Defined benefit pension scheme cost less contributions payable	11	125
Defined benefit pension scheme finance cost	22	37
Increase in debtors	(26)	(82)
Increase in creditors	-	77
Net cash provided by operating activities	93	195

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19. Cash flows from investing activities

	2023 £000	2022 £000
Interest	10	-
Purchase of tangible fixed assets	(69)	(22)
Capital grants from DiE Group	44	15
Net cash used in investing activities	(15)	(7)

20. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	1,354	1,276

21. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	1,276	78	1,354
	1,276	78	1,354

22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

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

22. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £409,000 (2022 - £386,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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22. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £182,000 (2022 - £161,000), of which employer's contributions totalled £148,000 (2022 - £135,000) and employees' contributions totalled £34,000 (2022 - £26,000). The agreed contribution rates for future years are 26.3 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, 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 year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minuted published on GOV.UK.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4	4.0
Discount rate for scheme liabilities	5.2	4.25
Inflation assumption (CPI)	3	3.2
Commutation of pensions to lump sums	65	50

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.6
Females	24.5	24.1
<i>Retiring in 20 years</i>		
Males	21.2	22.7
Females	25.7	25.9

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22. Pension commitments (continued)

Sensitivity analysis

	2023 £000	2022 £000
Discount rate -0.1%	62	66
Mortality assumption - 1 year increase	128	126
CPI rate +0.1%	55	59
Salary increase rate +0.1%	8	8

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22. Pension commitments (continued)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	1,728	1,578
Corporate bonds	745	710
Property	477	289
Cash and other liquid assets	29	53
Total market value of assets	2,979	2,630

The actual return on scheme assets was £140,000 (2022 - £476,000).

The amounts recognised in the Statement of financial activities are as follows:

	2023 £000	2022 £000
Current service cost	(159)	(260)
Interest income	114	44
Interest cost	(136)	(81)
Total amount recognised in the Statement of financial activities	(181)	(297)

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

	2023 £000	2022 £000
At 1 September	3,145	4,808
Current service cost	159	260
Interest cost	136	81
Employee contributions	34	26
Actuarial gains	(215)	(1,986)
Benefits paid	(62)	(44)
At 31 August	3,197	3,145

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22. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2023 £000	2022 £000
At 1 September	2,630	2,626
Interest income	114	44
Actuarial gains/(losses)	115	(157)
Employer contributions	148	135
Employee contributions	34	26
Benefits paid	(62)	(44)
At 31 August	2,979	2,630

23. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Not later than 1 year	19	18
Later than 1 year and not later than 5 years	47	11
	66	29

24. Members' liability

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

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25. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees 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's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the current or previous financial year. Some teaching staff are also trustee's of the academy and are remunerated in the ordinary course of the academy as disclosed in note 11.