

**ALCESTER ACADEMY
(A Company Limited by Guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2025

Company Limited by Guarantee
Registration Number: 07700251
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, GOVERNORS AND ADVISORS

Members	Mr M Dean Mrs F Williams (resigned 5 September 2024) Mr A Lewis (resigned 5 September 2024) Mr T Harrison (resigned 5 September 2024) Mrs C Hodgetts (resigned 5 September 2024) Mr A Dean (appointed 5 September 2024) Mr D Plumb (appointed 5 September 2024) Mr P Wright (appointed 5 September 2024)
Trustees	Mr M Dean, Chair of Trustees Mrs S Mellors, Head Teacher Miss K Buckthorp Mrs J Austin Mr G Brown Mr M Brown Mrs A Butler (appointed 7 October 2025) Mrs C Hodgetts Mr T Harrison Mr R Jones (appointed 7 October 2025) Mr A Lewis Mrs F Williams Mrs W Woodman (resigned 20 December 2024) Mrs S Wright (resigned 18 July 2025)
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 Miss K Buckthorp, Assistant Head Teacher Mr N Cooke, Deputy Head Teacher Mrs C Haynes Business Manager Miss C McKenzie, Assistant Head Teacher
Independent Auditors	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham, B1 3ND
Bankers	Lloyds Bank 22 Bridge Street Stratford upon Avon, CV37 6AG
Solicitors	Warwickshire Education Services Warwickshire County Council Shire Hall Warwick CV34 4RL

The Trustees present their annual report together with the Financial Statements and Auditor's report of the Charitable Company for the 1 September 2024 to 31 August 2025. 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 2024 to 31 August 2025 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.

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 2025

Mr M Dean	Ex officio on all committees
Mrs S Mellors	F, R&A
Miss K Buckthorp	B+A
Mrs J Austin	B+A, QEd/HR
Mr G Brown	F, R&A (Chair from Sept 24),
Mr M Brown	F, R&A, QEd/HR (Chair from Aug 25)
Mrs C Hodgetts (link SEND)	B+A, QEd/HR
Mr A Lewis	F, R&A
Mr T Harrison (link Careers)	F (Finance Chair), R&A, B+A
Mrs F Williams (link Safeguarding, Pupil Premium & Inclusion)	B+A (Chair), F, R&A (Chair to Sept 24)

Committees

F: Finance; R&A: Risk and Audit; QEd/HR: Quality of Education and 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 2025. Mrs Mellors, Miss Buckthorp and Mrs Austin 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 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 2024 and 2025. Governors are asked as 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 2024 to 31 March 2025 (the relevant period).

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

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 2025. 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). The DfE are updating these key performance indicators for summer 2025 but as yet, the new measures are not published.

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.

Review of Academic Activities

The academy continues to build on the academic successes of previous years. In 2025, the indicative P8 was +0.82. Due to COVID-19, this cohort of students did not sit KS2 SATS and this figure has been generated based on entrance assessments in Year 7.

This pattern of school improvement is illustrated as follows:

	NOR	P8	A8	4+EM	5+EM	7+EM	P8Eng	P8Ma
2017	107	0.50	53.3	84%	71%	14%	0.67	0.89
2018	75	0.56	54.5	85%	63%	21%	0.95	0.66
2019	56	0.77	54.4	87%	66%	18%	0.87	1.05
(2020)	99	0.87	54.2	87%	66%	17%	1.03	1.02
(2021)	129	1.08	56.6	88%	71%	23%	1.05	1.12
2022	108	0.48	53.1	79%	61%	25%	0.51	0.66
2023	123	0.76	54.9	86%	59%	20%	0.79	0.84
2024	125	0.65	54.4	81%	64%	22%	0.45	0.84
2025	130 (y7GL+df 2024)	54.1	84%	69%	19%		(0.75) (Y7GL+df 2024)	(0.92) (Y7GL+df 2024)

The academy offers a high level of support for students with an average of 12 additional hours of learning each week being offered. We are able to provide such a high level of support through lunchtime classes, after school 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.

Pupil Premium

	Overall Progress 8								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
PP	+0.04	+0.11	+0.05	+0.76	+0.55	+0.27	+0.1	+0.45	+0.14
Non-PP	+0.04	+0.57	+0.61	+0.77	+0.91	+0.53	+0.57	+0.81	+0.76

The school has performed within the top 5% of school nationally again. Performance measures in 2025 exceeded national and county averages.

Positive attendance at the academy has been promoted. 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. The school anticipates hosting Ofsted for an Inspection in the next twelve months.

Whole school improvement priorities for the year 2025-26 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
- Continuing to improve whole school performance at grades 7-9

Teaching and Learning:

- A focus on Adaptive Teaching

Behaviour and Attendance:

- Continue to improve school attendance especially in the current Y11 cohort.

Leadership and Management:

- Continue to develop work across the Three Rivers Alliance
- Provide opportunities for succession planning, and support for new employees in to roles.

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.

Financial Review Movement on Reserves

The Statement of Financial Activities (page 23) and Funds Note 15 (page 36) 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 £5,128,000 and expenditure of £5,511,000 hence a net deficit of £383,000 for the year; and has a cumulative surplus balance of £528,000. 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 £74,000 and a carry forward balance of £213,000. 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 £528,000 deficit with a carry forward surplus of £4,219,000.

Finally, the pension reserve reflects the academy's share of the Local Government Pension Scheme (LGPS) liability when the scheme is in deficit. During the year, the scheme moved into surplus, and as a result, the reserve was reduced to £nil. The academy has no control over this reserve, which is determined annually through an 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 92% 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 actual's, budgets, forecasts and plans. These are conducted regularly with the Head Teacher and at the Finance Committee and the Risk and Audit Committee meetings.

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 registers 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 2025.

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.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 9 December 2025 and signed on its behalf by:



Mr M Dean
Chair of Trustees

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 6 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	6	6
Mrs S Mellors, Head Teacher	6	6
Miss K Buckthorp	6	6
Mrs J Austin	5	6
Mr G Brown	6	6
Mr M Brown	6	6
Mrs C Hodgetts	4	6
Mr T Harrison	5	6
Mr A Lewis	5	6
Mr D Plumb (resigned 9 September 2024)	0	1
Mrs F Williams	5	6
Mrs W Woodman (resigned 20 December 2024)	2	3
Mrs S Wright (resigned 18 July 2025)	4	6

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 Committee and the Risk and Audit Committees before the agreed self-assessment online.

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.

Conflict of interest (cont'd)

The Finance Committee and the Risk and Audit Committee are sub committees of the main Board of Trustees. Their 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 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
Mrs S Mellors	5	5
Mr T Harrison (Chair of Finance)	5	5
Mrs F Williams (Chair of Risk and Audit to Sept 24)	5	5
Mr G Brown (Chair of Risk and Audit from Sept 24)	5	5
Mr M Brown	5	5
Mr A Lewis	4	5

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.

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 2024 to 31 August 2025 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 2024 to 31 August 2025 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 Committee and the Risk 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 PKF Smith Cooper. The Board of Trustees chose this service due to their reputation and technical knowledge in the industry.

The Board of Trustee's 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:

- Review of financial processes, controls and procedures, in particular:
 - Payroll
 - Credit Card Transactions
 - Trip Income
 - School Fund transactions
 - Submission of ESFA returns and other compliance matters

On an -annual basis, the reviewer reports to the Board of Trustees through the risk and audit 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.

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 Committee and the Risk and Audit sub-committee.
- Correspondence from DfE.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and the 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 9 December 2025 and signed on their behalf by:



.....
Mr M Dean
Chair of Trustees



.....
Mrs S Mellors
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2025

As Accounting Officer of Alcester Academy, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the Trust's funding agreement with the DfE, and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the Academy Trust Board of Trustees and the DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or 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 the DfE.



Mrs S Mellors
Accounting Officer
9 December 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees (who act as trustees of Alcester Academy and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Department for Education, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

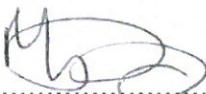
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on 9 December 2025 and signed on its behalf by:



Mr M Dean
Chair of Trustees

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCESTER ACADEMY FOR THE YEAR
ENDED 31 AUGUST 2025****Opinion**

We have audited the financial statements of Alcester Academy for the year ended 31 August 2025 which comprise the consolidated Statement of Financial Activities, the consolidated Balance Sheet, the Academy Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025 issued by the Department for Education.

In our opinion the financial statements:

- give a true and fair view of the state of the Alcester Academy's affairs as at 31 August 2025 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been 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 2024 to 2025.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Alcester 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.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCESTER ACADEMY FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)**Opinions on other matters prescribed by the Companies Act 2006**

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the academy trust or returns adequate for our audit have not been received from academies 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 Trustees' responsibilities statement set out on page 16, the Trustees 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 Alcester 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCESTER ACADEMY FOR THE YEAR
ENDED 31 AUGUST 2025 (cont'd)**

Based on our understanding of the Alcester Academy and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Alcester Academy, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2024 to 2025. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the Alcester Academy's net income for the year.

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCESTER ACADEMY FOR THE YEAR
ENDED 31 AUGUST 2025 (cont'd)****Use of our report**

This report is made solely to the Alcester 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 Alcester Academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Alcester Academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Alcester Academy's and the Alcester Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Michael Nielsen
Senior Statutory Auditor
UHY Hacker Young (Birmingham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

9 December 2025

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
ALCESTER ACADEMY AND THE SECRETARY OF STATE FOR EDUCATION FOR THE YEAR ENDED 31
AUGUST 2025**

In accordance with the terms of our engagement letter dated 30 June 2025 and further to the requirements of the Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Alcester Academy during the period 1 September 2024 to 31 August 2025 have not been applied to the purposes intended by Parliament and that the financial transactions do not conform to the authorities which govern them.

This report is made solely to the Alcester Academy and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alcester Academy and the Secretary of State for Education 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 the Secretary of State for Education, 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 the Alcester Academy's funding agreement with the Secretary of State for Education dated 1 July 2013, and the Academy Trust Handbook 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2024 to 31 August 2025 have not been applied for the 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 Accountants issued by the DfE, which requires a limited assurance engagement as set out in our engagement letter.

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
ALCESTER ACADEMY AND THE SECRETARY OF STATE FOR EDUCATION FOR THE YEAR ENDED 31
AUGUST 2025 (cont'd)
Approach (cont'd)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2024 to 31 August 2025 has not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young (Birmingham) LLP

Reporting Accountant

UHY Hacker Young (Birmingham) LLP

9-11 Vittoria Street

Birmingham

B1 3ND

9 December 2025

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025
(Including Income and Expenditure Account)

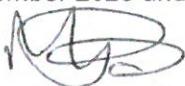
	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Fixed Asset Funds £'000	Restricted	
					Total 2025 £'000	Total 2024 £'000
Income from:						
Donations and capital grants	3	13	-	29	42	30
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	5,128	-	5,128	4,551
Other trading activities	5	77	-	-	77	68
Investment income	6	15	-	-	15	16
Total		105	5,128	29	5,262	4,665
Expenditure on:						
Raising funds	7	31	-	-	31	30
Charitable activities:						
- Academy trust's educational operations	7	-	5,463	557	6,020	5,229
Total		31	5,463	557	6,051	5,259
Net income/(expenditure)		74	(335)	(528)	(789)	(594)
Transfers between funds	15	-	-	-	-	-
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	26	-	689	-	689	121
Asset ceiling adjustment	26	-	(666)	-	(666)	-
Net movement in funds		74	354	(528)	(766)	(473)
Reconciliation of funds						
Total funds brought forward	15	139	841	4,747	5,727	6,200
Total funds carried forward	15	213	1,195	4,219	4,961	5,727

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

BALANCE SHEET AS AT THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible assets	12	4,203	4,747
		<u>4,203</u>	<u>4,747</u>
Current assets			
Debtors	13	254	266
Cash at bank and in hand		664	1,115
		<u>918</u>	<u>1,381</u>
Current liabilities			
Creditors: Amounts falling due within one year	14	(160)	(330)
Net current assets		<u>758</u>	<u>1,051</u>
Net assets excluding pension liability		<u>4,961</u>	<u>5,798</u>
Defined benefit pension scheme liability	26	-	(71)
Total Net Assets		<u>4,961</u>	<u>5,727</u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	15	4,219	4,747
- Restricted income fund	15	529	912
- Pension reserve	15	-	(71)
Total Restricted Funds		<u>4,748</u>	<u>5,588</u>
Unrestricted income fund	15	<u>213</u>	<u>139</u>
Total Unrestricted Funds		<u>213</u>	<u>139</u>
Total Funds		<u>4,961</u>	<u>5,727</u>

The financial statements on pages 23 to 44 were approved by the trustees and authorised for issue on 9 December 2025 and signed on their behalf by:



Mr M Dean
Chair

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(479)	(171)
Cash flows from investing activities	20	31	(65)
Cash flows from financing activities	21	(3)	(3)
Change in cash and cash equivalents in the reporting period		(451)	(239)
Cash and cash equivalents at 1 September	22	1,115	1,354
Cash and cash equivalents at 31 August	22	664	1,115

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Academies Accounts Direction 2024 to 2025 issued by the DfE, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the academy.

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

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.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Sponsorship income**

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

1 Statement of Accounting Policies (cont'd)**• Donations**

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

• Other income

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

• Donated goods, facilities and services

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

• Transfers of leasehold property

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

• Investment Income

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Expenditure

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

• Expenditure on Raising Funds

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

• Charitable Activities

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

• Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1 Statement of Accounting Policies (cont'd)**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 is provided on all tangible 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:

Leasehold land	1% Straight Line
Leasehold buildings	4% Straight Line
Improvements to land and buildings	10% Straight Line
Furniture and equipment	20% Straight Line
Computer equipment and software	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.

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

Leased assets

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

Investments - not applicable unless trust has a subsidiary.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

1 Statement of Accounting Policies (cont'd)**Pensions Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a multi funded employer scheme and the assets are held separately from those of the academy trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income / (expenditure) are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education.

Critical accounting estimates and areas of judgement

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

1 Statement of Accounting Policies (cont'd)***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Alcester Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2025 (see note 15).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
DfE/ESFA capital grants	-	15	15	15
Other Capital Donations	-	14	14	5
Donations	13	-	13	10
	13	29	42	30

The income from donations and capital grants was £42,000 (2024: £30,000) of which £13,000 (2024: £10,000) was unrestricted, £Nil (2024: £Nil) restricted and £29,000 (2024: £20,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	3,917	3,917	3,791
Rates relief grant	-	24	24	21
Other DfE/ESFA grants				
Teachers pay grant	-	70	70	70
Teachers pension grant	-	86	86	36
Pupil premium grant	-	156	156	146
National tutoring programme	-	-	-	(11)
Mainstream additional schools grant	-	-	-	136
Core schools budget grant	-	149	149	-
National insurance contributions grant	-	24	24	-
Other DfE/EFA	-	1	1	-
	-	4,427	4,427	4,189
Other Government grants				
Special educational needs	-	257	257	144
Local authority grants	-	2	2	1
	-	259	259	145
COVID-19 DfE/ESFA additional funding				
Recovery Premium	-	-	-	33
	-	-	-	33
Other income from the academy trust's educational operations:				
Pupil trips	-	392	392	181
Other grants	-	50	50	3
	-	442	442	184
	-	5,128	5,128	4,551

The income from funding for the academy trust's educational operations was £5,128,000 (2024: £4,551,000) of which £Nil (2024: £Nil) was unrestricted and £5,128,000 (2024: £4,551,000) restricted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

5 OTHER TRADING ACTIVITIES

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000
Hire of facilities	1	-	1	1
Other income	76	-	76	67
	<u>77</u>	<u>-</u>	<u>77</u>	<u>68</u>

The income from the academy trusts' other trading activities was unrestricted for both 2025 and 2024.

6 INVESTMENT INCOME

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000
Bank interest received	15	-	15	16
	<u>15</u>	<u>-</u>	<u>15</u>	<u>16</u>

The income from the academy trusts' investment activities was unrestricted for both 2025 and 2024.

7 EXPENDITURE

	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other Costs	2025	2024
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds					
- Allocated support costs	-	-	31	31	30
	<u>-</u>	<u>-</u>	<u>31</u>	<u>31</u>	<u>30</u>
Academy's educational operations					
- Direct costs	3,797	-	695	4,492	3,740
- Allocated support costs	287	940	301	1,528	1,489
	<u>4,084</u>	<u>940</u>	<u>996</u>	<u>6,020</u>	<u>5,229</u>
	<u>4,084</u>	<u>940</u>	<u>1,027</u>	<u>6,051</u>	<u>5,259</u>

The expenditure was £6,051,000 (2024: £5,259,000) of which £31,000 (2024: £30,000) was unrestricted, £5,463,000 (2024: £4,682,000) restricted and £557,000 (2024: £547,000) restricted fixed assets.

	2025	2024
Net (income)/expenditure for the year includes:	£'000	£'000
Operating leases rentals	41	33
Depreciation	557	540
Loss on disposal of fixed assets	-	7
Fees payable to auditor for:		
- audit	8	8
- other services	<u>3</u>	<u>3</u>

8 CHARITABLE ACTIVITIES

	Total	Total
	2025	2024
	£'000	£'000
Direct costs - educational operations	4,492	3,740
Support costs - educational operations	1,528	1,489
	6,020	5,229

Analysis of Support Costs

	Total	Total
	2025	2024
	£'000	£'000
Support staff costs	287	268
Depreciation	557	540
Technology costs	107	75
Premises costs	383	428
Other support costs	167	150
Governance costs	27	21
	1,528	1,489

9 STAFF COSTS**a Staff costs and employee benefits**

Staff costs during the year were:

	Total	Total
	2025	2024
	£'000	£'000
Wages and salaries	2,995	2,660
Social security costs	339	272
Pension costs	749	625
	4,083	3,557

Agency staff costs	1	29
	4,084	3,586

b Staff severance contractual and non contractual payments

The academy trust paid no severance payments in the year (2024: £Nil)

c Special staff severance non contractual payments

Included in staff restructuring costs there are no non statutory/non contractual special severance payments (2024: £Nil).

d Staff numbers

The average number of persons (including School Leadership Team) employed by the Academy during the year ended 31 August 2025 expressed as whole persons was as follows:

	2025	2024
	No	No
Charitable Activities		
Teachers	47	39
Administration and support - including Teaching Assistants	37	31
Management	5	5
	89	75

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

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

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

f Key management personnel

The key management of the academy trust comprise the Trustees and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £568,953 (2024: £509,817).

10 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION AND EXPENSES

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

	2025	2024
Mrs S Mellors (Accounting Officer)		
Remuneration	£105,000 - £110,000	£95,000 - £100,000
Employers pension	£25,000 - £30,000	£25,000 - £30,000
Miss K Buckthorp (Staff Trustee)		
Remuneration	£80,000 - £85,000	£70,000 - £75,000
Employers pension	£20,000 - £25,000	£15,000 - £20,000
Mrs J Austin (Staff Trustee)		
Remuneration	£35,000 - £40,000	£25,000 - £30,000
Employers pension	£5,000 - £10,000	£5,000 - £10,000

During the year ended 31 August 2025, there were no expenses reimbursed to the CEO undertaking their role as accounting officer.

Other related party transactions including Trustees are set out in note 27.

11 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and Officers indemnity from the overall cost of the RPA scheme membership.

12 TANGIBLE FIXED ASSETS

	Leasehold Buildings £'000	Leasehold Improvements £'000	Computer Equipment £'000	Furniture & Equipment £'000	Assets Under Construction £'000	Total £'000
Cost						
At 1 September 2024	7,520	-	173	2,698	-	10,391
Additions	-	5	4	4	-	13
Reclassification	(33)	2,714	6	(2,687)	-	-
At 31 August 2025	7,487	2,719	183	15	-	10,404
Depreciation						
At 1 September 2024	3,396	-	76	2,172	-	5,644
Charged in year	266	262	26	3	-	557
Reclassification	(6)	2,172	3	(2,169)	-	-
At 31 August 2025	3,656	2,434	105	6	-	6,201
Net book value						
At 31 August 2025	3,831	285	78	9	-	4,203
At 31 August 2024	4,124	-	97	526	-	4,747

13 DEBTORS

	2025 £'000	2024 £'000
Trade debtors	-	-
VAT recoverable	31	29
Prepayments and accrued income	223	237
	254	266

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Trade creditors	9	47
Other creditors	-	7
Salix loans	-	3
Taxation & social security	-	-
Accruals	39	65
Deferred income	112	208
	160	330
Deferred Income		
Deferred income at 1 September 2024	208	133
Resources deferred in the year	112	208
Amounts recognised as income during the year	(208)	(133)
Deferred income at 31 August 2025	112	208

At the balance sheet date the academy was holding funds received in advance for National Tutoring grants £Nil (2024: £8,100), and school trip income £112,334 (2024: £199,740).

15 FUNDS

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

	Balance at 1 September 2024	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2025
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General annual grant (GAG) (i)	912	3,917	(4,300)	-	529
Rates relief grant (ii)	-	24	(24)	-	-
Teachers pay grant (iii)	-	70	(70)	-	-
Teachers pension grant (iv)	-	86	(86)	-	-
Pupil premium grant (v)	-	156	(156)	-	-
Core schools budget grant (vi)	-	149	(149)	-	-
National insurance contributions grant (vii)	-	24	(24)	-	-
Other DfE/ESFA grants (viii)	-	1	(1)	-	-
LA special educational needs grant (ix)	-	257	(257)	-	-
Other LA grant income (x)	-	2	(2)	-	-
Pupil trips (xi)	-	392	(392)	-	-
Other grant income (xii)	-	50	(50)	-	-
Total general funds	912	5,128	(5,511)	-	529
Restricted fixed asset funds					
DfE/ESFA capital grants (xiii)	493	15	(243)	-	265
Unspent capital grants (xiv)	-	14	-	-	14
Capital expenditure from GAG (xv)	42	-	(5)	-	37
Capital donations (xvi)	5	-	-	-	5
Assets transferred on conversion (xvii)	4,207	-	(309)	-	3,898
Total fixed asset funds	4,747	29	(557)	-	4,219
Restricted pension scheme liability					
Pension reserve (xviii)	(71)	-	48	23	-
Total restricted funds	(71)	-	48	23	-
	5,588	5,157	(6,020)	23	4,748
Unrestricted funds					
Unrestricted funds	139	105	(31)	-	213
Total unrestricted funds	139	105	(31)	-	213
Total funds	5,727	5,262	(6,051)	23	4,961

Notes

- i) General Annual Grant must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2025. (see note 2)
- ii) Rates relief grant has been used to pay for rates.
- iii) Teachers pay grant has been used to pay the increase to teachers pay.
- iv) Teachers pension grant has been used to pay teachers pensions.
- v) Pupil Premium grant has been used to support children from low income families placed at the School.
- vi) The Core schools budget grant has been used to support the costs of teacher and support staff pay awards.
- vii) The National Insurance contribution grant has been used to offset the increased employer National Insurance contributions.
- viii) Other DfE/ESFA income used for the benefit of the academies education objectives.

15 FUNDS (cont'd)**Notes**

- ix) SEN funding has been used to support children in respect of EHCP plan funding.
- x) Other LA income used for the benefit of the academies education objectives.
- xi) Funding raised and allocated for the purpose of educational visits/trips during the school year.
- xii) Non-government grant income includes a grant from the Wolfson Foundation to support the purchase of technical equipment for science and other curriculum subjects across the school.
- xiii) Restricted fixed assets were funded by government grants.
- xiv) The unspent capital grant includes a donation to fund the Rock Academy capital project in 2025/26.
- xv) The gross transfer from the restricted general fund to the restricted fixed asset fund of £Nil (2024: £45,000) represents the total capital expenditure from GAG during the year.
- xvi) Restricted fixed assets funded by donations.
- xvii) Land and buildings were gifted to the Academy Trust upon conversion from Warwickshire County Council.
- xviii) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 26).

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

	Balance at 1 September 2023	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2024
£'000	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General annual grant (GAG) (i)	1,114	3,791	(3,948)	(45)	912
Rates relief grant (ii)	-	21	(21)	-	-
Teachers pay grant (iii)	-	70	(70)	-	-
Teachers pension grant (iv)	-	36	(36)	-	-
Pupil premium grant (v)	-	146	(146)	-	-
ESFA national tutoring programme	-	(11)	11	-	-
Mainstream schools additional grant	-	136	(136)	-	-
LA special educational needs grant (ix)	-	144	(144)	-	-
Other LA grant income (x)	-	1	(1)	-	-
Pupil trips (xi)	-	181	(181)	-	-
Other restricted	-	3	(3)	-	-
COVID recovery premium	-	33	(33)	-	-
Total general funds	1,114	4,551	(4,708)	(45)	912
Restricted fixed asset funds					
DfE/ESFA capital grants (xiii)	666	15	(224)	36	493
Unspent capital grants	36	-	-	(36)	-
Capital expenditure from GAG (xv)	-	-	(3)	45	42
Capital donations (xvi)	-	5	-	-	5
Assets transferred on conversion (xvii)	4,527	-	(320)	-	4,207
Total fixed asset funds	5,229	20	(547)	45	4,747
Restricted pension scheme liability					
Pension reserve (xviii)	(218)	-	26	121	(71)
	(218)	-	26	121	(71)
Total restricted funds	6,125	4,571	(5,229)	121	5,588
Unrestricted funds					
Unrestricted funds	75	94	(30)	-	139
Total unrestricted funds	75	94	(30)	-	139
Total funds	6,200	4,665	(5,259)	121	5,727

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2025 are represented by:

	Fixed				Total £'000
	Pension		General	Assets	
	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Funds £'000	Restricted Funds £'000	
Tangible fixed assets	-	-	-	4,203	4,203
Current assets	213	-	689	16	918
Current liabilities	-	-	(160)	-	(160)
Non current liabilities	-	-	-	-	-
Pension scheme liability	-	-	-	-	-
	<u>213</u>	<u>-</u>	<u>529</u>	<u>4,219</u>	<u>4,961</u>

Fund balances at 31 August 2024 are represented by:

	Fixed				Total £'000
	Pension		General	Assets	
	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Funds £'000	Restricted Funds £'000	
Tangible fixed assets	-	-	-	4,747	4,747
Current assets	139	-	1,242	-	1,381
Current liabilities	-	-	(330)	-	(330)
Non current liabilities	-	-	-	-	-
Pension scheme liability	-	(71)	-	-	(71)
	<u>139</u>	<u>(71)</u>	<u>912</u>	<u>4,747</u>	<u>5,727</u>

17 CAPITAL COMMITMENTS

2025 2024
£'000 £'000

Contracted for, but not provided in the financial statements

- -

Approved by the Board of Trustees, but not yet contracted for

24 -

- -

18 LONG TERM COMMITMENTS INCLUDING OPERATING LEASES

Operating leases

At 31 August 2025 the total of Alcester Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2025	2024
	Other £'000	Other £'000
Amounts due within one year	43	31
Amounts due between one and five years	38	49
	<u>81</u>	<u>80</u>

Amounts due within one year

43 31

Amounts due between one and five years

38 49

- -

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

19 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £'000	2024 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(789)	(594)
Adjusted for:		
Depreciation (note 12)	557	540
Loss on disposal of fixed assets	-	7
Capital grants from DfE and other capital income	(29)	(20)
Interest receivable	(15)	(16)
Defined benefit pension scheme cost less contributions payable (note 26)	(50)	(37)
Defined benefit pension scheme finance cost (note 26)	2	11
Decrease/(increase) in debtors	12	(71)
Increase/(decrease) in creditors	(167)	9
Net cash used in operating activities	(479)	(171)

20 CASH FLOWS FROM INVESTING

	2025 £'000	2024 £'000
Interest received	15	16
Purchase of tangible fixed assets	(13)	(101)
Capital grants from DfE/ESFA	29	20
Net cash provided by/(used in) investing activities	31	(65)

21 CASH FLOWS FROM FINANCING ACTIVITIES

	2025 £'000	2024 £'000
Repayments of borrowing	(3)	(3)
Cash inflows from new borrowing	-	-
Net cash used in financing activities	(3)	(3)

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2025 £'000	At 31 Aug 2024 £'000
Cash in hand and at bank	664	1,115
Total cash and cash equivalents	664	1,115

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sept 2024 £'000	Cash Flows £'000	At 31 Aug 2025 £'000
Cash at bank	1,115	(451)	664
	1,115	(451)	664
Loans due within one year	(3)	3	-
	1,112	(448)	664

24 CONTINGENT LIABILITIES

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

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

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

25 MEMBER LIABILITY

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

26 PENSION AND SIMILAR OBLIGATIONS

Alcester 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 Pension Fund. Both are defined multi employer benefit schemes.

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

The total pension cost to the Academy during the year ended 31 August 2025 was £749,000 (2024: £625,000) of which £597,000 (2024: £480,000) relates to the TPS and £152,000 (2024: £145,000) relates to LGPS.

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2025 (2024: £Nil) and are included within other creditors.

Teachers' Pension Scheme**Introduction**

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

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

26 PENSIONS AND SIMILAR OBLIGATIONS (cont'd)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

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

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

The result of this valuation was implemented on 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employers costs paid to TPS in the period amounted to £597,000 (2024: £480,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate Trustee administered funds. The total contributions made for the year ended 31 August 2025 was £247,000 (2024: £211,000) of which employers contributions totalled £200,000 (2024: £171,000) and employees contributions totalled £47,000 (2024: £40,000).

The agreed contributions for future years is an average of 21.3% (2024: 21.1%) for employers and a minimum of 5.5% to 10.5% (2024: 5.5% to 7.5%) for employees.

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

26 PENSIONS AND SIMILAR OBLIGATIONS (cont'd)

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2025	At 31 August 2024
	% per annum	% per annum
Discount rate	6.1%	5.0%
Salary increases	3.7%	3.7%
Pension increase	2.7%	2.7%

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

	At 31 August 2025	At 31 August 2024
	Approx Change to Employers Liability £'000	Approx Change to Employers Liability £'000
Discount rate reduced by 0.1% per annum	60	69
Salary increase rate increased by 0.1%	4	5
Pension increase rate increased by 0.1%	57	66

The mortality assumptions used were as follows:

	At 31 August 2025	At 31 August 2024
	years	years
Longevity at age 65 retiring today		
- Men	21.8	21.5
- Women	24.5	24.4
Longevity at age 65 retiring in 20 years		
- Men	21.3	21.1
- Women	25.7	25.6

26 PENSIONS AND SIMILAR OBLIGATIONS (cont'd)

Alcester Academy's share of the assets in the scheme were:

	Fair value at 31 August 2025 £'000	Fair value at 31 August 2024 £'000
Equity instruments	1,747	1,657
Debt instruments	1,253	1,015
Property	721	676
Cash and other liquid assets	76	34
Total market value of assets	3,797	3,382
Present value of scheme liabilities:		
- Funded	3,797	3,382
- Unfunded	-	71
Total liabilities	3,797	3,453
Deficit in the scheme	-	(71)

The actual return on the scheme assets in the year was a surplus of £231,000 (2024: £264,000 surplus).

Amounts recognised in the Statement of Financial Activities:

	2025 £'000	2024 £'000
Current service cost	150	134
Interest income	(174)	(158)
Interest cost	176	169
Total amount recognised in the SoFA	152	145
Changes in deficit during the year:	2025 £'000	2024 £'000
Balance at 1 September	71	218
Movement in year:		
- Employer service cost (net of employee contributions)	150	134
- Employer contributions	(200)	(171)
- Expected return on scheme assets	(174)	(158)
- Interest cost	176	169
- Actuarial gains	(689)	(121)
- Asset ceiling adjustment	666	-
Deficit in the scheme at 31 August	-	71

26 PENSIONS AND SIMILAR OBLIGATIONS (cont'd)

Changes in the present value of defined benefit obligations were as follows:	2025 £'000	2024 £'000
Balance at 1 September	3,453	3,197
Scheme liabilities at admission date		
Current service cost	150	134
Interest cost	176	169
Contributions by scheme participants	47	40
Benefits paid	(63)	(72)
Actuarial gains	(632)	(15)
Asset ceiling adjustment	666	-
Scheme liabilities at 31 August	3,797	3,453
Changes in the fair value of the share of scheme assets:	2025 £'000	2024 £'000
Balance at 1 September	3,382	2,979
Expected return on scheme assets	174	158
Actuarial gains	57	106
Contributions by employer	200	171
Benefits paid	(63)	(72)
Contributions by scheme participants	47	40
Fair value of scheme assets at 31 August	3,797	3,382

The estimated value of employer contributions for the year ended 31 August 2026 is £200,000 (2025: £171,000).

The fair value of the pension plan assets at 31 August 2025 is in excess of the present value of the defined benefit obligations at that date, giving rise to a net surplus of £666,000 (2024: £Nil). This surplus is recognised in the financial statements only to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

The academy trust is not able to determine that future contributions will be reduced and it is not possible for the academy trust to receive a refund from the scheme, as the specific conditions for this have not been met. Therefore an asset ceiling is in place such that the surplus of £666,000 (2024: £Nil) is not recognised as an asset at 31 August 2025 and the net asset/liability recognised in the financial statements is capped at £Nil.

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the DfE of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place during the period with the Trustees. No amounts are owed to or due from the Trustees as at 31 August 2025.

28 EVENTS AFTER THE END OF THE REPORTING PERIOD

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