

Company registration number 08132137 (England and Wales)

GRASMERE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

GRASMERE ACADEMY

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 9
Governance statement	10 - 14
Statement on regularity, propriety and compliance	15
Statement of Governors' responsibilities	16
Independent auditor's report on the accounts	17 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities including income and expenditure account	23 - 24
Balance sheet	25
Statement of cash flows	26
Notes to the accounts including accounting policies	27 - 46

GRASMERE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Baldwin
D Hodgson
J Wilkinson
R Carmichael

Governors

L Goossens (Chair)
D M Baldwin
D I Hodgson
H M L Girvan
K Lilico (Accounting Officer)
J Mckeown (Resigned 3 April 2024)
R Kielty (Resigned 2 February 2024)
R Ludlow (Resigned 14 June 2024)
A Rayner
M P Maplesden (Appointed 23 May 2024)

Senior management team

- Headteacher
- Deputy Headteacher
- SENDCo

K Lilico
H Girvan
H Winship

Company secretary

D Ellis

Company registration number

08132137 (England and Wales)

Registered office

Grasmere Court
Killingworth
Newcastle Upon Tyne
Tyne And Wear
NE12 6TS
United Kingdom

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB
United Kingdom

Bankers

Barclays Bank plc
38 Bridge Street
Morpeth
Northumberland
NE61 1NL
United Kingdom

GRASMERE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle Upon Tyne
Tyne And Wear
NE1 4BF
United Kingdom

GRASMERE ACADEMY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The Governors (who act as Trustees for charitable activities and are also Directors for the purposes of Company Law) present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2023 to 31 August 2024. 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 2 to 11 serving a catchment area in the North West of North Tyneside. It has a pupil capacity of 210 and had a roll of 112 in the school census on January 2024.

Structure, governance and management

Constitution

Grasmere Academy is a company limited by guarantee (company number 08132137, incorporated on 5 July 2012) and an exempt Charity. The Memorandum and Articles of Association are the prime documents governing the Academy. Details of the Governors who served during the year 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 cease to be a member.

Governors' indemnities

The Charitable Company has purchased Governors' Liability insurance and Fidelity Guarantee cover (the latter also covers staff). The cost of this insurance is included in the total insurance cost. The Academy subscribes to the RPA membership.

Method of recruitment and appointment or election of governors

The Governors of Grasmere Academy act as Directors of the charitable company for the purposes of Company Law. Details of Governors who served throughout the year are included in the Reference and Administrative Details section on page 3. The appointment of Governors is provided for in the Articles of Association.

The Chair is drawn from the members of the Board and appointed with the agreement of the North Tyneside Academy Foundation, who are the sponsors of Grasmere Academy. Appointment and removal of Directors is subject to any restrictions imposed by the Education Act.

Staff Governors are elected by the staff employed by the Academy Trust. Parent Governors are elected by the parents of the current pupils of the Academy Trust.

Policies and procedures adopted for the induction and training of governors

Governors are given appropriate induction on appointment and will be provided with access to appropriate training during their appointment to the board. This training will cover the roles and responsibilities of acting as a Governor. The Academy purchased ad hoc services from North Tyneside Council which provided regular update training for all Governors.. In addition the Governing Body paid for an annual subscription to the National Governance Association and it's E-Learning Link modules. The Academy has analysed the skills and experience of all governors and will use this to plan further development for them moving forward.

Organisational structure

The charitable company comprises of a full Board of Governors with three sub committees; Staffing and Finance (which meets twice Termly); Health & Safety, Safeguarding & Premises Committee and a Joint Quality Committee with Stephenson Memorial Primary School (which meets Termly). The Academy has a detailed system of delegation of responsibilities which is agreed annually by the full governors. Each committee also has detailed terms of reference which are reviewed annually. The Headteacher is a members of all committees.

GRASMERE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Two Founding Governors from North Tyneside Academy Foundation are also members of the Governing Body. The Headteacher has taken on the role of Accounting Officer for the Academy. The Senior Management Team consists of the Headteacher, a Deputy Headteacher and a SENDCo. The Headteacher is also an Executive Headteacher with another local primary school.

Powers to Be Exercised Only By the Full Governing Body or Members.
None of the responsibilities in this Paragraph may be further delegated.

a. Only the Academy Board may:

- Change the Constitution of the Governing Body
- Decide on a change of school category
- Delegate functions
- Establish committees
- Apply to change the governing documents
- Appoint Auditors

b. Only the Governing Body may:

- Elect or remove the Chair or Vice Chair of the Governing Body
- Appoint the Company Secretary
- Co-opt persons on to the Governing Body
- Suspend Governors

c. Additionally the Governing Body has decided not to delegate the following:

- Decide what sex education is to be provided
- Agree any general principles on pupil discipline
- Decide any changes in the times of school sessions and dates of terms and holidays
- Appoint a Headteacher
- Approve the budget
- Ensure that a broad and balanced curriculum is implemented and targets set as required
- Ensure that RE and daily collective worship are provided
- Appoint auditors
- Appoint the Internal Auditor
- Agree the Annual Report and Accounts

Under Article 7 of the Articles of Association decisions are made by a majority decision at a meeting or by a unanimous decision under Article 8. This decision may be in writing.
The Governors receive no remuneration for acting as Governors.

At the annual Members' meeting the Governors report back to Members and discuss the future direction of the Academy in order to meet its objective. Based on a majority vote these decisions are then enacted and overseen by the Governors.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is determined by a variety of contributory factors such as school size, the pay scales for each role e.g. Headteacher, Deputy Headteacher and the level of experience of the staff member. In addition to this, levels of pay may be affected by any nationally agreed pay rewards, the ability to recruit key management personnel and retain them in post, which all coincides with the schools appointment and pay policies.

Pay scales for senior staff in schools are set and reviewed in accordance with the Pay Policy for Teachers, which follows Local Authority HR guidance, taking into consideration guidance in the Teachers Pay and Conditions Document. The Local Authority Pay Policy for Support Staff has also been adopted. All amendments to key management personnel's pay and remuneration is discussed and agreed by the governing body.

Trade union facility time

For 2023/24 Grasmere does not have any trade union facility time to declare.

GRASMERE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Related parties and other connected charities and organisations

Grasmere is sponsored by North Tyneside Academy Foundation which is part of the North Tyneside Learning Trust (NTLT). Silverdale School is part of the NTLT.

Objectives and activities

Objects and aims

The Academy's objective is set out in its Memorandum Funding Agreement and Articles of Association. In summary it is to advance education, health and training for all the children, young people and communities of North Tyneside and to promote community cohesion under the Education Act.

Careful consideration is given to the Charity Commission's general guidance on public benefit and in particular on advancing education for the children and young people of North Tyneside when planning Academy activities.

The aims of the Academy are as follows:

Mission Statement

At Grasmere Academy, over time we have carefully crafted a school that embeds a highly inclusive ethos. We believe that no matter what the stage of development of a child, we will ensure that our children make progress. Instead of making children 'fit into' a school system, we will actively look for ways to see how we can change in order to meet the needs of our children. We have adopted a motivational and engaging teaching and learning pedagogy, steeped in research and mastery, which reflects how the working world has changed. It is our moral imperative to prepare our community for this.

The world we live in requires innovators, problem solvers, critical and creative thinkers and culturally aware citizens. It is our drive to prepare our children for a life unimaginable.

Objectives, strategies and activities

For the academic year 2022/23 our 3 year plan focused on a continued drive to embed basic skills and raise outcomes for all children.

We created a plan, with clear expectations around culture, these being:

- 1) To understand the meaning of being part of a team and the collective responsibility that that brings.
- 2) Excellence in all that we do, a no ceilings approach to teaching and learning.
- 3) To create a dynamic learning community for staff development, that transforms the professional learning experience for all staff. To have a true understanding of each member of staff and their needs.
- 4) Staff to work collaboratively in each school, as well as across schools to share and learn from each other. A motivation where staff are constantly curious and restless about practice, hungry to continually gain new knowledge and skills to be the best they can be. A culture of responsibility to work together to learn.
- 5) To have a structured and consistent approach to professional learning, one that incorporates action research, informal learning opportunities, peer lesson study and professional growth reflections.
- 6) An understanding of the power of coaching and this being actively used in professional learning - a culture of trust is paramount.
- 7) To have a culture that is highly challenging, but with low threat. A non-judgemental approach to professional development and learning evaluations
- 8) To know and understand that we are all leaders, to develop an authentic distributed leadership model, as opposed to a system that is micro-managed. Opportunities are embraced for all staff to lead, innovate and develop practice, as well as themselves.

This then translated into 7 strategic areas

Academic Progress
Culture and Climate
Teaching and Learning
Curriculum
Learning Environments
Leadership Development
Governance
Community Engagement

Further details can be seen in our Three Year strategic plan 2021 - 2024

GRASMERE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Public benefit

The Governors have given due consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Academy provides education to children and young people that is:

- Balanced and broadly based.
- Promotes the moral, cultural, mental and physical development of students at the school and society.
- Prepares students at the school for the opportunities, responsibilities and experiences of later life.
- Promotes, sustains and increases individual and collective knowledge and understanding of study, skills and experience.

The Academy is a non-selective inclusive school serving North Tyneside. The Academy also offers nursery provision for 2, 3 and 4 year olds. An Additionally Resourced Provision for children with moderate learning difficulties is also available. Children from across North Tyneside can be admitted to the Additionally Resourced Provision which is controlled by North Tyneside Council.

Admissions to the Academy comply with a parental preference for the school unless the number of applications for the relevant age group exceeds the school's standard admission number or a higher published admission number and to admit an extra child would prejudice the provision of efficient education or the efficient use of resources.

Strategic report

Achievements and performance

The main challenges for the Board and Governors have been:

- To continue to operate a school and manage educational standards during the pandemic with pupil and staff absence periods.
- Maintaining and managing small budget, ensuring it's balanced.
- Managing an inclusive ethos and culture, with an ever growing SEND and Pupil Premium cohort.

Since the last Inspection (Dec 2022) where the Academy was graded good across all areas, the school has continued to drive its own school improvement, giving time to focus on and embed strategies. Partnerships still remain strong with the Local Authority, North Tyneside Learning Trust and Smart Multi Academy Trust.

In 22/23 the Academy started to explore joining an existing Multi Academy Trust. In July 2023 Grasmere Academy submitted an application to the Head Teacher board to merge with Smart Multi Academy Trust. The application was accepted. However in 2023/24 this had to be put on hold whilst the Academy's Finances were scrutinised. In February 2024 the school also faced school closure due to block and beam construction failure. These compounding factors have delayed the merger to Smart.

Key performance indicators

Statutory testing continued in 23/24, with the removal of KS1 testing. All children performed well from their starting points considering the disruption of school closure during February - March 24. The school continues to self-evaluate itself as a good school.

Going concern

The trust is still expected to join a multi academy trust within the next twelve months, so long as a solution can be found to the trust's current funding problems, therefore governors have not prepared the accounts on a going concern basis. The current level of uncertainty over centralised funding of the significant repairs required to the school buildings however mean that it is unlikely that the accounts would have been presented on a going concern basis were there not a transaction in process, as the trust does not have sufficient reserves to fund the building works.

The accounting policies sections of the financial statements provides more information on the basis adopted.

GRASMERE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

The majority of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants. The funding is recognised as restricted due to its specific purposes. Any ESFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies. The Academy also received funding for Pupil Premium, Universal Infant Free School Meals (UIFSM) and PE grants direct from the ESFA. The total funding received from the ESFA for all grants was £942,765. The academy also received a capital grant of £5,128 from the ESFA.

In addition the Academy also receives grants from Local Authorities to support pupils who are eligible for SEN funding and Early Years. The SEN funding received and funding for Early Years Free Entitlement was £153,552. These grants are treated as restricted income.

The expenditure for the year totalled £1,241,697. The majority of this amount £1,174,700 was for the Academy education operations, plus £66,997 of depreciation.

As an Educational Charity there is an assurance that all the income of the Academy must be applied for educational purposes. The resources received in year were applied to fulfil the charitable objective, however, a significant outlay was paid for the replacement of the school's boiler. Which has significantly impacted on the schools operational budget.

Reserves policy

The Academy holds both restricted and unrestricted funds which are detailed within the financial statements. The level of reserves is reviewed regularly by the Trustees throughout the period and the minimum level of reserves for the ongoing needs of the Academy is set out in the Reserves and Investment policy.

The Trustees currently target holding a minimum level reserves that equates to the equivalent of 5% of the Trust's general annual grant (GAG). This equated to £39,571 in the 2024 year end. The Academy's current level of revenue reserves amounts to £186,360. This is made up of unrestricted funds of £123,485 and restricted funds of £62,875. The net funds are £143,396 after taking into account the £45,374 capital loan balance.

The Trustees recognise the importance of reserves for the sustainability of the Academy's operations and its capacity to deal with unforeseen events. Ongoing review of the strategic risks that the Academy faces will help in informing the level of reserves required going forwards.

Investment policy

During the year the Academy held all its funds in an interest bearing current account. Moving forward the Academy is planning to increase funds through successful grant applications.

Principal risks and uncertainties

The Governors are responsible for the management of risks to which the Academy Trust is exposed and have undertaken a review of risks associated with its activities. The key controls used by the Academy Trust include:

- Formal agendas for Governors' meetings
- Detailed terms of reference for all committees
- A clear development plan identify key strategic planning objectives and the resources required to achieve them
- Comprehensive budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes
- Clear succession planning policy
- A constantly reviewed risk register

GRASMERE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The Governors have reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk and have taken steps to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

The Governors are satisfied that the major risks identified have been adequately mitigated where necessary.

It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Governors identified 4 main risks facing the Academy. Further information can be seen in the Academy's risk register.

1. Strategic and Reputational Risks
2. Operational Risks
3. Compliance Risks
4. Financial Risks

The Governors review the finances 6 times a year. The funds held by the Academy is monitored closely in terms of level of spend. Financial controls over the Academy's bank account are managed through a system requiring two signatories to release funding.

Governors are currently working through deficit planning for future years due to the reduced reserves following the replacement of the school boiler as detailed in the financial review section.

Fundraising

The Academy usually pursues the use of fundraising to secure additional income through various means, but since the start of the pandemic, the academy has been mindful of this in the context of cost of living pressures.

Plans for future periods

The school plans to maintain a clear focus on teaching and learning, including continuing to raise achievement of pupils especially of non SEND children. Specific plans are included in the School Development Plan and Ofsted areas for improvement are as follows:

- The curriculum is not adapted well enough to teach all of the stated school curriculum content in sufficient depth to the mixed-ages classes in the school. This means that some pupils have gaps in their learning and this has an impact on their readiness for their next stage of education. Leaders should review the curriculum planning to ensure that all pupils access the ambitious school curriculum and no gaps in knowledge occur.
- The previous RE curriculum lacked sufficient detail and ambition. As a result, pupils have a limited understanding of the religions they have studied. Leaders should fully implement the new RE curriculum and ensure that this is embedded in the school.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

GRASMERE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Auditor

Insofar as the Governors are aware at the date of making this report:

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

The procurement of new auditors was undertaken in May 2019, as per the Academy's procurement policy. On the 2nd May 2019 the Governors appointed Azets as Auditors for the Academy. For the 2023/24 financial year, JGT Audit services were appointed to carry out the Internal Scrutiny programme.

This report, incorporating the strategic report was approved by order of the members of the Governing Body on 5th December 2024 and signed on its behalf by:



L Goossens

Chair

GRASMERE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

Scope of responsibility

The Governors acknowledge their overall responsibility for ensuring Grasmere Academy has an effective and appropriate system of control, financial or otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide a reasonable 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring that the 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 Grasmere Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weakness or breakdowns in the internal controls.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body formally met 7 times during the period. Attendance during the period to the Governing body meetings was as follows:

Governors	Meetings attended	Out of possible
L Goossens (Chair)	7	7
D M Baldwin	7	7
D I Hodgson	4	7
H M L Girvan	7	7
K Lilico (Accounting Officer)	7	7
J Mckeown (Resigned 3 April 2024)	0	7
R Kielty (Resigned 2 February 2024)	0	7
R Ludlow (Resigned 14 June 2024)	0	7
A Rayner	4	7
M P Maplesden (Appointed 23 May 2024)	1	2

The composition of the Governing body changed in the Academic Year 2023/24 with the election of one Co-opted governor.

The Finance & Staffing Committee met 7 times during the period. The Finance & Staffing Committee met 7 times during the period. Attendance during the period for the Finance & Staffing Committee was as follows:

Governors	Meetings attended	Out of possible
L Goossens (Chair)	7	7
D I Hodgson	4	7
H M L Girvan	7	7
K Lilico (Accounting Officer)	7	7
A Rayner	6	7
M P Maplesden (Appointed 23 May 2024)	6	7

GRASMERE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The Finance, Staffing & Premises Committee is a subcommittee of the main board of Governors. Its purpose is to consider all matters relating to:

- Financial planning, management and control; and
- Staffing structures and changes; and
- Site and premises management and development; and
- Health & Safety considerations

Effectiveness

Last year all Governing Body meetings were fully resumed and face to face. A blended approach of online facilities could be used, if requested, however it was encouraged for all members to meet in person. Full agendas were also resumed and governors resumed the role of challenge and accountability at all levels. New Governors received induction training. Governing body meetings still had oversight of the school's risks assessments and essential control measures, as well as the health and wellbeing of all, but a high priority was the quality of education and addressing gaps that had occurred due to the pandemic. Governor monitoring visits into school also resumed so evidence could be triangulated at all levels.

Executive Headship at Stephenson Memorial Primary School and Joint Quality Committee arrangements

The Headteacher continued her Executive Headship role with responsibility for both Grasmere Academy and Stephenson Memorial Primary School. Stephenson Memorial converted to an Academy on July 1st 2024. The Head Teacher is now seconded to Smart Multi Academy Trust. During the last academic year, the Company Secretary was also seconded to Stephenson Memorial Primary School. It is still the intention for Grasmere Academy to merge with Smart.

Governing Body Self-Evaluation

Governors adopted the National Governance Association's latest Code of Conduct and carried out a skills audit with the results used to help identify the right skills and expertise required on the Governing body.

Managing Conflicts of Interest

The Academy maintains an up-to-date and complete register of interests, and is recorded at the start of each meeting

GRASMERE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Review of value for money

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

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

Improving Educational Standards

The Academy has secured value for money in improving educational standards in the following ways:

- Continuing the effective partnership agreement with North Tyneside Learning trust Stephenson Memorial Primary and Smart Multi Academy Trust to ensure standards are raised in teaching and learning
- Continued links with Stephenson have meant that sharing good practice has been enabled through subject leaders sharing expertise and strategy.
- Links with NTLT have enabled enriched experiences to be added to the curriculum, whether this has been through additional funding or experts coming into school, for example the world of work programme.
- Links with Smart Multi Academy trust have given the Academy strategic leadership support, through high quality external school development work and Head Teacher triad visits

Financial Governance and Oversight

The Academy has secured value for money in Financial Governance and Oversight in the following ways:

- A Clerk to Governors, with substantial experience has continued her role this academic year. This support has been effective in ensuring that the Academy is meeting all its requirements.

Purchasing

The Academy has secured value for money in Purchasing in the following ways:

- The Academy keeps its Procurement Policy updated and follows the DfE 'Buying for schools' advice and framework agreements if needed.

Reviewing controls and managing risks

The Academy has secured value for money in Reviewing Controls and Managing Risks in the following ways:

- The Academy has agreed a risk register which covers the full range of the Academy's system and procedures. This is updated termly. The risk register has been used to identify the work programme for the Internal Scrutiny in 2023/24, which has now been undertaken by JGT Audit services.

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 of achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact on the Academy should they become realised, and to manage the risks efficiently, effectively and economically. The system of internal control has been in place in Grasmere Academy for the period 1st September 2023 to 31st August 2024 and up to the date of approval of the annual report and financial statements.

GRASMERE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Capacity to handle risk

The Governing Body 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 Governing Body 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 period 1st September 2023 to 31st August 2024 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Governing Body. The risk register is referred to and updated termly.

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 Governing Body
- Regular reviews by the Finance, Staffing and Premises 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
- Delegation of authority and segregation of duties
- Identification and management of risks

The Governing Body has considered the need for a specific internal audit function and this was delivered through JGT as internal scrutiny officer performing additional checks.

The auditor role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Testing of Governance Arrangements
- Testing of Financial Planning
- Testing of Budgetary Control
- Testing of Income Controls & Transactions
- Testing of Expenditure Controls & Transactions
- Testing of Data / IT Security
- Testing of Business Continuity Planning

The internal scrutiny officer has delivered their schedule of work as planned, no material control issues arising as a result of the responsible officer work have been identified. For the 2023/24 financial year, JGT Audit services were appointed to carry out the internal scrutiny programme.

Review of effectiveness

The Accounting Officer 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 external auditor
- The work of the internal scrutiny officer
- The work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Staffing Committee and a plan to address weakness and ensure continuous improvement of the system is in place.

GRASMERE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Conclusion

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

Approved by order of the board of trustees on 05 December 2024 and signed on its behalf by:



L Goossens
Chair



K Lilico
Accounting Officer

GRASMERE ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As accounting officer of Grasmere Academy, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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



K Lilico
Accounting Officer

05 December 2024

GRASMERE ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The governors (who act as trustees for Grasmere Academy and are also the directors of Grasmere Academy for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law, the governors must not approve the accounts 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 accounts, the governors are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 05 December 2024 and signed on its behalf by:



L Goossens
Chair

GRASMERE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRASMERE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the accounts of Grasmere Academy for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

Emphasis of matter - LGPS Disclosure

We draw your attention to note 2 to the financial statements which describes how the LGPS balance has been accounted for. Our opinion is not modified in respect of this matter.

Material uncertainty relating to going concern

The governors have disclosed in the accounts material uncertainties that cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue. The academy trust is potentially joining another trust within twelve months, and the trust is also working on a plan to ensure financial viability should this not happen. Further details are provided in the notes to the financial statements. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

GRASMERE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRASMERE ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

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

Responsibilities of governors

As explained more fully in the statement of Governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the governors are responsible for assessing the academy trust'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 governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

GRASMERE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRASMERE ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

GRASMERE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRASMERE ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Use of our report

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



**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

Statutory Auditor

9/12/24

.....

Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

GRASMERE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2024

In accordance with the terms of our engagement letter dated 20 September 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Grasmere Academy during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Grasmere Academy's funding agreement with the Secretary of State for Education dated 6 September 2011 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

GRASMERE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2024

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of internal assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

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

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated:9/12/2024.....

GRASMERE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2024 £	Total 2023 £
Income and endowments from:						
Donations and capital grants	3	3,313	-	8,888	12,201	69,704
Charitable activities:						
- Funding for educational operations	5	107,838	1,107,651	-	1,215,489	1,061,259
Other trading activities	4	37,505	-	-	37,505	59,989
Total		<u>148,656</u>	<u>1,107,651</u>	<u>8,888</u>	<u>1,265,195</u>	<u>1,190,952</u>
Expenditure on:						
Raising funds	6	134,550	-	-	134,550	74,972
Charitable activities:						
- Educational operations	7	-	1,034,150	66,997	1,101,147	1,184,335
Total	6	<u>134,550</u>	<u>1,034,150</u>	<u>66,997</u>	<u>1,235,697</u>	<u>1,259,307</u>
Net income/(expenditure)		14,106	73,501	(58,109)	29,498	(68,355)
Transfers between funds	16	-	(4,626)	4,626	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	18	-	49,000	-	49,000	133,000
Adjustment for restriction on pension assets	18	-	(55,000)	-	(55,000)	(117,000)
Net movement in funds		14,106	62,875	(53,483)	23,498	(52,355)
Reconciliation of funds						
Total funds brought forward		109,379	-	1,330,553	1,439,932	1,492,287
Total funds carried forward		<u>123,485</u>	<u>62,875</u>	<u>1,277,070</u>	<u>1,463,430</u>	<u>1,439,932</u>

GRASMERE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £
Income and endowments from:					
Donations and capital grants	3	2,142	-	67,562	69,704
Charitable activities:					
- Funding for educational operations	5	76,794	984,465	-	1,061,259
Other trading activities	4	59,989	-	-	59,989
Total		<u>138,925</u>	<u>984,465</u>	<u>67,562</u>	<u>1,190,952</u>
Expenditure on:					
Raising funds	6	74,972	-	-	74,972
Charitable activities:					
- Educational operations	7	3,003	1,116,646	64,686	1,184,335
Total	6	<u>77,975</u>	<u>1,116,646</u>	<u>64,686</u>	<u>1,259,307</u>
Net income/(expenditure)		60,950	(132,181)	2,876	(68,355)
Transfers between funds	16	(68,041)	9,724	58,317	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	133,000	-	133,000
Adjustment for restriction on pension assets	18	-	(117,000)	-	(117,000)
Net movement in funds		(7,091)	(106,457)	61,193	(52,355)
Reconciliation of funds					
Total funds brought forward		<u>116,470</u>	<u>106,457</u>	<u>1,269,360</u>	<u>1,492,287</u>
Total funds carried forward		<u>109,379</u>	<u>-</u>	<u>1,330,553</u>	<u>1,439,932</u>

GRASMERE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		1,320,034		1,380,553
Current assets					
Debtors	12	51,851		36,409	
Cash at bank and in hand		594,568		279,308	
		<u>646,419</u>		<u>315,717</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(462,358)		(210,964)	
Net current assets			<u>184,061</u>		<u>104,753</u>
Total assets less current liabilities			<u>1,504,095</u>		<u>1,485,306</u>
Creditors: amounts falling due after more than one year	14		(40,665)		(45,374)
Net assets excluding pension asset			<u>1,463,430</u>		<u>1,439,932</u>
Defined benefit pension scheme asset	18		-		-
Total net assets			<u><u>1,463,430</u></u>		<u><u>1,439,932</u></u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			1,277,070		1,330,553
- Restricted income funds			62,875		-
Total restricted funds			<u>1,339,945</u>		<u>1,330,553</u>
Unrestricted income funds	16		<u>123,485</u>		<u>109,379</u>
Total funds			<u><u>1,463,430</u></u>		<u><u>1,439,932</u></u>

The accounts on pages 23 to 46 were approved by the governors and authorised for issue on 05 December 2024 and are signed on their behalf by:



L Goossens
Chair

Company registration number 08132137 (England and Wales)

GRASMERE ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		318,269		(78,906)
Cash flows from investing activities					
Capital grants from DfE Group		5,128		67,562	
Purchase of tangible fixed assets		(2,718)		(195,731)	
Net cash provided by/(used in) investing activities			2,410		(128,169)
Cash flows from financing activities					
Repayment of other loan		(4,626)		50,000	
Finance costs		(793)		-	
Net cash (used in)/provided by financing activities			(5,419)		50,000
Net increase/(decrease) in cash and cash equivalents in the reporting period			315,260		(157,075)
Cash and cash equivalents at beginning of the year			279,308		436,383
Cash and cash equivalents at end of the year			594,568		279,308

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have not been able to conclude that the academy trust has adequate resources to continue in operational existence for the foreseeable future as there is no certainty of the provision of central funding for the urgent repairs required to the school buildings, which the trust does not have sufficient reserves to fund unaided. Furthermore, the trust is likely to transfer its academy and all activities to another multi academy trust within twelve months and therefore have concluded that it is not appropriate to adopt the going concern basis of accounting in preparing the accounts. No adjustments have been made to any assets or liabilities as all are expected to be transferred at the book value at the time of the transfer.

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

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 there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	3.3% straight line
Leasehold improvements	2% straight line
Computer equipment	33.3% straight line
Fixtures, fittings & equipment	33.3% straight line

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 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. 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. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

1.10 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 and the assets are held separately from those of the academy trust.

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

2 Critical accounting estimates and areas of judgement

(Continued)

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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The UK corporate bond yields at 31 August 2024 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

- There is a minimum funding requirement in relation to LGPS
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period
- The present values in the above calculations are calculated using an annuity representing participation into perpetuity.

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Academy Trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset to £nil based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at 31 August 2024.

Critical areas of judgement

Land and buildings

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The land and buildings are valued on the basis of valuations provided by the ESFA/local authority

Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Donated fixed assets	-	3,760	3,760	-
Capital grants	-	5,128	5,128	67,562
Other donations	3,313	-	3,313	2,142
	<u>3,313</u>	<u>8,888</u>	<u>12,201</u>	<u>69,704</u>

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Hire of facilities	25,958	-	25,958	44,500
Catering income	-	-	-	53
Parental contributions	7,799	-	7,799	6,130
Other income	3,748	-	3,748	9,306
	<u>37,505</u>	<u>-</u>	<u>37,505</u>	<u>59,989</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
DfE/ESFA grants				
General annual grant (GAG)	-	791,419	791,419	751,234
Other DfE/ESFA grants:				
- UIFSM	-	5,048	5,048	4,579
- Pupil premium	-	88,135	88,135	86,712
- PE and sports premium	-	16,830	16,830	16,820
- Rates	-	2,634	2,634	2,080
- Teachers pension grant	-	5,815	5,815	659
- Teachers pay grant	-	11,275	11,275	233
- Supplementary grant	-	-	-	18,173
- Mainstream schools additional grant	-	21,609	21,609	-
- Others	-	-	-	15,064
	<u>-</u>	<u>942,765</u>	<u>942,765</u>	<u>895,554</u>
Other government grants				
Local authority grants	-	153,552	153,552	77,708
	<u>-</u>	<u>153,552</u>	<u>153,552</u>	<u>77,708</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	11,334	11,334	11,203
	<u>-</u>	<u>11,334</u>	<u>11,334</u>	<u>11,203</u>
Other incoming resources	107,838	-	107,838	76,794
	<u>107,838</u>	<u>-</u>	<u>107,838</u>	<u>76,794</u>
Total funding	<u>107,838</u>	<u>1,107,651</u>	<u>1,215,489</u>	<u>1,061,259</u>

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

6 Expenditure

	Staff costs £	Non-pay expenditure		Total 2024 £	Total 2023 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	131,223	-	3,327	134,550	74,972
Academy's educational operations					
- Direct costs	685,467	-	51,617	737,084	765,716
- Allocated support costs	118,202	153,842	92,019	364,063	418,619
	<u>934,892</u>	<u>153,842</u>	<u>146,963</u>	<u>1,235,697</u>	<u>1,259,307</u>

Net income/(expenditure) for the year includes:

	2024 £	2023 £
Operating lease rentals	5,305	9,038
Depreciation of tangible fixed assets	66,997	64,686
Fees payable to auditor for:		
- Audit	9,750	8,500
- Other services	3,850	3,550
Bank and loan interest	793	-
Net interest on defined benefit pension liability	(9,000)	(2,000)
	<u> </u>	<u> </u>

7 Charitable activities

	2024 £	2023 £
All from restricted funds:		
Direct costs		
Educational operations	737,084	765,716
Support costs		
Educational operations	364,063	418,619
	<u>1,101,147</u>	<u>1,184,335</u>

	2024 £	2023 £
Analysis of support costs		
Support staff costs	118,851	154,088
Depreciation	66,997	64,686
Technology costs	4,931	2,907
Premises costs	86,845	93,176
Other support costs	67,463	80,891
Governance costs	18,976	22,871
	<u>364,063</u>	<u>418,619</u>

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2024 £	2023 £
Wages and salaries	668,983	605,713
Social security costs	65,640	57,705
Pension costs	149,405	144,314
	<hr/>	<hr/>
Staff costs - employees	884,028	807,732
Agency staff costs	44,126	139,332
Staff restructuring costs	6,738	-
	<hr/>	<hr/>
Staff development and other staff costs	934,892	947,064
	2,520	5,846
	<hr/>	<hr/>
Total staff expenditure	937,412	952,910
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	6,738	-
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2024 Number	2023 Number
Teachers	7	7
Administration and support	13	18
Management	2	2
	<hr/>	<hr/>
	22	27
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2024 Number	2023 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

8 Staff

(Continued)

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £191,710 (2023 £177,801).

9 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as governors.

The value of Governors' remuneration and other benefits was as follows:

K Lilico (Headteacher)	
Remuneration	£80,001 - £85,000 (2023: £75,001 - £80,000)
Employer's pension contributions	£20,001 - £25,000 (2023: £15,001 - £20,000)
H Girvan (Staff Governor)	
Remuneration	£55,001 - £60,000 (2023: £50,001 - £55,000)
Employer's pension contributions	£10,001 - £15,000 (2023: £10,001 - £15,000)

During the period 31 August 2024, no travel and subsistence expenses were reimbursed or paid directly to Governors (2023: £nil).

10 Governors' and officers' insurance

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

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

11 Tangible fixed assets

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2023	1,738,586	203,866	52,299	26,933	2,021,684
Additions	-	-	-	6,478	6,478
At 31 August 2024	1,738,586	203,866	52,299	33,411	2,028,162
Depreciation					
At 1 September 2023	569,312	7,382	49,227	15,210	641,131
Charge for the year	51,358	3,948	2,434	9,257	66,997
At 31 August 2024	620,670	11,330	51,661	24,467	708,128
Net book value					
At 31 August 2024	1,117,916	192,536	638	8,944	1,320,034
At 31 August 2023	1,169,274	196,484	3,072	11,723	1,380,553

12 Debtors

	2024	2023
	£	£
Trade debtors	18,766	203
VAT recoverable	10,446	14,349
Prepayments and accrued income	22,639	21,857
	51,851	36,409

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other loans	4,709	4,626
Trade creditors	251,131	22,782
Other taxation and social security	27,582	24,754
Other creditors	41,320	36,785
Accruals and deferred income	137,616	122,017
	462,358	210,964

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Other loans	40,665	45,374
	<u>40,665</u>	<u>45,374</u>
	2024	2023
	£	£
Analysis of loans		
Wholly repayable within five years	45,374	50,000
Less: included in current liabilities	(4,709)	(4,626)
	<u>40,665</u>	<u>45,374</u>
Amounts included above	<u>40,665</u>	<u>45,374</u>
Loan maturity		
Debt due in one year or less	4,709	4,626
Due in more than one year but not more than two years	4,709	4,709
Due in more than two years but not more than five years	14,127	14,127
Due in more than five years	21,829	26,538
	<u>45,374</u>	<u>50,000</u>

The trust has drawn down a loan of £50,000 during the year to part fund the essential replacement of a boiler. The loan is repayable over 10 years from September 2023.

15 Deferred income

	2024 £	2023 £
Deferred income is included within:		
Creditors due within one year	3,053	6,513
	<u>3,053</u>	<u>6,513</u>
Deferred income at 1 September 2023	6,513	6,113
Released from previous years	(6,513)	(6,113)
Resources deferred in the year	3,053	6,513
	<u>3,053</u>	<u>6,513</u>
Deferred income at 31 August 2024	<u>3,053</u>	<u>6,513</u>

Deferred income includes Universal Infant Free Schools Meals income received in advance of the 2024/25 academic year.

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

16 Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	-	791,419	(723,918)	(4,626)	62,875
UFSM	-	5,048	(5,048)	-	-
Pupil premium	-	88,135	(88,135)	-	-
Other DfE/ESFA COVID-19 funding	-	11,334	(11,334)	-	-
Other government grants	-	153,552	(153,552)	-	-
Teachers pension	-	5,815	(5,815)	-	-
Teachers pay grant	-	11,275	(11,275)	-	-
PE and sports premium	-	16,830	(16,830)	-	-
Rates	-	2,634	(2,634)	-	-
Mainstream schools additional grant	-	21,609	(21,609)	-	-
Pension reserve	-	-	6,000	(6,000)	-
	-	1,107,651	(1,034,150)	(10,626)	62,875
Restricted fixed asset funds					
Inherited on conversion	1,179,548	-	(58,999)	-	1,120,549
DfE group capital grants	80,738	5,128	(4,295)	-	81,571
Capital expenditure from GAG	12,127	-	(607)	4,626	16,146
Capital expenditure from unrestricted	57,411	-	(2,872)	-	54,539
Capital expenditure from other restricted	729	3,760	(224)	-	4,265
	1,330,553	8,888	(66,997)	4,626	1,277,070
Total restricted funds	1,330,553	1,116,539	(1,101,147)	(6,000)	1,339,945
Unrestricted funds					
General funds	109,379	148,656	(134,550)	-	123,485
Total funds	1,439,932	1,265,195	(1,235,697)	(6,000)	1,463,430

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024.

Other DfE/ESFA grants includes pupil premium, universal infant free school meals income, teacher's pay grant, teacher's pension grant and sports and PE grant received.

Other government grants include early years funding, pupil premium, funding for pupils with special educational needs, other grants and coronavirus support received from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants includes a devolved capital grant of £5,218 and a further capital donations of £3,760. £2,410 of DFC has been carried forward into the next year..

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Some capital expenditure has been funded by GAG or other funds. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

The academy's restricted general and unrestricted funds were £186,360 at 31 August 2024.

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

16 Funds

(Continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	106,457	751,234	(867,415)	9,724	-
UIFSM	-	4,579	(4,579)	-	-
Pupil premium	-	86,712	(86,712)	-	-
Other DfE/ESFA COVID-19 funding	-	11,203	(11,203)	-	-
Other DfE/ESFA grants	-	15,064	(15,064)	-	-
Other government grants	-	77,708	(77,708)	-	-
Teachers pension	-	659	(659)	-	-
Teachers pay grant	-	233	(233)	-	-
PE and sports premium	-	16,820	(16,820)	-	-
Rates	-	2,080	(2,080)	-	-
Supplementary grant	-	18,173	(18,173)	-	-
Pension reserve	-	-	(16,000)	16,000	-
	<u>106,457</u>	<u>984,465</u>	<u>(1,116,646)</u>	<u>25,724</u>	<u>-</u>
Restricted fixed asset funds					
Inherited on conversion	1,230,906	-	(51,358)	-	1,179,548
DfE group capital grants	19,987	67,562	(6,811)	-	80,738
Capital expenditure from GAG	17,179	-	(5,052)	-	12,127
Capital expenditure from unrestricted	-	-	(906)	58,317	57,411
Capital expenditure from other restricted	1,288	-	(559)	-	729
	<u>1,269,360</u>	<u>67,562</u>	<u>(64,686)</u>	<u>58,317</u>	<u>1,330,553</u>
Total restricted funds	<u>1,375,817</u>	<u>1,052,027</u>	<u>(1,181,332)</u>	<u>84,041</u>	<u>1,330,553</u>
Unrestricted funds					
General funds	<u>116,470</u>	<u>138,925</u>	<u>(77,975)</u>	<u>(68,041)</u>	<u>109,379</u>
Total funds	<u>1,492,287</u>	<u>1,190,952</u>	<u>(1,259,307)</u>	<u>16,000</u>	<u>1,439,932</u>

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	1,320,034	1,320,034
Current assets	123,485	520,524	2,410	646,419
Current liabilities	-	(457,649)	(4,709)	(462,358)
Non-current liabilities	-	-	(40,665)	(40,665)
Total net assets	123,485	62,875	1,277,070	1,463,430

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	1,380,553	1,380,553
Current assets	109,379	206,338	-	315,717
Current liabilities	-	(206,338)	(4,626)	(210,964)
Non-current liabilities	-	-	(45,374)	(45,374)
Total net assets	109,379	-	1,330,553	1,439,932

18 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £12,996 (2023: £6,444) were payable to the schemes at 31 August 2024 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. 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.

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £110,436 (2023: £96,829).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.3% for employers and 5.5% - 12.5% 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 Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2024	2023
	£	£
Employer's contributions	35,000	28,000
Employees' contributions	12,000	10,000
Total contributions	<u>47,000</u>	<u>38,000</u>

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations (Continued)

Principal actuarial assumptions	2024	2023
	%	%
Rate of increase in salaries	4.0	4.1
Rate of increase for pensions in payment/inflation	2.5	2.6
Discount rate for scheme liabilities	4.9	5.0
Inflation assumption (CPI)	2.5	2.6
	<u> </u>	<u> </u>

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

	2024	2023
	Years	Years
Retiring today		
- Males	20.8	21.0
- Females	24.0	24.1
Retiring in 20 years		
- Males	21.7	22.2
- Females	25.1	25.5
	<u> </u>	<u> </u>

Sensitivity analysis

Scheme liabilities would have been affected by changes in assumptions as follows:

	2024	2023
	£	£
Discount rate + 0.1%	771,000	705,000
Discount rate - 0.1%	805,000	735,000
Mortality assumption + 1 year	768,000	702,000
Mortality assumption - 1 year	808,000	738,000
CPI rate + 0.1%	804,000	734,000
CPI rate - 0.1%	772,000	706,000
	<u> </u>	<u> </u>

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2024 Fair value £	2023 Fair value £
Equities	503,004	453,715
Government bonds	186,744	11,453
Corporate bonds	12,048	166,509
Cash	8,032	14,977
Property	104,416	90,743
Other assets	189,756	143,603
	<hr/>	<hr/>
Total market value of assets	1,004,000	881,000
Restriction on scheme assets	(216,000)	(161,000)
	<hr/>	<hr/>
Net assets recognised	788,000	720,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £87,000 (2023: £16,000).

Amount recognised in the statement of financial activities	2024 £	2023 £
Current service cost	38,000	46,000
Interest income	(45,000)	(35,000)
Interest cost	36,000	33,000
	<hr/>	<hr/>
Total amount recognised	29,000	44,000
	<hr/> <hr/>	<hr/> <hr/>

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

Changes in the present value of defined benefit obligations	2024 £	2023 £
At 1 September 2023	720,000	794,000
Current service cost	38,000	46,000
Interest cost	36,000	33,000
Employee contributions	12,000	10,000
Actuarial gain	(7,000)	(152,000)
Benefits paid	(11,000)	(11,000)
	<hr/>	<hr/>
At 31 August 2024	788,000	720,000
	<hr/> <hr/>	<hr/> <hr/>

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations (Continued)

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

	2024 £	2023 £
At 1 September 2023	881,000	794,000
Interest income	45,000	35,000
Actuarial (gain)/loss	42,000	(19,000)
Employer contributions	35,000	28,000
Employee contributions	12,000	10,000
Benefits paid	(11,000)	(11,000)
Effect of non-routine settlements and administration expenses	-	44,000
At 31 August 2024	1,004,000	881,000
Restriction on scheme assets	(216,000)	(161,000)
Net assets recognised	788,000	720,000

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	29,498	(68,355)
Adjusted for:		
Capital grants from DfE and other capital income	(8,888)	(67,562)
Finance costs payable	793	-
Defined benefit pension costs less contributions payable	18 3,000	18,000
Defined benefit pension scheme finance income	18 (9,000)	(2,000)
Depreciation of tangible fixed assets	66,997	64,686
(Increase)/decrease in debtors	(15,442)	36,239
Increase/(decrease) in creditors	251,311	(59,914)
Net cash provided by/(used in) operating activities	318,269	(78,906)

20 Analysis of changes in net funds

	1 September 2023 £	Cash flows £	31 August 2024 £
Cash	279,308	315,260	594,568
Loans falling due within one year	(4,626)	(83)	(4,709)
Loans falling due after more than one year	(45,374)	4,709	(40,665)
	229,308	319,886	549,194

GRASMERE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

21 Long-term commitments

Operating leases

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

	2024	2023
	£	£
Amounts due within one year	4,533	2,092
Amounts due in two and five years	1,200	982
	<u>5,733</u>	<u>3,074</u>

22 Related party transactions

No related party transactions took place in the period of account other than certain Governors' remuneration and expenses already disclosed in note 9 .

23 Members' liability

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