

**Company registration number 08132137 (England and Wales)**

**GRASMERE ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

# GRASMERE ACADEMY

## CONTENTS

---

	<b>Page</b>
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  
R KIELTY  
R Ludlow  
A Rayner

### Senior management team

- Headteacher K Lilico  
- Deputy Headteacher H Girvan  
- SENDCo 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 2023

---

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 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 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 105 in the school census on January 2023.

#### **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 2023

---

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 Responsible Officer (RO)
- 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 2021/22 Grasmere does not have any trade union facility time to declare.

# GRASMERE ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

---

#### 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 focussed 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 2023

---

#### 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.

The Academy has been in a period of self-driven school improvement which has given time to focus and embed strategies. Partnerships still remain strong with the Local Authority, North Tyneside Learning Trust and Silverdale Primary ARP and now the school's partnership with Stephenson Memorial Primary School. The Academy continues to share some of its site to the Silverdale Primary ARP.

In 22/23 the Academy started to explore joining an existing Multi Academy trust. A great deal of investigation work was completed to find a Trust that aligned with our values and vision for Grasmere. In July 2023 Grasmere Academy submitted an application to the Headteacher board to merge with Smart Multi Academy Trust. The application was accepted.

#### Key performance indicators

Statutory testing continued in 22/23. The Academy had small cohorts of children sitting the KS1 and KS2 tests, making the data uncomparable. The school however, was visited by Ofsted in December 2022 and was graded as a good school in all categories. The quality of education at Grasmere Academy is good.

#### Going concern

The trust is 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 extent of the funding concerns currently faced by the trust do 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 current forecasts show a severe deficit. 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 2023**

---

### **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 £895,564. The academy also received a capital grant of £67,562 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 £77,708. These grants are treated as restricted income.

The expenditure for the year totalled £xxx the majority of this amount £1,178,441 was for the Academy education operations,, plus £64,686 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 2023 year end. The Academy's current level of reserves amounts to £109,379. This is all unrestricted funds. The net funds are £59,379 after taking into account the £50,000 capital loan.

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
- A carefully tracked audit trail of additional costs and impact of Covid 19 on educational provision

# GRASMERE ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

---

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 learning and the teaching, including continuing to raise achievement of pupils. 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.
- Grasmere Academy has the agreement of the DfE to merge with Smart multi academy trust. The hope is this will be completed in the 23/24 academic year.

#### **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 2023**

---

### **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 2022/23 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 7th December 2023 and signed on its behalf by:



L Goossens

**Chair**

# GRASMERE ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2023**

---

### 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 6 times during the period. Attendance during the period to the Governing body meetings was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
L Goossens (Chair)	5	6
D M Baldwin	6	6
D I Hodgson	5	6
H M L Girvan	6	6
K Lilico (Accounting Officer)	6	6
J Mckeown	5	6
R Kieley	4	6
R Ludlow	5	6
A Rayner		

The composition of the Governing body did not change in the Academic Year 2022/23. elected.

The Finance & Staffing Committee met 6 times during the period. The Finance & Staffing Committee met 6 times during the period. Attendance during the period for the Finance & Staffing Committee was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
L Goossens (Chair)	5	6
D I Hodgson	4	6
H M L Girvan	6	6
K Lilico (Accounting Officer)	6	6
A Rayner	5	6

# GRASMERE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

---

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. Both schools found the joint Quality Committee meetings beneficial in terms of reviewing and recommending Governing Body approval of their Development Plans, Pupil Premium Strategies and sharing of good practice.

#### 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 2023

---

#### **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 and in particular Stephenson Memorial Primary, to ensure standards are raised in teaching and learning. This is a cost effective model and one which the DfE recognises as making a difference, The Local Authority are confident to grade Grasmere Academy as good. Work and support with developing senior and middle leaders confidence has also taken place, as well as clear succession planning
- Funding of Thrive groups have helped improve behaviour and safety in the Academy. A considerable amount of time is now spent supporting our most vulnerable pupils, to remove any barriers to learning.
- Membership of the North Tyneside Learning Trust and the Local Authority has given the Academy the support of subject specialist teachers to work with staff and pupils to make significant improvements and address key areas for Improvement, as identified by OFSTED.
- The partnership with Stephenson Memorial Primary School has enabled staff to work together which has increased sharing good practice opportunities and resulted in a reduction in workload.
- The academy continues to support families at home, through mental health and financial support. The school has become a hub of support for the community, not just from an academic point of view.

#### 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 Local Authority no longer have a Procurement Advisor, to this end, the Academy has updated its Procurement Policy.

#### 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 2022/23, which has now been undertaken by JGT Audit services.

# GRASMERE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

---

### **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 2022 to 31st August 2023 and up to the date of approval of the annual report and financial statements.

### **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 2022 to 31st August 2023 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 2022/23 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.

# GRASMERE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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 and Premises Committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 07 December 2023 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 2023***

---

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 2022, 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 2022.

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



**K Lilico**  
**Accounting Officer**

07 December 2023

# GRASMERE ACADEMY

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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 2022 to 2023 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 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 07 December 2023 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 2023

---

### Opinion

We have audited the accounts of Grasmere Academy for the year ended 31 August 2023 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2022 to 2023.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the 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.

# GRASMERE ACADEMY

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

**FOR THE YEAR ENDED 31 AUGUST 2023**

---

### **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.

### **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 2023

---

#### **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 2022 to 2023 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 2023**

---

### **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.

*Azets Audit Services*

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

**Statutory Auditor**

*20/12/2023*

.....

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 2023**

---

In accordance with the terms of our engagement letter dated 21 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Grasmere Academy during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

---

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: 20/12/2023



# GRASMERE ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	2,142	-	67,562	69,704	11,157
Charitable activities:						
- Funding for educational operations	4	76,794	984,465	-	1,061,259	984,331
Other trading activities	5	59,989	-	-	59,989	59,500
<b>Total</b>		<u>138,925</u>	<u>984,465</u>	<u>67,562</u>	<u>1,190,952</u>	<u>1,054,988</u>
<b>Expenditure on:</b>						
Raising funds	6	74,972	-	-	74,972	112,034
Charitable activities:						
- Educational operations	7	3,003	1,116,646	64,686	1,184,335	1,092,531
<b>Total</b>	6	<u>77,975</u>	<u>1,116,646</u>	<u>64,686</u>	<u>1,259,307</u>	<u>1,204,565</u>
<b>Net income/(expenditure)</b>		60,950	(132,181)	2,876	(68,355)	(149,577)
Transfers between funds	16	(68,041)	9,724	58,317	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	18	-	133,000	-	133,000	488,000
Recognise/(derecognise) pension asset		-	(117,000)	-	(117,000)	(44,000)
<b>Net movement in funds</b>		<u>(7,091)</u>	<u>(106,457)</u>	<u>61,193</u>	<u>(52,355)</u>	<u>294,423</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>116,470</u>	<u>106,457</u>	<u>1,269,360</u>	<u>1,492,287</u>	<u>1,197,864</u>
Total funds carried forward		<u>109,379</u>	<u>-</u>	<u>1,330,553</u>	<u>1,439,932</u>	<u>1,492,287</u>

# GRASMERE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2022
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	1,910	-	9,247	11,157
Charitable activities:					
- Funding for educational operations	4	68,915	915,416	-	984,331
Other trading activities	5	59,500	-	-	59,500
<b>Total</b>		<b>130,325</b>	<b>915,416</b>	<b>9,247</b>	<b>1,054,988</b>
<b>Expenditure on:</b>					
Raising funds	6	112,034	-	-	112,034
Charitable activities:					
- Educational operations	7	17	1,026,557	65,957	1,092,531
<b>Total</b>	<b>6</b>	<b>112,051</b>	<b>1,026,557</b>	<b>65,957</b>	<b>1,204,565</b>
<b>Net income/(expenditure)</b>		<b>18,274</b>	<b>(111,141)</b>	<b>(56,710)</b>	<b>(149,577)</b>
Transfers between funds	16	(1,728)	-	1,728	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	488,000	-	488,000
Recognise/(derecognise) pension asset		-	(44,000)	-	(44,000)
<b>Net movement in funds</b>		<b>16,546</b>	<b>332,859</b>	<b>(54,982)</b>	<b>294,423</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		99,924	(226,402)	1,324,342	1,197,864
Total funds carried forward		116,470	106,457	1,269,360	1,492,287

# GRASMERE ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		1,380,553		1,249,508
<b>Current assets</b>					
Debtors	12	36,409		72,648	
Cash at bank and in hand		279,308		436,383	
		<u>315,717</u>		<u>509,031</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(210,964)		(266,252)	
<b>Net current assets</b>			104,753		242,779
<b>Total assets less current liabilities</b>			1,485,306		1,492,287
Creditors: amounts falling due after more than one year	14		(45,374)		-
<b>Net assets excluding pension asset</b>			<u>1,439,932</u>		<u>1,492,287</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			1,330,553		1,269,360
- Restricted income funds			-		106,457
<b>Total restricted funds</b>			<u>1,330,553</u>		<u>1,375,817</u>
<b>Unrestricted income funds</b>	16		109,379		116,470
<b>Total funds</b>			<u>1,439,932</u>		<u>1,492,287</u>

The accounts on pages 23 to 46 were approved by the governors and authorised for issue on 07 December 2023 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 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	19		(78,906)		(5,775)
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		67,562		5,347	
Purchase of tangible fixed assets		(195,731)		(1,728)	
<b>Net cash (used in)/provided by investing activities</b>			(128,169)		3,619
<b>Cash flows from financing activities</b>					
Proceeds of other loans		50,000		-	
<b>Net cash provided by/(used in) financing activities</b>			50,000		-
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(157,075)		(2,156)
Cash and cash equivalents at beginning of the year			436,383		438,539
<b>Cash and cash equivalents at end of the year</b>			279,308		436,383

# GRASMERE ACADEMY

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

---

### 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 2022 to 2023 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 lack of funding is leading to a severe deficit forecast. Furthermore, the trust is likely to transfer its academies 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 2023

---

#### 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 2023

#### 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%
Leasehold improvements	2.0%
Computer equipment	33.3%
Fixtures, fittings & equipment	33.3%

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 2023

---

### 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 2023

### 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The UK corporate bond yields at 31 August 2023 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 2023.

#### 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 2023 £	Total 2022 £
Donated fixed assets	-	-	-	3,900
Capital grants	-	67,562	67,562	5,347
Other donations	2,142	-	2,142	1,910
	<u>2,142</u>	<u>67,562</u>	<u>69,704</u>	<u>11,157</u>

# GRASMERE ACADEMY

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

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	751,234	751,234	671,625
Other DfE/ESFA grants:				
- UIFSM	-	4,579	4,579	4,052
- Pupil premium	-	86,712	86,712	81,208
- PE and sports premium	-	16,820	16,820	16,970
- Rates	-	2,080	2,080	2,330
- Teachers pension grant	-	659	659	2,325
- Teachers pay grant	-	233	233	823
- Supplementary grant	-	18,173	18,183	-
- Others	-	15,064	15,064	13,842
	-	895,554	895,564	793,175
<b>Other government grants</b>				
Local authority grants	-	77,708	77,708	112,695
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Other DfE/ESFA COVID-19 funding	-	11,203	11,203	9,546
<b>Other incoming resources</b>	76,794	-	76,794	68,915
<b>Total funding</b>	76,794	984,465	1,061,269	984,331

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	44,500	-	44,500	40,611
Catering income	53	-	53	-
Parental contributions	6,130	-	6,130	6,286
Other income	9,306	-	9,306	12,603
	59,989	-	59,989	59,500

# GRASMERE ACADEMY

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

### 6 Expenditure

	Staff costs £	Non-pay expenditure		Total 2023 £	Total 2022 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	73,791	-	1,181	74,972	112,034
Academy's educational operations					
- Direct costs	722,557	-	43,159	765,716	662,799
- Allocated support costs	150,716	157,862	110,041	418,619	429,732
	<u>947,064</u>	<u>157,862</u>	<u>154,381</u>	<u>1,259,307</u>	<u>1,204,565</u>

#### Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	9,038	10,529
Depreciation of tangible fixed assets	64,686	65,957
Fees payable to auditor for:		
- Audit	8,500	6,450
- Other services	3,550	3,400
Net interest on defined benefit pension liability	(2,000)	6,000
	<u></u>	<u></u>

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Direct costs</b>				
Educational operations	-	765,716	765,716	662,799
<b>Support costs</b>				
Educational operations	3,003	415,616	418,619	429,732
	<u>3,003</u>	<u>1,181,332</u>	<u>1,184,335</u>	<u>1,092,531</u>

	2023 £	2022 £
<b>Analysis of support costs</b>		
Support staff costs	154,088	183,519
Depreciation	64,686	65,957
Technology costs	2,907	4,720
Premises costs	93,176	74,341
Other support costs	80,891	88,800
Governance costs	22,871	12,395
	<u>418,619</u>	<u>429,732</u>

# GRASMERE ACADEMY

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

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	605,713	583,770
Social security costs	57,705	54,311
Pension costs	144,314	191,446
	<u>807,732</u>	<u>829,527</u>
Staff costs - employees	807,732	829,527
Agency staff costs	139,332	70,234
	<u>947,064</u>	<u>899,761</u>
Staff development and other staff costs	5,846	6,204
	<u>952,910</u>	<u>905,965</u>

#### Staff numbers

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

	2023 Number	2022 Number
Teachers	7	9
Administration and support	18	14
Management	2	2
	<u>27</u>	<u>25</u>

#### Higher paid staff

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

	2023 Number	2022 Number
£70,001 - £80,000	1	1

#### 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 £177,801 (2022 £167,186).

# GRASMERE ACADEMY

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

### 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:

<b>K Lilico (Headteacher)</b>	
Remuneration	£75,001 - £80,000 (2022: £70,001 - £75,000)
Employer's pension contributions	£15,001 - £20,000 (2022: £15,001 - £20,000)
<b>H Girvan (Staff Governor)</b>	
Remuneration	£50,001 - £55,000 (2022: £45,001 - £50,000)
Employer's pension contributions	£10,001 - £15,000 (2022: £10,001 - £15,000)

During the period 31 August 2023, no travel and subsistence expenses were reimbursed or paid directly to Governors (2022: £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.

### 11 Tangible fixed assets

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2022	1,738,586	14,942	52,299	20,126	1,825,953
Additions	-	188,924	-	6,807	195,731
At 31 August 2023	1,738,586	203,866	52,299	26,933	2,021,684
<b>Depreciation</b>					
At 1 September 2022	518,149	4,019	45,133	9,144	576,445
Charge for the year	51,163	3,363	4,094	6,066	64,686
At 31 August 2023	569,312	7,382	49,227	15,210	641,131
<b>Net book value</b>					
At 31 August 2023	1,169,274	196,484	3,072	11,723	1,380,553
At 31 August 2022	1,220,437	10,923	7,166	10,982	1,249,508

# GRASMERE ACADEMY

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

12 Debtors	2023 £	2022 £
Trade debtors	203	27,993
VAT recoverable	14,349	27,288
Prepayments and accrued income	21,857	17,367
	<u>36,409</u>	<u>72,648</u>
	<u><u>36,409</u></u>	<u><u>72,648</u></u>
13 Creditors: amounts falling due within one year	2023 £	2022 £
Other loans	4,626	-
Trade creditors	22,782	137,488
Other taxation and social security	24,754	39,177
Other creditors	36,785	47,023
Accruals and deferred income	122,017	42,564
	<u>210,964</u>	<u>266,252</u>
	<u><u>210,964</u></u>	<u><u>266,252</u></u>
14 Creditors: amounts falling due after more than one year	2023 £	2022 £
Other loans	45,374	-
	<u>45,374</u>	<u>-</u>
	<u><u>45,374</u></u>	<u><u>-</u></u>
<b>Analysis of loans</b>	2023 £	2022 £
Wholly repayable within five years	50,000	-
Less: included in current liabilities	(4,626)	-
	<u>45,374</u>	<u>-</u>
Amounts included above	<u>45,374</u>	<u>-</u>
	<u><u>45,374</u></u>	<u><u>-</u></u>
<b>Loan maturity</b>		
Debt due in one year or less	4,626	-
Due in more than two years but not more than five years	19,335	-
Due in more than five years	26,039	-
	<u>50,000</u>	<u>-</u>
	<u><u>50,000</u></u>	<u><u>-</u></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.

# GRASMERE ACADEMY

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

### 15 Deferred income

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	6,513	6,113
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2022	6,113	6,525
Released from previous years	(6,113)	(6,525)
Resources deferred in the year	6,513	6,113
	<u>          </u>	<u>          </u>
Deferred income at 31 August 2023	<u>6,513</u>	<u>6,113</u>

Deferred income includes Universal Infant Free Schools Meals income received in advance of the 2023/24 academic year.

# GRASMERE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 16 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
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>
<b>Restricted fixed asset funds</b>					
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>
<b>Total restricted funds</b>	<u>1,375,817</u>	<u>1,052,027</u>	<u>(1,181,332)</u>	<u>84,041</u>	<u>1,330,553</u>
<b>Unrestricted funds</b>					
General funds	<u>116,470</u>	<u>138,925</u>	<u>(77,975)</u>	<u>(68,041)</u>	<u>109,379</u>
<b>Total funds</b>	<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 2023

---

### 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 2023.

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 £17,562 and a further grant of £50,000 for the new boiler received in the year, with £19,852 brought forward from previous years. The total has been spent on essential capital items during the 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 £109,379 at 31 August 2023.

# GRASMERE ACADEMY

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

### 16 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	139,598	671,625	(704,766)	-	106,457
UIFSM	-	4,052	(4,052)	-	-
Pupil premium	-	81,208	(81,208)	-	-
Other DfE/ESFA COVID-19 funding	-	9,546	(9,546)	-	-
Other DfE/ESFA grants	-	13,842	(13,842)	-	-
Other government grants	-	112,695	(112,695)	-	-
Teachers pension	-	2,325	(2,325)	-	-
Teachers pay grant	-	823	(823)	-	-
PE and sports premium	-	16,970	(16,970)	-	-
Rates	-	2,330	(2,330)	-	-
Pension reserve	(366,000)	-	(78,000)	444,000	-
	<u>(226,402)</u>	<u>915,416</u>	<u>(1,026,557)</u>	<u>444,000</u>	<u>106,457</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	1,282,265	-	(51,359)	-	1,230,906
DfE group capital grants	19,011	5,347	(4,371)	-	19,987
Capital expenditure from GAG	23,066	-	(5,887)	-	17,179
Capital expenditure from other restricted	-	3,900	(4,340)	1,728	1,288
	<u>1,324,342</u>	<u>9,247</u>	<u>(65,957)</u>	<u>1,728</u>	<u>1,269,360</u>
<b>Total restricted funds</b>	<u>1,097,940</u>	<u>924,663</u>	<u>(1,092,514)</u>	<u>445,728</u>	<u>1,375,817</u>
<b>Unrestricted funds</b>					
General funds	<u>99,924</u>	<u>130,325</u>	<u>(112,051)</u>	<u>(1,728)</u>	<u>116,470</u>
<b>Total funds</b>	<u>1,197,864</u>	<u>1,054,988</u>	<u>(1,204,565)</u>	<u>444,000</u>	<u>1,492,287</u>

# GRASMERE ACADEMY

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

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2023 are represented by:</b>				
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)
<b>Total net assets</b>	<b>109,379</b>	<b>-</b>	<b>1,330,553</b>	<b>1,439,932</b>
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	1,249,508	1,249,508
Current assets	116,470	372,709	19,852	509,031
Current liabilities	-	(266,252)	-	(266,252)
<b>Total net assets</b>	<b>116,470</b>	<b>106,457</b>	<b>1,269,360</b>	<b>1,492,287</b>

### 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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £12,996 (2022: £6,444) were payable to the schemes at 31 August 2023 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 2023

### 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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £96,829 (2022: £90,307).

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 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	2023	2022
	£	£
Employer's contributions	28,000	29,000
Employees' contributions	10,000	10,000
Total contributions	38,000	39,000

# GRASMERE ACADEMY

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

### 18 Pension and similar obligations (Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	4.1	4.2
Rate of increase for pensions in payment/inflation	2.6	2.7
Discount rate for scheme liabilities	5.0	4.1
Inflation assumption (CPI)	2.6	2.7

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

	2023 Years	2022 Years
Retiring today		
- Males	21.0	21.8
- Females	24.1	25.0
Retiring in 20 years		
- Males	22.2	23.5
- Females	25.5	26.7

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

	2023 £	2022 £
Discount rate + 0.1%	705,000	775,000
Discount rate - 0.1%	735,000	814,000
Mortality assumption + 1 year	702,000	772,000
Mortality assumption - 1 year	738,000	816,000
CPI rate + 0.1%	734,000	812,000
CPI rate - 0.1%	706,000	777,000

#### The academy trust's share of the assets in the scheme

	2023 Fair value £	2022 Fair value £
Equities	453,715	451,000
Government bonds	11,453	13,000
Corporate bonds	166,509	156,000
Cash	14,977	15,000
Property	90,743	93,000
Other assets	143,603	110,000
Recognise/(derecognise) pension asset	(161,000)	(44,000)
Total market value of assets	720,000	794,000

The actual return on scheme assets was £16,000 (2022: £(14,000)).

# GRASMERE ACADEMY

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

<b>18 Pension and similar obligations</b>	<b>(Continued)</b>	
<b>Amount recognised in the statement of financial activities</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Current service cost	46,000	101,000
Interest income	(35,000)	(14,000)
Interest cost	33,000	20,000
<b>Total operating charge</b>	<b>44,000</b>	<b>107,000</b>
<b>Changes in the present value of defined benefit obligations</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 September 2022	794,000	1,188,000
Current service cost	46,000	101,000
Interest cost	33,000	20,000
Employee contributions	10,000	10,000
Actuarial gain	(152,000)	(516,000)
Benefits paid	(11,000)	(9,000)
<b>At 31 August 2023</b>	<b>720,000</b>	<b>794,000</b>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 September 2022	794,000	822,000
Interest income	35,000	14,000
Actuarial loss	(19,000)	(28,000)
Employer contributions	28,000	29,000
Employee contributions	10,000	10,000
Benefits paid	(11,000)	(9,000)
Recognition/(derecognition) of pension asset	(117,000)	(44,000)
<b>At 31 August 2023</b>	<b>720,000</b>	<b>794,000</b>

# GRASMERE ACADEMY

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

<b>19</b>	<b>Reconciliation of net expenditure to net cash flow from operating activities</b>			
			<b>2023</b>	<b>2022</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Net expenditure for the reporting period (as per the statement of financial activities)		(68,355)	(149,577)
	Adjusted for:			
	Capital grants from DfE and other capital income		(67,562)	(9,247)
	Defined benefit pension costs less contributions payable	<b>18</b>	18,000	72,000
	Defined benefit pension scheme finance (income)/cost	<b>18</b>	(2,000)	6,000
	Depreciation of tangible fixed assets		64,686	65,957
	Decrease/(increase) in debtors		36,239	(16,428)
	(Decrease)/increase in creditors		(59,914)	25,520
	<b>Net cash used in operating activities</b>		<u>(78,906)</u>	<u>(5,775)</u>
<b>20</b>	<b>Analysis of changes in net funds</b>			
		<b>1 September 2022</b>	<b>Cash flows</b>	<b>31 August 2023</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Cash	436,383	(157,075)	279,308
	Loans falling due within one year	-	(4,626)	(4,626)
	Loans falling due after more than one year	-	(45,374)	(45,374)
		<u>436,383</u>	<u>(207,075)</u>	<u>229,308</u>
<b>21</b>	<b>Long-term commitments</b>			
	<b>Operating leases</b>			
	At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:			
			<b>2023</b>	<b>2022</b>
			<b>£</b>	<b>£</b>
	Amounts due within one year		2,092	1,864
	Amounts due in two and five years		982	1,947
			<u>3,074</u>	<u>3,811</u>
<b>22</b>	<b>Capital commitments</b>			
			<b>2023</b>	<b>2022</b>
			<b>£</b>	<b>£</b>
	Expenditure contracted for but not provided in the accounts		-	188,670

# GRASMERE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

---

### **23 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 .

### **24 Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.