

Company Registration Number: 08357352 (England & Wales)

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 9
Governance statement	10 - 12
Statement of regularity, propriety and compliance	13
Statement of governors' responsibilities	14
Independent auditors' report on the financial statements	15 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities incorporating income and expenditure account	21 - 22
Balance sheet	23 - 24
Statement of cash flows	25
Notes to the financial statements	26 - 50

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Rev J Bennett (retired 30 June 2024) Mr D Bland Sir J Hayes Mr A Faulkner Mr A C Cunnington
Governors	Mr C S Delaney, Chair (resigned 16 September 2024) Mr A C Cunnington Ms P J Makepeace, Chair (appointed 16 September 2024) Mr A Faulkner Mrs S A L Hoult Mrs S Y Ely Mr S M Wilkinson, Head Teacher (resigned 31 August 2024) Mr A Murray Mr N Chapman (appointed 13 March 2023) Mr P Goodchild (appointed 10 January 2024) Mrs M K Anderson, Head Teacher (appointed 1 September 2024)
Company registered number	08357352
Company name	Spalding Grammar School
Registered office	Spalding Grammar School Priory Road Spalding Lincolnshire PE11 2XH
Executive Head Teacher	Mrs M K Anderson
Senior management team	Mrs M K Anderson, Executive Head Teacher (appointed 01.09.24) Mr S M Wilkinson, Headteacher (resigned 31.08.24) Mrs S P Ingram, Deputy Head Mrs A Harrison Wild, Director of Resources Mr A G Brooks, Assistant Head Mr G Baker, Assistant Head Mrs E Davison, Assistant Head Dr A M Leadbeater, Associate Assistant Headteachers Mrs L A Skipworth, Associate Assistant Headteachers Mrs A J Johnson, Associate Assistant Headteachers

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Independent auditors	Streets Audit LLP Chartered Accountants Enterprise House, 38 Tyndall Court Commerce Road Lynchwood Peterborough Cambridgeshire PE2 6LR
Bankers	Natwest Bank 501 Silbury Boulevard Milton Keynes MK9 3ER
Solicitors	Maples Solicitors LLP 23 New Road Spalding Lincolnshire PE11 1DH

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary documents of the Trust

The Governors of Spalding Grammar School are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Governors' indemnities

The School through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the School also purchased and maintained liability insurance for its Governors.

d. Method of recruitment and appointment or election of Governors

Governors are appointed under the rules contained within the memorandum and articles of association. The appointments are made by the governors who delegate powers to the Senior Team.

The membership of the Governing Body is in accordance with the structure contained within its memorandum and articles of association. Governors have a breadth of skills which are beneficial to the Governing Body as a whole.

Committees have been established that meet regularly to ensure the requirements are being met. Committees include separate Finance and Audit Committees. The Resource Committee meets at least 3 times per annum.

Each member of the Senior Leadership Team has been assigned a governor link.

All members of the Governing Body are to be directors of the School.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Governors

The School was incorporated on 11 January 2013 and commenced operations on 1 February 2013. Access to external Governor training has been provided and operating procedures have been delivered to all members of the Governing Body. All Governors are assigned to a Sub-Committee, reporting to the whole Governing Body. Where Governors have a relevant professional skill, the School seeks to use that skill within a particular Sub-Committee. Within the School, the Governors can access the policies and procedures via the Clerk to Governors. Governors are invited to attend whole school events and where appropriate, staff training and information sessions.

f. Organisational structure

The organisational structure consists of a Governor level and the Senior Team. The structure is designed to enable all of these personnel to be involved whilst also devolving responsibility appropriately.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by use of budgets and making decisions about the direction of the School, capital expenditure and senior staff appointments.

The Senior Team, during the period, consisted of the Headteacher, one Deputy Head, three Assistant Heads and a Director of Resources. The extended Senior Leadership team includes three associate headteachers.

The Headteacher and Senior Team are responsible for the day to day running of the organisation, oversee the teaching staff and teams of administration and operational support. The structure and operation of the trust follows the guidelines set out in the academies handbook issued by the Department for Education.

The School accesses external agencies to ensure a broader provision of education and learning. The agencies include careers and guidance services.

g. Trade union facility time

The total number of employees who were relevant union officials during the period was 1. The total percentage of time spent as facility time by these representatives was 0% and therefore the cost of facility time as a percentage of total pay bill was 0%.

Objectives and activities

a. Objects and aims

The object of the charity is to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The School's principal aim is to ensure that all students have every opportunity to attain their potential intellectually, socially and personally. The cornerstone of our approach is the strength of the relationship between governors, staff, pupils and parents throughout our community. The friendly and orderly atmosphere combines with a stimulating academic environment to develop the qualities which lead to successful examination results, satisfying personal relationships, the correct blend of individual strengths and co-operation with others, as well as the confidence to face the challenges of the wider world. We strive to Inspire, challenge and enrich our students, as they set out in their seven year journey at Spalding Grammar School. The School is conscious of the need for continuous improvement of standards.

c. Public Benefit

The School provides educational services to predominantly children from the South Holland district who have met the entry requirements by reaching the standard score of 220 in the 11+ examinations to qualify in the top 25% of the ability range in Lincolnshire. The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Strategic Report

Achievements and Performance

A Level Results 2024

Level 3 value added score - A-level progress since GCSE	Provisionally 0.5
Average points score per entry	35.3
Number of students entered	139

No KS5 students were working for Maths/English as students achieved at least a 4 in Maths or English, as these are our course requirements.

Pupil Destinations:

Pupil destination data is published by the DfE two years after students have left school. This data is about students reaching the end of 16 to 18 studies in 2021 and staying in education or employment for at least 2 terms after that.

Pupils who stayed in education or went into employment after Year 13 - 94%.

GCSE Results 2024

Progress 8 Score	0.29 Provisionally
Attainment 8 Score	57.8
Pupils Achieving grade 5 or better in English and Maths GCSE	75.8%
English Baccalaureate average point score	5.24
Pupils Achieving the English Baccalaureate (grade 5 or above)	11.4%
Pupils Entering the English Baccalaureate	57%

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

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

Strategic Report (continued)

Achievements and Performance (continued)

a. Key Performance Indicators

The School has been fully staffed during the period to 31 August 2024, with vacancies filled by agency staff, or staff on fixed term contracts. The curriculum has met the standards expected. Staffing costs are the School's main expense and the value of the staff is demonstrated throughout the examination results as well as the level of enrichment and commitment demonstrated throughout the School.

In all of the expenditure, the Director of Resources, Finance Team, Senior Team and Governors seek best value and question financial decisions made.

The Audit Committee has engaged School Business Services for Internal Scrutiny reviews of internal systems and controls during the year and have not identified any significant issues to be reported to the Governors.

b. Going Concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial Review

The majority of the School's income derives from central funding via the Education and Skills Funding Agency. The School also receives further monies via Local Authority for special educational needs and pupil premium. In addition, the School raises funds by professional expertise in accessing grants, negotiating contracts and utilisation of the current facilities.

During the period ended 31 August 2024 the operating expenditure (excluding depreciation and pension liabilities) as an Academy of £6,503,660 was covered by Education and Skills Funding Agency grants and other incoming resources. The excess of income over expenditure, excluding pension liabilities and depreciation, was £15,127.

Net current assets at the period end were £17,311,206. The assets were used exclusively for providing education and the associated support services to the learners of the School.

There is a declared surplus on the defined benefit pension scheme, Local Government Pension Scheme for associated staff. Whilst the surplus value is significant it has been recognised at nil, as it is unlikely to be repaid or contributions lowered.

We are in the process of bidding for replacement fire doors in the next CIF bid round. If successful, it is likely that this work will take place during the summer 2025.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

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

a. Reserves Policy

The Trust holds funds of £17,311,206 as at 31 August 2024. Of this sum £532,200 are restricted revenue funds, deficit of £3,327 of unrestricted revenue funds and £16,782,333 relates to the value of fixed assets and as such, would only become available by the disposal of tangible fixed assets.

It is the Trust's aim to keep the reserves so there is more than one month's salary cost to hand in cash form at any point. A cash forecast is provided, cash is monitored on a daily basis.

b. Investment Policy

The governors took the decision to invest £0.5m as part of a longer term strategy in order to realise the best return. The decision was taken after substantial financial advice and any returns will be utilised to benefit the students and the Academy. This was released in June 2024 and is now held in a reserve bank account.

Plans for Future Periods

At the time of writing, the School has budgeted to be in a deficit for the next three years, which is partly offset by an efficiency plan and also the reserve fund. The largest cost to the School is staffing expenditure, which is over 95% of the government grant. As an academy, the School has its own pay scale for teaching and leadership employees. This is currently under review. The pay award is not fully funded by Government (teaching staff 5.5%) and support staff £1,290 for each spine point, up to point 43. For the highest spine point, this is 2.5% and 5.73% for the lowest. It is expected, (but not budgeted), that there will be additional income with the changeover in government and therefore the three year medium term strategy will be better than originally forecast in July 2024.

With the departure of the Headteacher, an Executive Headteacher has been appointed. Mrs Anderson is the Headmistress of Spalding High School and now Headteacher of both schools. There is an arrangement in place with Lincolnshire County Council, where a monthly sum is paid. The ESFA has also approved Mrs Anderson as an off payroll interim accounting officer for the Trust.

Part of the remit for the new Executive Headteacher is to investigate where efficiencies can be made by collaborating within the two schools, in relation to minority sixth form subjects, where both schools may have low numbers of students in a particular subject, or specialist teacher vacancies. The investigative work has already been undertaken as part of a curriculum review at Spalding Grammar School and is in the process of consulting middle leaders. The two schools are looking to collaborate more fully at sixth form level in the future.

We will continue to budget prudently and maintain the School facilities within the revenue budgets and with any capital funding we are able to access. The asset management plan will be developed, so that the School can share its vision for development and prioritise any plans for accessing funds.

During October 2024, one of the main water tanks flooded into the Clock Tower, resulting in closure of the School for two days, one of which was a school development day. The tank was aged, in line with the majority of the heating system. Parts of the school were flooded and also left without heating for over one week. The cost to the School was approximately £10,000, with insurers covering some of the costs associated with the flood.

Like other schools of a similar age, the heating system and fire doors are in urgent need of replacement. The incoming government has pledged additional funds for 'rebuilding schools' in need. A condition survey has also been carried out by the Department of Education, so we remain hopeful that capital funds will be made available, other than via the CIF process.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

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

Principal Risks and Uncertainties

1. Financial and risk management objectives and policies

The majority of the School's income is obtained from the Department for Education via the Education and Skills Funding Agency in the form of recurrent grants; the use of which is restricted to a particular purpose by the Objects of the Trust and also the Academies Financial Handbook. The grants received during the period ended 31 August 2024 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

2. Risk management

The Governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and finances. The Governors have implemented a number of systems to assess the risks that the School faces (e.g. health and safety and school trips) and in relation to the control of finance. The Governors have implemented systems such as auditing of the finance area to demonstrate control and to minimise risk.

Risks to the School fall into three categories;

Financial - Income to the School is always forecast prudently and expenditure plans are approved by the whole Governing Body. The Headteacher is accountable to the Governors for restricting expenditure within the set budget. There is a focus on the 7-year journey, in a bid to increase the retention of our own students into Sixth Form. This has been successful, with record numbers in Year 12 and Year 13 in the past two years. The PAN remains at 150.

Year Group	Girls	Boys	Total
Year 7	0	149	149
Year 8	0	150	150
Year 9	0	146	146
Year 10	0	151	151
Year 11	0	145	145
Year 12	41	98	139
Year 13	38	77	115
TOTAL	79	916	995

Performance - A huge decline in results would damage the reputation of the School and would impact the recruitment and retention of students with a subsequent loss of income. The Headteacher is accountable to the Governing Body for academic results.

Health & Safety - A range of risk assessments have been written. The assessments are reviewed annually. A health & safety lead has been established within the site team (Neboosh trained). During 2022, Lincolnshire County Council were taken on as consultants to support the implementation and embedding of a health and safety management system in January 2023. Operational asset management has recently been audited as part of the internal scrutiny programme.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

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

Employment of Disabled Persons

The School is of old construct and purpose built ramps have been put in place to ensure access and egress. The buildings comply with current legislation. There are adequate amounts of lifts and disabled toilet facilities. The School supports special educational needs and does this through training, career development and provision of qualified support personnel.

The Governors recognise that equal opportunities are an integral part of good practice in the workplace. The School aims for the highest standards in opportunity for all and ensures that the working environment allows the contribution needs of all to be understood, known and valued.

Disclosure of information to auditors

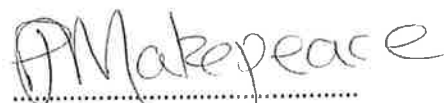
Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, Streets Audit LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on *19 December 2024* and signed on its behalf by:



Ms P J Makepeace
Chair of Trustees

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Governors has delegated the day-to-day responsibility to Mrs M K Anderson, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Spalding Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The Board of Governors has formally met 3 times during the year.

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

Governor	Meetings attended	Out of a possible
Mr A Faulkner	3	3
Mr A C Cunnington	2	3
Mrs S A L Hout	2	3
Mrs S Y Ely	3	3
Mr C S Delaney, Chair (resigned 16.09.24)	3	3
Ms P J Makepeace, Chair (appointed 16.09.24)	3	3
Mr A Murray	3	3
Mr S M Wilkinson, Headteacher (resigned 31.08.24)	3	3
Mr N Chapman	3	3
Mr P Goodchild	1	1

Governance reviews

The Governing Body review and respond to any third party review of governance requirements. The Governing Body are aware of their responsibility to consider laws and regulations, finance systems and controls and also community responsibility. There have been no formal requests in the current year for a governance review. The board are aware of the requirement to ensure work of the Governing Body is effective.

Conflicts of interest are managed by maintaining an up to date register of interests. Governors are asked to complete declarations of interests, which are displayed on the website. Before each meeting, Governors are asked to declare any interests and are not involved in the decision making process.

The AGM took place on Monday 13 November, where the new Chair was elected. Thought was given on a new committee structure, which is now work in progress. The Audit Committee remains.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer for the Academy considers how its resources are used and has provided good value for money. Three quotes are obtained for the majority of purchases, other than those specified as exemptions, such as specialist or emergency works, where it is not possible to obtain three quotes given the nature of the supply or service.

Where possible the Academy attempts to purchase using Government approved procurement frameworks and also use local contractors.

The School's principal aim is to ensure that all students have every opportunity to attain their potential intellectually, socially and personally. The cornerstone of our approach is the strength of the relationship between governors, staff, pupils and parents throughout our community. The friendly and orderly atmosphere combines with a stimulating academic environment to develop the qualities which lead to successful examination results, satisfying personal relationships, the correct blend of individual strengths and co-operation with others, as well as the confidence to face the challenges of the wider world. We strive to Inspire, challenge and enrich our students, as they set out in their seven year journey at Spalding Grammar School. The School is conscious of the need for continuous improvement of standards.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Spalding Grammar School for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Resource Committee.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Governors has decided to employ School Business Services as internal auditor.

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The Audit Committee reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported to date.

On a quarterly basis, the internal auditor reports to the Board of Governors through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

As accounting officer, Mrs M K Anderson 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 Principal Finance Officer;
- the financial management and governance self-assessment process;
- the work of the Accounting Officer and Principal Finance Officer within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;


The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Conclusion

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

Approved by order of the members of the Board of Governors on *19 December 2024* and signed on their behalf by:


.....
Ms P J Makepeace
Chair of Trustees


.....
Mrs M K Anderson
Accounting Officer

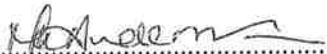
SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Spalding Grammar School I have considered my responsibility to notify the Academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2023.

I confirm that I and the Academy Board of Governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2023.

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



Mrs M K Anderson
Accounting Officer

Date: 19 December 2024

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

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

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

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


Ms P J Makepeace
Chair of Trustees

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SPALDING GRAMMAR SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SPALDING GRAMMAR SCHOOL (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SPALDING GRAMMAR SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, ESFA/DfE regulations, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SPALDING GRAMMAR SCHOOL (CONTINUED)**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

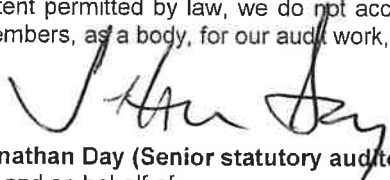
Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Jonathan Day (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants

Statutory Auditors

Enterprise House, 38 Tyndall Court

Commerce Road

Lynchwood

Peterborough

Cambridgeshire

PE2 6LR

Date:

19 December 2024

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPALDING
GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 11 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Spalding Grammar School during the year 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Spalding Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Spalding Grammar School 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 Spalding Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Spalding Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Spalding Grammar School's funding agreement with the Secretary of State for Education dated 30 January 2013 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusions included:

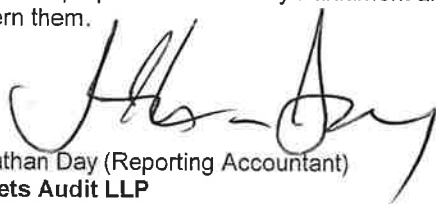
- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices and salary;
- Review a sample of expenses focussing on nominal codes considered to be of a greater risk;
- Review the reports from internal scrutiny work undertaken during the year;
- Discussions with the finance team.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPALDING
GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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



Jonathan Day (Reporting Accountant)

Streets Audit LLP

Chartered Accountants

Statutory Auditors

Enterprise House, 38 Tyndall Court

Commerce Road

Lynchwood

Peterborough

Cambridgeshire

PE2 6LR

Date:

19 December 2024.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:						
Donations and capital grants	3	-	5,165	131,196	136,361	664,127
Other trading activities		4,425	316,471	-	320,896	402,318
Investments	6	3,893	32,612	-	36,505	1,759
Charitable activities		-	5,970,690	-	5,970,690	5,480,109
School fund income	7	-	180,111	-	180,111	290,136
Total income		8,318	6,505,049	131,196	6,644,563	6,838,449
Expenditure on:						
Charitable activities		-	6,282,499	279,238	6,561,737	6,093,405
School fund		-	205,222	-	205,222	335,695
Total expenditure		-	6,487,721	279,238	6,766,959	6,429,100
Net income/(expenditure) before net losses on investments		8,318	17,328	(148,042)	(122,396)	409,349
Net losses on investments		-	-	-	-	(9,873)
Net income/(expenditure)		8,318	17,328	(148,042)	(122,396)	399,476
Transfers between funds	19	(98,913)	-	98,913	-	-
Net movement in funds before other recognised gains/(losses)		(90,595)	17,328	(49,129)	(122,396)	399,476
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	26	-	82,000	-	82,000	339,000
Defined benefit pension scheme asset not recognised		-	(175,000)	-	(175,000)	(234,000)
Net movement in funds		(90,595)	(75,672)	(49,129)	(215,396)	504,476

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Note					
Reconciliation of funds:					
Total funds brought forward	222,889	465,924	16,700,266	17,389,079	16,884,603
Total funds carried forward	132,294	390,252	16,651,137	17,173,683	17,389,079

The Statement of Financial Activities includes all gains and losses recognised in the year.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08357352

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	16,651,137	16,700,266
		<u>16,651,137</u>	<u>16,700,266</u>
Current assets			
Debtors	15	120,582	158,893
Investments	16	-	540,558
Cash at bank and in hand		1,023,237	450,402
		<u>1,143,819</u>	<u>1,149,853</u>
Creditors: amounts falling due within one year	17	(621,273)	(452,290)
Net current assets		<u>522,546</u>	<u>697,563</u>
Total assets less current liabilities		<u>17,173,683</u>	<u>17,397,829</u>
Creditors: amounts falling due after more than one year	18	-	(8,750)
Net assets excluding pension asset		<u>17,173,683</u>	<u>17,389,079</u>
Total net assets		<u><u>17,173,683</u></u>	<u><u>17,389,079</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	16,651,137	16,700,266
Restricted income funds	19	390,252	465,924
Total restricted funds	19	<u>17,041,389</u>	<u>17,166,190</u>
Unrestricted income funds	19	<u>132,294</u>	<u>222,889</u>
Total funds		<u><u>17,173,683</u></u>	<u><u>17,389,079</u></u>

The financial statements on pages 21 to 50 were approved by the Governors, and authorised for issue on



and are signed on their behalf, by:
 19 December 2024

Mrs M K Anderson
 Executive Headteacher and Accounting Officer

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08357352

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

The notes on pages 26 to 50 form part of these financial statements.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by operating activities	21	798,340	699,019
Cash flows from investing activities	23	(230,109)	(698,062)
Cash flows from financing activities	22	4,604	1,759
Change in cash and cash equivalents in the year		572,835	2,716
Cash and cash equivalents at the beginning of the year		450,402	447,686
Cash and cash equivalents at the end of the year	24, 25	<u>1,023,237</u>	<u>450,402</u>

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Spalding Grammar School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **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 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £1,500 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

The estimated useful lives are as follows:

Land and buildings	- 125 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years
Motor vehicles	- 4 years
Integral features	- 20 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.10 Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Investments are held at fair value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability or asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension balance. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at Thursday, March 31, 2022 has been used by the actuary in valuing the pensions balance at Saturday, August 31, 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension balance.

Critical areas of judgment:

At 31 August 2024, the present value of the defined benefit obligation at the reporting date was valued at less than the fair value of the plan assets and therefore the plan has a surplus. In accordance with FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Trustees have concluded that there is no realistic expectation that the pension asset has not been recognised in the balance sheet of the financial statements.

3. Income from donations and capital grants

	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	5,165	-	5,165	27,037
Capital grants	-	131,196	131,196	637,090
	<u>5,165</u>	<u>131,196</u>	<u>136,361</u>	<u>664,127</u>
<i>Total 2023</i>	<u>27,037</u>	<u>637,090</u>	<u>664,127</u>	

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4. Funding for the Academy's charitable activities

	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	5,471,530	5,471,530	4,987,926
Other DfE/ESFA grants			
Other DfE Income	44,285	44,285	305,404
Pupil Premium	74,169	74,169	67,788
Teacher Pay & Pension	176,153	176,153	118,991
Mainstream Additional Grant	139,112	139,112	-
	5,905,249	5,905,249	5,480,109
Other Government grants			
Local Authority	65,441	65,441	-
	65,441	65,441	-
	5,970,690	5,970,690	5,480,109
	5,970,690	5,970,690	5,480,109
<i>Total 2023</i>	5,480,109	5,480,109	

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

5. Income from other trading activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Hire of facilities	4,425	-	4,425	8,647
Catering income	-	195,442	195,442	132,690
Recharges and reimbursements	-	81,339	81,339	243,008
Other income	-	39,690	39,690	17,973
	<u>4,425</u>	<u>316,471</u>	<u>320,896</u>	<u>402,318</u>
<i>Total 2023</i>	<u>8,647</u>	<u>393,671</u>	<u>402,318</u>	

6. Investment income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Short term deposits	3,893	-	3,893	1,759
Gain on current asset investments	-	13,612	13,612	-
Pension income	-	19,000	19,000	-
	<u>3,893</u>	<u>32,612</u>	<u>36,505</u>	<u>1,759</u>
<i>Total 2023</i>	<u>1,759</u>	<u>-</u>	<u>1,759</u>	

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Other charitable activities

	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
School fund income	180,111	180,111	290,136
<i>Total 2023</i>	<u>290,136</u>	<u>290,136</u>	

8. Expenditure

	Staff Costs 2024 £	Premises 2024 £	Other 2024 £	Total 2024 £	<i>Total 2023 £</i>
Academy's educational operations					
Direct costs	3,714,298	-	359,360	4,073,658	3,928,509
Allocated support costs	1,450,226	640,567	397,286	2,488,079	2,164,896
School Fund	-	-	205,222	205,222	335,695
	<u>5,164,524</u>	<u>640,567</u>	<u>961,868</u>	<u>6,766,959</u>	<u>6,429,100</u>
<i>Total 2023</i>	<u>4,714,418</u>	<u>577,614</u>	<u>1,137,068</u>	<u>6,429,100</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Academy's educational operations	4,073,658	2,488,079	6,561,737	6,093,405
<i>Total 2023</i>	<u>3,928,509</u>	<u>2,164,896</u>	<u>6,093,405</u>	

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	3,714,298	3,714,298	3,496,777
Educational supplies	78,669	78,669	64,929
Examination fees	147,850	147,850	120,786
Staff development	13,051	13,051	17,881
Educational consultancy	6,969	6,969	8,947
Other direct costs	112,821	112,821	219,189
	<u>4,073,658</u>	<u>4,073,658</u>	<u>3,928,509</u>
<i>Total 2023</i>	<u><u>3,928,509</u></u>	<u><u>3,928,509</u></u>	

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Staff costs	1,450,226	1,450,226	1,217,641
Depreciation	279,238	279,238	244,667
Maintenance of premises and equipment	104,091	104,091	131,409
Cleaning	15,842	15,842	13,666
Rent, rates and utilities	224,019	224,019	208,698
Insurance	37,242	37,242	30,964
Recruitment and support	17,377	17,377	7,705
Security and transport	12,784	12,784	13,699
Catering	117,854	117,854	93,560
Bank interest and charges	1,671	1,671	1,428
Professional fees	23,328	23,328	29,476
Other support costs	111,312	111,312	101,060
Technology costs	83,620	83,620	61,983
Governance costs	9,475	9,475	8,940
	<u>2,488,079</u>	<u>2,488,079</u>	<u>2,164,896</u>
<i>Total 2023</i>	<u>2,164,896</u>	<u>2,164,896</u>	

10. Auditors' remuneration

	2024 £	<i>2023 £</i>
Fees payable to the Academy's auditor in respect of:		
Audit	7,900	7,500
Non-audit services	1,535	1,440
	<u>1,535</u>	<u>1,440</u>

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

11. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2024 £	2023 £
Wages and salaries	3,705,444	3,488,686
Social security costs	358,961	351,251
Pension costs	834,220	782,522
	<u>4,898,625</u>	<u>4,622,459</u>
Agency staff costs	265,899	91,959
	<u>5,164,524</u>	<u>4,714,418</u>

Staff restructuring costs comprise:

	2024 £	2023 £
Severance payments	2,503	-
	<u>2,503</u>	<u>-</u>

b. Staff numbers

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

	2024 No.	2023 No.
Teachers	53	56
Administration and support	48	53
Management	9	6
	<u>110</u>	<u>115</u>

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

11. Staff (continued)

c. Higher paid staff

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £811,616 (2023 £547,784).

12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. 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. The value of Governors' remuneration and other benefits was as follows:

		2024	2023
		£	£
Mr S M Wilkinson, Head Teacher	Remuneration	95,000 -	90,000 -
		100,000	95,000
	Pension contributions paid	25,000 -	20,000 -
		30,000	25,000

During the year ended 31 August 2024, no Governor expenses have been incurred (2023 - £NIL).

13. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2024 was £500 (2023 - £500). The cost of this insurance is included in the total insurance cost.

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Integral features £	Total £
Cost or valuation						
At 1 September 2023	16,650,000	455,324	392,101	75,372	1,669,216	19,242,013
Additions	-	54,746	56,290	21,635	97,438	230,109
At 31 August 2024	<u>16,650,000</u>	<u>510,070</u>	<u>448,391</u>	<u>97,007</u>	<u>1,766,654</u>	<u>19,472,122</u>
Depreciation						
At 1 September 2023	1,409,700	421,214	366,649	54,152	290,032	2,541,747
Charge for the year	133,200	20,171	27,264	10,827	87,776	279,238
At 31 August 2024	<u>1,542,900</u>	<u>441,385</u>	<u>393,913</u>	<u>64,979</u>	<u>377,808</u>	<u>2,820,985</u>
Net book value						
At 31 August 2024	<u>15,107,100</u>	<u>68,685</u>	<u>54,478</u>	<u>32,028</u>	<u>1,388,846</u>	<u>16,651,137</u>
At 31 August 2023	<u>15,240,300</u>	<u>34,110</u>	<u>25,452</u>	<u>21,220</u>	<u>1,379,184</u>	<u>16,700,266</u>

15. Debtors

	2024 £	2023 £
Trade debtors	1,717	17,099
Other debtors	63,951	82,081
Prepayments and accrued income	54,914	59,713
	<u>120,582</u>	<u>158,893</u>

16. Current asset investments

	2024 £	2023 £
Unlisted investments	-	540,558

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

17. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	172,716	94,019
Other taxation and social security	197,859	181,426
Other creditors	61,808	105,970
Accruals	188,890	70,875
	621,273	452,290
	621,273	452,290
	2024	2023
	£	£
Resources deferred during the year	138,647	-
	138,647	-
	138,647	-

At the balance sheet date the academy trust was holding funds of 138,647 for school trips paid in advance.

18. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Other creditors - loan	-	8,750
	-	8,750
	-	8,750

The loan were to be repaid via repayments every six months of £4,375 which started in the 16/17 academic year. There is no interest charged on this loan.

19. Statement of funds

	Balance at 1 September 2023	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2024
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted general funds	222,889	8,318	-	(98,913)	-	132,294
	222,889	8,318	-	(98,913)	-	132,294
	222,889	8,318	-	(98,913)	-	132,294

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Statement of funds (continued)

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Restricted general funds						
General Annual Grant	465,924	5,471,530	(5,547,202)	-	-	390,252
Pupil Premium	-	74,169	(74,169)	-	-	-
Other DfE/ESFA	-	44,285	(44,285)	-	-	-
Teachers Pay & Pension	-	176,153	(176,153)	-	-	-
Mainstream Additional Grant	-	139,112	(139,112)	-	-	-
Local Authority	-	65,440	(65,440)	-	-	-
Other Income	-	441,360	(441,360)	-	-	-
Pension reserve	-	93,000	-	-	(93,000)	-
	<u>465,924</u>	<u>6,505,049</u>	<u>(6,487,721)</u>	<u>-</u>	<u>(93,000)</u>	<u>390,252</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	16,700,266	-	(279,238)	230,109	-	16,651,137
DfE Capital Grant	-	21,775	-	(21,775)	-	-
Community Infrastructure Fund (CIF)	-	109,421	-	(109,421)	-	-
	<u>16,700,266</u>	<u>131,196</u>	<u>(279,238)</u>	<u>98,913</u>	<u>-</u>	<u>16,651,137</u>
Total Restricted funds	<u>17,166,190</u>	<u>6,636,245</u>	<u>(6,766,959)</u>	<u>98,913</u>	<u>(93,000)</u>	<u>17,041,389</u>
Total funds	<u><u>17,389,079</u></u>	<u><u>6,644,563</u></u>	<u><u>(6,766,959)</u></u>	<u><u>-</u></u>	<u><u>(93,000)</u></u>	<u><u>17,173,683</u></u>

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Statement of funds (continued)

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

The restricted general fund relates to all income and expenditure related to providing the provision of educational services to children in the local area.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

The pension reserve arises from the actuarial measurement of the Trust's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the Trust in the restricted pension fund. The amount included in resources income represents the employer contributions paid rather than the pension costs for the year charged to income and expenditure that arises from the actuarial calculations of service costs, and amounts to £93,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £93,000 actuarial increase in the net pension fund deficit.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2024.

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

	<i>Balance at 1 September 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted general funds	212,483	10,406	-	-	-	222,889

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Statement of funds (continued)

	<i>Balance at 1 September 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£	£
Restricted general funds						
General Annual Grant	528,249	5,729,494	(5,720,974)	(60,972)	(9,873)	465,924
Pupil Premium	-	67,788	(67,788)	-	-	-
Other DfE/ESFA	-	393,671	(393,671)	-	-	-
Pension reserve	(103,000)	-	(2,000)	-	105,000	-
	<u>425,249</u>	<u>6,190,953</u>	<u>(6,184,433)</u>	<u>(60,972)</u>	<u>95,127</u>	<u>465,924</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	16,246,871	637,090	(244,667)	60,972	-	16,700,266
Total Restricted funds	<u>16,672,120</u>	<u>6,828,043</u>	<u>(6,429,100)</u>	<u>-</u>	<u>95,127</u>	<u>17,166,190</u>
Total funds	<u><u>16,884,603</u></u>	<u><u>6,838,449</u></u>	<u><u>(6,429,100)</u></u>	<u><u>-</u></u>	<u><u>95,127</u></u>	<u><u>17,389,079</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024	Restricted funds 2024	Restricted fixed asset funds 2024	Total funds 2024
	£	£	£	£
Tangible fixed assets	-	-	16,651,137	16,651,137
Current assets	614,920	528,899	-	1,143,819
Creditors due within one year	(482,626)	(138,647)	-	(621,273)
Total	<u>132,294</u>	<u>390,252</u>	<u>16,651,137</u>	<u>17,173,683</u>

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Restricted fixed asset funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	-	-	16,700,266	16,700,266
Current assets	222,889	926,964	-	1,149,853
Creditors due within one year	-	(452,290)	-	(452,290)
Creditors due in more than one year	-	(8,750)	-	(8,750)
Total	<u>222,889</u>	<u>465,924</u>	<u>16,700,266</u>	<u>17,389,079</u>

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

	2024 £	2023 £
Net (expenditure)/income for the period (as per Statement of financial activities)	<u>(122,396)</u>	<u>399,476</u>
Adjustments for:		
Depreciation	279,238	244,667
Interest receivable	(4,604)	(1,759)
Defined benefit pension scheme finance cost	(93,000)	2,000
(Gain)/loss on current asset investments	540,558	9,873
Decrease/(increase) in debtors	38,311	(34,120)
Increase in creditors	160,233	78,882
Net cash provided by operating activities	<u>798,340</u>	<u>699,019</u>

22. Cash flows from financing activities

	2024 £	2023 £
Interest received	4,604	1,759
Net cash provided by financing activities	<u>4,604</u>	<u>1,759</u>

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

23. Cash flows from investing activities

	2024	2023
	£	£
Purchase of tangible fixed assets	(230,109)	(698,062)
Net cash used in investing activities	(230,109)	(698,062)

24. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand and at bank	1,023,237	450,402
Total cash and cash equivalents	1,023,237	450,402

25. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	450,402	572,835	1,023,237
Liquid investments	540,558	(540,558)	-
	990,960	32,277	1,023,237

26. Pension commitments

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

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

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

26. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

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

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

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

The employer's pension costs paid to TPS in the year amounted to £683,124 (2023 - £599,517).

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

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £296,000 (2023 - £247,000), of which employer's contributions totalled £242,000 (2023 - £200,000) and employees' contributions totalled £ 54,000 (2023 - £47,000). The agreed contribution rates for future years are 19.9 per cent for employers and 5.5-12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	3.85	3.90
Rate of increase for pensions in payment/inflation	2.85	2.90
Discount rate for scheme liabilities	5.05	5.30

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

	2024	2023
	Years	Years
<i>Retiring today</i>		
Males	19.5	19.5
Females	22.7	22.6
<i>Retiring in 20 years</i>		
Males	20.7	20.8
Females	24.1	24.0

Share of scheme assets

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

26. Pension commitments (continued)

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

	At 31 August 2024	At 31 August 2023
	£	£
Equities	2,412,000	2,304,000
Other bonds	611,000	491,000
Property	312,000	277,000
Cash and other liquid assets	1,063,000	660,000
Total market value of assets	4,398,000	3,732,000

The actual return on scheme assets was £205,000 (2023 - £152,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2024	2023
	£	£
Current service cost	(168,000)	(202,000)
Interest income	205,000	152,000
Interest cost	(186,000)	(152,000)
Total amount recognised in the Statement of Financial Activities	(149,000)	(202,000)

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

	2024	2023
	£	£
At 1 September	3,498,000	3,595,000
Current service cost	168,000	202,000
Interest cost	186,000	152,000
Employee contributions	54,000	47,000
Actuarial losses/(gains)	120,000	(425,000)
Benefits paid	(37,000)	(73,000)
At 31 August	3,989,000	3,498,000

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

26. Pension commitments (continued)

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

	2024 £	2023 £
At 1 September	3,732,000	3,492,000
Interest income	205,000	152,000
Actuarial gains/(losses)	202,000	(86,000)
Employer contributions	242,000	200,000
Employee contributions	54,000	47,000
Benefits paid	(37,000)	(73,000)
	4,398,000	3,732,000
At 31 August	4,398,000	3,732,000

The pension scheme surplus is based on the actuarial assumptions used as at the 31 August 2024. These can and do change after the year end. As per the actuarial assumption the pension scheme is a surplus in the current year. As per the actuarial report obtained the future expected contribution is £248,000 while the cost thereof is £178,000 which indicates that there will not be decrease in contribution due to the surplus furthermore it is not feasible that the surplus will be refunded. Due to this the asset is not recognised as at 31 August 2024.

27. Operating lease commitments

At 31 August 2024 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	615	-
Later than 1 year and not later than 5 years	1,692	-
	2,307	-
	2,307	-

28. Members' liability

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

SPALDING GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

29. 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 12.