

Registration number: 08357352

Spalding Grammar School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2025

Spalding Grammar School

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Reference and administrative details

Members	Mr D Bland (resigned 23 November 2025) Sir J Hayes Mr A Faulkner Mr A C Cunnington
Governors and Trustees (Directors)	Mr C S Delaney (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 A Murray Mr N Chapman (resigned 17 September 2025) Mr P Goodchild Mrs M K Anderson, Executive Headteacher (appointed 1 September 2024)
Senior Management Team	Mrs M K Anderson, Executive Headteacher Mrs S P Ingram, Deputy Head Mr A G Brooks, Interim Deputy Head Mrs A Harrison, Director of Resources 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
Principal and Registered Office	Priory Road Spalding Lincolnshire PE11 2XH
Company Registration Number	08357352
Auditors	T C Group Hamilton Office Park 31 High View Close Leicester LE4 9LJ

Spalding Grammar School

Reference and administrative details (continued)

Bankers NatWest Bank plc
501 Silbury Boulevard
Milton Keynes
MK9 3ER

Solicitors Maples Solicitors
23 New Road
Spalding
Lincolnshire
PE11 1DH

Spalding Grammar School

Trustees' report for the Year Ended 31 August 2025

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31/08/2025. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Structure, governance and management

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 governing documents of the academy trust. The company registration number is 08357352.

The governors act as the trustees for the charitable activities of Spalding Grammar School and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

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 three 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.

Policies and procedures adopted for the induction and training of Trustees

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 the Governors. Governors are invited to attend whole school events and where appropriate, staff training and information sessions.

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Trustees' report for the Year Ended 31 August 2025 (continued)

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 Executive Headteacher, one Deputy Head, three Assistant Heads and a Director of resources. The extended Senior Leadership team includes three associate Headteachers.

The Executive 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 of Education.

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

Objectives and activities

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.

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.

Public benefit

The School provides educational services predominantly to 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.

In setting objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Spalding Grammar School

Trustees' report for the Year Ended 31 August 2025 (continued)

Strategic Report

Achievements and performance

A Level Results 2025

Level 3 value added score - A-level progress since GCSE	Provisionally 0.5
Average points score per entry	34.5
Number of pupils entered	115

No KS5 pupils were working for Maths/English as pupils 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 pupils have left school. This data is about pupils reaching the end of 16 to 18 studies in 2025 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 2025

Progress 8 Score	N/A (No Ks2 data)
Attainment 8 Score	5.8
Pupils Achieving grade 5 or better in English and Maths GCSE	75.2%
English Baccalaureate average point score	5.3
Pupils Achieving the English Baccalaureate (grade 5 or above)	17.9%
Pupils Entering the English Baccalaureate	62.8%

Key non-financial performance indicators

The School has been fully staffed during the period to 31 August 2025, 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 Finance 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.

Spalding Grammar School

Trustees' report for the Year Ended 31 August 2025 (continued)

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The majority of the School's income derives from central funding via the Department of Education. The School also receives further monies via the Local Authorities, such as Lincolnshire and Norfolk, for special educational needs and pupil premium. In addition, the School has managed to access Condition Improvement Fund (CIF) grants, negotiate contracts and utilise its current facilities.

During the period ended 31 August 2025, the operating expenditure (excluding depreciation and pension liabilities) as an Academy of £6,677,727 was covered by the Department for Education grants and other incoming resources. The excess of income over expenditure excluding pension liabilities and depreciation, was £460,082.

Net current assets at the period end were £815,882. The assets were used exclusively for providing education and the associated support services to the earners 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.

The Trust was successful in the bidding for Condition Improvement Funding, which enabled phase one of the fire door project £391k, with £50k funded from reserves. Phase two of the fire door project will be in the next CIF bid round. If successful, it is likely that this work will take place during the summer 2026.

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.

Reserves policy

The Trust holds funds of £17,606,869 as at 31 August 2025. Of this sum £610,287 are restricted reserve funds, surplus of £144,165 of unrestricted revenue funds and £16,852,417 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.

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 pupils and the Academy. This was released in June 2024 and is now held in a reserve bank account.

Spalding Grammar School

Trustees' report for the Year Ended 31 August 2025 (continued)

Principal risks and uncertainties

1. Financial and risk management objectives and policies

The majority of the School's income is from the Department for Education 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 ending 31 August 2025 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 pupils into the Sixth Form. This has been successful, with record numbers in Year 12 and Year 13 in the last two years. The PAN remains at 150.

Year Group	Girls	Boys	Total
Year 7	0	150	150
Year 8	0	154	154
Year 9	0	155	155
Year 10	0	145	145
Year 11	0	150	150
Year 12	34	103	137
Year 13	39	95	134
Total	73	952	1025

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

Health and Safety - A range of risk assessments have been written for each department where required. A health and safety lead has been established within the site team (Nebosh trained).

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Trustees' report for the Year Ended 31 August 2025 (continued)

Fundraising

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 reverted back to the Lincolnshire County Council Human Resources, pay and conditions policies, due to the ongoing collaboration with Spalding High School (Maintained). September 2025 saw the realigned pay scales to LCC for teaching staff. Support staff were already aligned with LCC GLEA pay and conditions.

The pay awards for both teaching and support staff are not fully funded by the Government. The forecast into the medium term are based on our best estimates at that point in time, knowing that With the departure of the Headteacher, an Executive Headteacher was appointed from 1 September 2024 and this has been extended for a further year. 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 Department of Education has also approved Mrs Anderson as the off payroll Accounting Officer for the Trust.

Part of the remit for the new Executive Headteacher is to investigate where efficiencies can be made by collaborating between the two schools, in relation to minority sixth form subjects, where both schools may have low numbers of pupils 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 failed, 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 Trust was fortunate to be successful in Phase One of the fire door project, funded by Condition Improvement Fund. 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.

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.

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Trustees' report for the Year Ended 31 August 2025 (continued)

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the board of governors on 19.11.25 and signed on its behalf by:


Ms P J Makepeace
Governor and trustee

Spalding Grammar School

Governance statement

Statement on governance and 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 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements.

Scope of responsibility

As trustees, 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.

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 Trustees' report and in the Statement of Trustees' Responsibilities. The board of governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Trustee	Meetings attended	Out of a possible
Mrs M K Anderson, Executive Headteacher (appointed 1 September 2024)	5	6
Mr A Faulkner	6	6
Mr A C Cunnington	5	6
Mrs S A L Hoult	6	6
Mrs S Y Ely	5	6
Ms P J Makepeace, Chair (appointed 16 September 2024)	6	6
Mr A Murray	5	6
Mr N Chapman (resigned 17 September 2025)	5	6
Mr P Goodchild	5	6

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Governance statement (continued)

Governance reviews

The Governing Body receive 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 Finance and General Purposes Committee is a sub-committee of the main board of governors. Its purpose is to Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs M K Anderson, Executive Headteacher (appointed 1 September 2024)	7	7
Mr A C Cunnington	7	7
Mr A Faulkner	4	7
Ms P J Makepeace, Chair (appointed 16 September 2024)	7	7
Mr A Murray	7	7

Review of value for money

As accounting officer, the governor and trustee has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, 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.

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Governance statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust 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 ended 31 August 2025 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 trust 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 trust's significant risks that has been in place for the year ended 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The risk and control framework

The academy trust's system of internal 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 and General Purposes Committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of 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.

On a quarterly basis, the reports to the board of governors, through the audit committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities and annually prepares an 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.

There were no material control or other issues reported by the Responsible Officer to date.

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

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Governance statement (continued)


- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;
- correspondence from DfE: financial notice to improve/notice to improve (FNI/NtI) and 'minded to' letters.


The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 governors is of the opinion that the Academy has adequate and effective framework for governance, risk management and control.

Approved by order of the members of the board of governors on 19.12.25. and signed on its behalf by:


.....
Ms P J Makepeace
Governor and trustee


.....
Mrs M K Anderson
Governor and trustee

Spalding Grammar School

Statement of regularity, propriety and compliance

As accounting officer of Spalding Grammar School, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the trust's funding agreement with DfE, and the requirements of the Academy Trust Handbook 2024, including responsibilities for estates safety and management. I have also considered my responsibility to notify the academy trust board of governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I, and the board of governors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the framework of authorities.

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



Mrs M K Anderson
Accounting officer

Date: 19th December 2025

Spalding Grammar School

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 19/12/25 and signed on its behalf by:


Ms P J Makepeace
Governor and trustee

Spalding Grammar School

Independent Auditor's 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 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2025 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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2024 to 2025.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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Independent Auditor's Report on the Financial Statements to the Members of Spalding Grammar School (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Strategic Report and Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 15], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Spalding Grammar School

Independent Auditor's Report on the Financial Statements to the Members of Spalding Grammar School (continued)

We obtained an understanding of the legal and regulatory frameworks that are applicable to Academy Trust and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting frameworks.

We understood how Academy Trust is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of Academy Trust's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the Academy Trust has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

Use of our report

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



.....
Dilun Mistry FCA (Senior Statutory Auditor)
For and on behalf of T C Group, Statutory Auditor

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date:.....19/12/25

Spalding Grammar School

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

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

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

The accounting officer is responsible, under the requirements of the board of governors' funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2024 to 31 August 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by DfE, which requires a limited assurance engagement as set out in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- On a sample basis testing transactions and balances
- Making enquiries of the Academy regarding systems and controls in place that are relevant to our regularity conclusion

Spalding Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Spalding Grammar School and the Education and Skills Funding Agency (continued)

- On a sample basis reviewing records for evidence of those systems and controls in operation

Conclusion

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

TC Group

.....
Reporting Accountant

For and on behalf of T C Group, Chartered Accountants

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date:..... 19/12/2025

Spalding Grammar School

Statement of Financial Activities for the Year Ended 31 August 2025 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2025/24 Total £
Income and endowments from:					
Donations and capital grants	2	-	919	375,005	375,924
Other trading activities	4	1,380	262,367	-	263,747
Investments	5	10,491	-	-	10,491
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	6,571,790	-	6,571,790
School Fund Income	6	-	290,862	-	290,862
Total Income		<u>11,871</u>	<u>7,125,938</u>	<u>375,005</u>	<u>7,512,814</u>
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	8	-	6,495,097	294,901	6,789,998
School Fund	8	-	182,630	-	182,630
Total Expenditure		<u>-</u>	<u>6,677,727</u>	<u>294,901</u>	<u>6,972,628</u>
Net income		11,871	448,211	80,104	540,186
Transfers between funds		-	(121,176)	121,176	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	(107,000)	-	(107,000)
Net movement in funds		<u>11,871</u>	<u>220,035</u>	<u>201,280</u>	<u>433,186</u>
Reconciliation of funds					
Total funds brought forward at 1 September 2024		<u>132,294</u>	<u>390,252</u>	<u>16,651,137</u>	<u>17,173,683</u>
Total funds carried forward at 31 August 2025		<u>144,165</u>	<u>610,287</u>	<u>16,852,417</u>	<u>17,606,869</u>

Spalding Grammar School

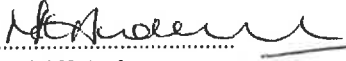
Statement of Financial Activities for the Year Ended 31 August 2024 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2024/23 Total £
Income and endowments from:					
Donations and capital grants	2	-	5,165	131,196	136,361
Other trading activities	4	4,425	316,471	-	320,896
Investments	5	3,893	-	-	3,893
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,970,690	-	5,970,690
School fund income	6	-	180,111	-	180,111
Total Income		8,318	6,472,437	131,196	6,611,951
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	8	-	6,263,499	279,238	6,542,737
School fund	8	-	205,222	-	205,222
Total Expenditure		-	6,468,721	279,238	6,747,959
Gains on investment assets		-	13,612	-	13,612
Net income/(expenditure)		8,318	17,328	(148,042)	(122,396)
Transfers between funds		(98,913)	-	98,913	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	(93,000)	-	(93,000)
Net movement in deficit		(90,595)	(75,672)	(49,129)	(215,396)
Reconciliation of funds					
Total funds brought forward at 1 September 2023		222,889	465,924	16,700,266	17,389,079
Total funds carried forward at 31 August 2024		132,294	390,252	16,651,137	17,173,683

Spalding Grammar School
(Registration number: 08357352)
Balance Sheet as at 31 August 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	16,790,987	16,651,137
Current assets			
Debtors	13	569,189	120,582
Cash at bank and in hand		<u>884,639</u>	<u>1,023,237</u>
		1,453,828	1,143,819
Liabilities			
Creditors: Amounts falling due within one year		<u>(637,946)</u>	<u>(621,273)</u>
Net current assets		<u>815,882</u>	<u>522,546</u>
Total assets less current liabilities		<u>17,606,869</u>	<u>17,173,683</u>
Net assets excluding pension asset		<u>17,606,869</u>	<u>17,173,683</u>
Total net assets		<u>17,606,869</u>	<u>17,173,683</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	15	610,287	390,252
Restricted fixed asset fund	15	<u>16,852,417</u>	<u>16,651,137</u>
		17,462,704	17,041,389
Unrestricted funds			
Unrestricted general fund	15	<u>144,165</u>	<u>132,294</u>
Total funds		<u>17,606,869</u>	<u>17,173,683</u>

The financial statements on pages 21 to 46 were approved by the Trustees, and authorised for issue on19/12/2025
and signed on their behalf by:


.....
Mrs M K Anderson
Governor and trustee

Spalding Grammar School

Statement of Cash Flows for the year ended 31 August 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(84,967)	676,605
Cash flows from investing activities	21	(49,256)	(95,020)
Cash flows from financing activities	20	<u>(4,375)</u>	<u>(8,750)</u>
Change in cash and cash equivalents in the year		(138,598)	572,835
Cash and cash equivalents at 1 September		<u>1,023,237</u>	<u>450,402</u>
Cash and cash equivalents at 31 August	22	<u>884,639</u>	<u>1,023,237</u>

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025

1 Accounting policies

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

Basis of preparation

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

Going concern

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

Income

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

Grants

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

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

Capital grants are recognised in full when there is an 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Donated fixed assets

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

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.

All resources expended are inclusive of irrecoverable VAT.

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

1 Accounting policies (continued)

Expenditure on raising funds

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

Charitable activities

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

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/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

Asset class	Depreciation method and rate
Land and buildings	125 years
Furniture and equipment	5 years
Computer equipment	3 years
Motor vehicles	4 years
Integral features	20 years

Liabilities

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

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust 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.

Leased assets

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of 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.

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note '25', will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

2 Donations and capital grants

	Restricted General Funds £	Restricted Fixed Asset Funds £	2025/24 Total £	2024/23 Total £
Capital grants	-	364,186	364,186	131,196
Other donations	919	-	919	5,165
Donated fixed assets	-	10,819	10,819	-
	<u>919</u>	<u>375,005</u>	<u>375,924</u>	<u>136,361</u>

The income from donations and capital grants was £375,923 (2024: £136,361) which was allocated between the funds as follows; £Nil unrestricted funds (2024: £Nil), £919 restricted funds (2024: £5,165), £375,005 restricted fixed asset funds (2024: £131,196) and £Nil endowment funds (2024: £Nil).

3 Funding for the academy trust's charitable activities

	Restricted General Funds £	2025/24 Total £	2024/23 Total £
Educational operations			
DfE/ESFA revenue grants			
General Annual Grant (GAG)	6,018,483	6,018,483	5,471,530
Other DfE Income	108,396	108,396	44,285
Pupil Premium	95,428	95,428	74,169
Teacher pay and Pension	250,218	250,218	176,153
Mainstream Additional Grant	-	-	139,112
	<u>6,472,525</u>	<u>6,472,525</u>	<u>5,905,249</u>
Other government grants			
Local Authority	<u>99,265</u>	<u>99,265</u>	<u>65,441</u>
Total grants	<u>6,571,790</u>	<u>6,571,790</u>	<u>5,970,690</u>

The funding for educational operations was £6,571,790 (2024: £5,970,690) which was allocated between the funds as follows; £Nil unrestricted funds (2024: £Nil), £6,571,790 restricted funds (2024: £5,970,690), £Nil restricted fixed asset funds (2024: £Nil) and £Nil endowment funds (2024: £Nil).

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

4 Other trading activities

	Unrestricted Funds £	Restricted General Funds £	2025/24 Total £	2024/23 Total £
Hire of facilities	1,380	-	1,380	4,425
Catering income	-	261,174	261,174	195,442
Recharges and reimbursements	-	-	-	81,339
Other sales	-	1,193	1,193	39,690
	<u>1,380</u>	<u>262,367</u>	<u>263,747</u>	<u>320,896</u>

The income from other trading activities was £263,747 (2024: £320,896) which was allocated between the funds as follows; £1,380 unrestricted funds (2024: £4,425), £262,367 restricted funds (2024: £316,471), £Nil restricted fixed asset funds (2024: £Nil) and £Nil endowment funds (2024: £Nil).

5 Investment income

	Unrestricted Funds £	2025/24 Total £	2024/23 Total £
Short term deposits	<u>10,491</u>	<u>10,491</u>	<u>3,893</u>

The income from other trading activities was £10,491 (2024: £3,893) which was allocated between the funds as follows; £10,491 unrestricted funds (2024: £3,893), £Nil restricted funds (2024: £Nil), £Nil restricted fixed asset funds (2024: £Nil) and £Nil endowment funds (2024: £Nil).

6 Other charitable activities

	Restricted General Funds £	2025/24 Total £	2024/23 Total £
School fund income	<u>290,862</u>	<u>290,862</u>	<u>180,111</u>

The income from other trading activities was £290,862 (2024: £180,111) which was allocated between the funds as follows; £Nil unrestricted funds (2024: £Nil), £290,862 restricted funds (2024: £180,111), £Nil restricted fixed asset funds (2024: £Nil) and £Nil endowment funds (2024: £Nil).

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

7 Expenditure

	Non Pay Expenditure			2025/24 Total £	2024/23 Total £
	Staff costs £	Premises £	Other costs £		
Academy trust's educational operations					
Direct costs	4,414,408	-	290,308	4,704,716	4,888,764
Allocated support costs	1,253,306	557,964	274,012	2,085,282	1,653,973
School Fund					
Allocated support costs	-	-	182,630	182,630	205,222
	<u>5,667,714</u>	<u>557,964</u>	<u>746,950</u>	<u>6,972,628</u>	<u>6,747,959</u>
Net income/(expenditure) for the year includes:				2025/24	2024/23
				£	£
Operating lease rentals				9,882	9,882
Depreciation				294,901	279,328
Fees payable to auditor - audit				11,250	7,900
- other audit services				<u>2,125</u>	<u>1,575</u>

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

8 Charitable activities

			2025/24	2024/23
			£	£
Direct costs - educational operations			4,704,716	4,888,764
Support costs - educational operations			2,085,282	1,653,973
Allocated support costs - School fund			<u>182,630</u>	<u>205,222</u>
			<u>6,972,628</u>	<u>6,747,959</u>
	Educational	School Fund	2025/24	2024/23
	operations		Total	Total
	£	£	£	£
Analysis of support costs				
Support staff costs	1,253,306	-	1,253,306	765,477
Depreciation	294,901	-	294,901	279,238
Technology costs	52,654	-	52,654	16,813
Premises costs	263,063	-	263,063	404,489
Legal costs - other	32,000	-	32,000	23,328
Other support costs	176,420	182,630	359,050	360,375
Governance costs	<u>12,938</u>	-	<u>12,938</u>	<u>9,475</u>
Total support costs	<u>2,085,282</u>	<u>182,630</u>	<u>2,267,912</u>	<u>1,859,195</u>

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

9 Staff

Staff costs and employee benefits

	2025/24	2024/23
	£	£
Staff costs during the year were:		
Wages and salaries	3,836,500	3,705,444
Social security costs	446,441	358,961
Operating costs of defined benefit pension schemes	1,027,398	908,220
Defined benefit pension scheme obligation inherited	<u>(79,000)</u>	<u>(74,000)</u>
	5,231,339	4,898,625
Supply staff costs	429,375	265,899
Staff restructuring costs	<u>7,000</u>	<u>-</u>
	<u>5,667,714</u>	<u>5,164,524</u>
	2025/24	2024/23
	£	£

Staff restructuring costs comprise:

Severance payments	<u>7,000</u>	<u>-</u>
--------------------	--------------	----------

Severance payments

The academy trust paid 1 severance payments in the year disclosed in the following bands:

	2025/24	2024/23
	£	£
0 - £25,000	<u>1</u>	<u>-</u>

Staff numbers

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

	2025/24	2024/23
	No	No
Teachers	50	53
Administration and support	45	48
Management	<u>8</u>	<u>9</u>
	<u>103</u>	<u>110</u>

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

9 Staff (continued)

Higher paid staff

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

	2025/24	2024/23
	No	No
£60,001 - £70,000	9	3
£70,001 - £80,000	2	1
£90,001 - £100,000	-	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £740,275 (2024: £811,616).

10 Related party transactions - trustees' remuneration and expenses

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

Mr S M Wilkinson (Head Teacher (resigned 31/08/2024)):

Remuneration: £Nil (2024 - £95,000 - £100,000)

Employer's pension contributions: £Nil (2024 - £25,000 - £30,000)

Mrs M K Anderson (Executive Head Teacher (from 01/09/2024)):

Remuneration: £Nil (2024 - £Nil)

Employer's pension contributions: £Nil (2024 - £Nil)

Mrs M K Anderson (Executive Head Teacher) is employed by Lincolnshire County Council and is not paid directly by Spalding Grammar School).

Other related party transactions involving the trustees are set out in note 26.

11 Trustees' 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 2025 was £1,361 (2024 - £500).

The cost of this insurance is included in the total insurance cost.

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Integral features £	2025/24 Total £
Cost						
At 1 September 2024	16,650,000	510,070	448,391	97,007	1,766,654	19,472,122
Additions	<u>-</u>	<u>74,998</u>	<u>23,525</u>	<u>-</u>	<u>336,229</u>	<u>434,752</u>
At 31 August 2025	<u>16,650,000</u>	<u>585,068</u>	<u>471,916</u>	<u>97,007</u>	<u>2,102,883</u>	<u>19,906,874</u>
Depreciation						
At 1 September 2024	1,542,900	441,385	393,913	64,979	377,808	2,820,985
Charge for the year	<u>133,200</u>	<u>27,589</u>	<u>33,064</u>	<u>10,827</u>	<u>90,222</u>	<u>294,902</u>
At 31 August 2025	<u>1,676,100</u>	<u>468,974</u>	<u>426,977</u>	<u>75,806</u>	<u>468,030</u>	<u>3,115,887</u>
Net book value						
At 31 August 2025	<u>14,973,900</u>	<u>116,094</u>	<u>44,939</u>	<u>21,201</u>	<u>1,634,853</u>	<u>16,790,987</u>
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>

13 Debtors

	2025 £	2024 £
Trade debtors	28,656	1,717
Prepayments	71,381	54,914
Accrued grant and other income	200,112	-
VAT recoverable	167,707	63,951
Other debtors	<u>101,333</u>	<u>-</u>
	<u>569,189</u>	<u>120,582</u>
	<u>569,189</u>	<u>120,582</u>

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

14 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	30,881	172,716
Other taxation and social security	197,127	197,859
Loans	-	4,375
Other creditors	74,070	57,433
Accruals	306,331	50,243
Deferred income	29,537	138,647
	<u>637,946</u>	<u>621,273</u>
	2025	2024
	£	£
Deferred income		
Deferred income at 1 September 2024	138,647	-
Resources deferred in the period	29,537	138,647
Amounts released from previous periods	<u>(138,647)</u>	<u>-</u>
Deferred income at 31 August 2025	<u>29,537</u>	<u>138,647</u>

Deferred income is amounts received for trips to be taken in the following year.

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

15 Funds

	Balance at 1 September 2024 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2025 £
Restricted funds					
<i>Restricted general funds</i>					
General Annual Grant	390,252	6,018,484	(5,677,273)	(121,176)	610,287
Pupil Premium	-	95,428	(95,428)	-	-
Other DfE grants	-	108,195	(108,195)	-	-
Teachers' Pay & Pension	-	250,218	(250,218)	-	-
Local Authority	-	99,265	(99,265)	-	-
Other income	-	554,348	(554,348)	-	-
Total restricted general funds	390,252	7,125,938	(6,784,727)	(121,176)	610,287
<i>Restricted fixed asset funds</i>					
Restricted Fixed Asset Fund	16,651,137	10,819	(294,901)	423,932	16,790,987
DfE Capital Grant	-	22,321	-	(22,321)	-
Community Infrastructure Fund (CIF)	-	341,865	-	(280,435)	61,430
Total restricted fixed asset funds	16,651,137	375,005	(294,901)	121,176	16,852,417
<i>Pension reserve funds</i>					
Pension reserve	-	-	107,000	(107,000)	-
Total restricted funds	17,041,389	7,500,943	(6,972,628)	(107,000)	17,462,704
<i>Unrestricted general funds</i>					
Unrestricted General Fund	132,294	11,871	-	-	144,165
Total unrestricted funds	132,294	11,871	-	-	144,165
Total endowment funds	-	-	-	-	-
Total funds	17,173,683	7,512,814	(6,972,628)	(107,000)	17,606,869

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

15 Funds (continued)

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

	Balance at 1 September 2023 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted funds					
<i>Restricted general funds</i>					
General Annual Grant	465,924	5,471,530	(5,547,202)	-	390,252
Pupil Premium	-	74,169	(74,169)	-	-
Other DfE grants	-	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)	-	-
Total restricted general funds	<u>465,924</u>	<u>6,412,049</u>	<u>(6,487,721)</u>	<u>-</u>	<u>390,252</u>
<i>Restricted fixed asset funds</i>					
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)	-
Total restricted fixed asset funds	<u>16,700,266</u>	<u>131,196</u>	<u>(279,238)</u>	<u>98,913</u>	<u>16,651,137</u>
<i>Pension reserve funds</i>					
Pension reserve	-	-	93,000	(93,000)	-
Total restricted funds	<u>17,166,190</u>	<u>6,543,245</u>	<u>(6,673,959)</u>	<u>5,913</u>	<u>17,041,389</u>
<i>Unrestricted general funds</i>					
Unrestricted General Fund	<u>222,889</u>	<u>8,318</u>	<u>-</u>	<u>(98,913)</u>	<u>132,294</u>
Total unrestricted funds	<u>222,889</u>	<u>8,318</u>	<u>-</u>	<u>(98,913)</u>	<u>132,294</u>
Total endowment funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>17,389,079</u>	<u>6,551,563</u>	<u>(6,673,959)</u>	<u>(93,000)</u>	<u>17,173,683</u>

The academy trust is not subject to GAG carried forward limits.

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

15 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 Trusts'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, net interest, and amounts to £107,000. 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 £107,000 actuarial increase in the net pension fund surplus.

16 Analysis of net assets between funds

Fund balances at 31 August 2025 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	16,790,987	16,790,987
Current assets	1,410,202	43,626	-	1,453,828
Current liabilities	(1,266,037)	566,661	61,430	(637,946)
Total net assets	144,165	610,287	16,852,417	17,606,869

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	16,651,137	16,651,137
Current assets	614,920	528,899	-	1,143,819
Current liabilities	(482,626)	(138,647)	-	(621,273)
Total net assets	132,294	390,252	16,651,137	17,173,683

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

17 Capital commitments

	2025	2024
	£	£
Contracted for, but not provided in the financial statements	<u>111,430</u>	<u>-</u>

18 Long-term commitments, including operating leases

Operating leases

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

	2025	2024
	£	£
Amounts due within one year	9,882	615
Amounts due between one and five years	<u>6,176</u>	<u>1,692</u>
	<u>16,058</u>	<u>2,307</u>

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

	2025	2024
	£	£
Net income/(expenditure)	540,186	(122,396)
Depreciation	294,902	279,238
Capital grants from DfE and other capital income	(375,005)	(131,196)
Interest receivable	(10,491)	(3,893)
Defined benefit pension scheme obligation inherited	(79,000)	(74,000)
Defined benefit pension scheme finance cost	(28,000)	(19,000)
(Increase)/decrease in debtors	(448,607)	38,311
Increase in creditors	21,048	168,983
Cash inflow/(outflow) from liquid resources	<u>-</u>	<u>540,558</u>
Net cash (used in)/provided by Operating Activities	<u>(84,967)</u>	<u>676,605</u>

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

20 Cash flows from financing activities

	2025 £	2024 £
Repayments of borrowing	<u>(4,375)</u>	<u>(8,750)</u>
Net cash used in financing activities	<u>(4,375)</u>	<u>(8,750)</u>

21 Cash flows from investing activities

	2025 £	2024 £
Dividends, interest and rents from investments	10,491	3,893
Purchase of tangible fixed assets	(434,752)	(230,109)
Capital funding received from sponsors and others	<u>375,005</u>	<u>131,196</u>
Net cash used in investing activities	<u>(49,256)</u>	<u>(95,020)</u>

22 Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand and at bank	<u>884,639</u>	<u>1,023,237</u>
Total cash and cash equivalents	<u>884,639</u>	<u>1,023,237</u>

23 Analysis of changes in net debt

	At 1 September 2024 £	Cash flows £	At 31 August 2025 £
Cash	1,023,237	(99,389)	923,848
Loans falling due within one year	<u>(4,375)</u>	<u>4,375</u>	<u>-</u>
Total	<u>1,018,862</u>	<u>(95,014)</u>	<u>923,848</u>

24 Member 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

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

25 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire County Council. 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 to the period ended 31 March 2022.

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

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 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 member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £783,831 (2024: £683,124).

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

25 Pension and similar obligations (continued)

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 trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension schemes Lincolnshire County Council Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £330,000 (2024 - £296,000), of which employer's contributions totalled £271,000 (2024 - £242,000) and employees' contributions totalled £59,000 (2024 - £54,000). The agreed contribution rates for future years are 19.9 per cent for employers and 5.5-12.5 per cent for employees. The scheme is managed by Lincolnshire County Council.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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

	2025	2024
	%	%
Rate of increase in salaries	3.50	3.90
Rate of increase for pensions in payment/inflation	2.50	2.90
Discount rate for scheme liabilities	6.00	5.10
Inflation assumptions (CPI)	2.50	2.90
Commutation of pensions to lump sums	55.00	55.00

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

	2025	2024
Retiring today		
Males retiring today	21.40	19.50
Females retiring today	23.40	22.70
Retiring in 20 years		
Males retiring in 20 years	23.00	20.70
Females retiring in 20 years	25.10	24.10

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

25 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2025	2024
	£	£
Equities	2,932,000	2,412,000
Government bonds	654,000	611,000
Property	404,000	146,000
Cash and other liquid assets	148,000	312,000
Other	<u>1,182,000</u>	<u>917,000</u>
Total market value of assets	<u>5,320,000</u>	<u>4,398,000</u>

The actual return on scheme assets was £348,000 (2024 - £408,000).

Amounts recognised in the statement of financial activities

	2025/24	2024/23
	£	£
Current service cost	192,000	168,000
Interest income	(237,000)	(205,000)
Interest cost	<u>209,000</u>	<u>186,000</u>
Total amount recognized in the SOFA	<u>164,000</u>	<u>149,000</u>

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

	2025/24	2024/23
	£	£
At start of period	3,989,000	3,498,000
Current service cost	192,000	168,000
Interest cost	209,000	186,000
Employee contributions	59,000	54,000
Actuarial (gain)/loss	(752,000)	120,000
Benefits paid	<u>248,000</u>	<u>(37,000)</u>
At 31 August	<u>3,945,000</u>	<u>3,989,000</u>

Spalding Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

25 Pension and similar obligations (continued)

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

	2025/24	2024/23
	£	£
At start of period	4,398,000	3,732,000
Interest income	237,000	205,000
Actuarial gain/(loss)	107,000	202,000
Employer contributions	271,000	242,000
Employee contributions	59,000	54,000
Benefits paid	248,000	(37,000)
At 31 August	<u>5,320,000</u>	<u>4,398,000</u>

The actuarial valuation calculated the fair value of plan assets to be in excess of the defined benefit obligation giving a plan surplus as at 31 August 2025 of £1,375,000. FRS102 28.22 states that a plan surplus shall be recognised only to the extent that the entity is able to recover the surplus through either reduced contributions in the future or through refunds from the plan. The trustees believe there to be insufficient certainty over the ability to meet these conditions and therefore the plan surplus has not been recognised.

26 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2025 the academy trust received £57,182 and disbursed £5,090 from the fund. An amount of £52,092 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2024 are £Nil received, £Nil disbursed and £Nil included in other creditors.