

Sutton Coldfield Grammar School for Girls Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2023



Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 17
Governance Statement	18 - 24
Statement on Regularity, Propriety and Compliance	25
Statement of Trustees' Responsibilities	26
Independent Auditors' Report on the Financial Statements	27 - 30
Independent Reporting Accountant's Report on Regularity	31 - 32
Statement of Financial Activities Incorporating Income and Expenditure Account	33
Balance Sheet	34
Statement of Cash Flows	35
Notes to the Financial Statements	36 - 61

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Members

Mr Mark Allwood
Mrs Jo Benton
Mr Keith Dudley
Mrs Hannah Tipper
Mr Nicholas Tuton

Trustees

Mrs Charlotte Senior, Chair*
Mr Neil Dance, Vice Chair (appointed 9 September 2022)
Dr Natalie Ball
Mrs Helen Booth*
Mr Matthew Cannan (resigned 1 November 2022)
Dr John (Jack) Carnell*
Mr Ranbir Dhesi (resigned 13 June 2023)
Mr Peter Dragoonis
Mr Matthew Jeavons
Mr Anthony Maguire, Staff Governor
Mr Stephen Millman
Dr Barbara Minards, Accounting Officer and Headteacher*
Ms Manjit Nahal* (appointed 11 November 2022)
Mr Michael Overton
Ms Janet Redman* (appointed 11 November 2022)
Mrs Hannah Tipper*
Ms Shaistah Zeidan

*Members of Finance Committee

**Company registered
number**

07543893

Company name

Sutton Coldfield Grammar School for Girls Academy Trust

**Principal and registered
office**

Jockey Road
Sutton Coldfield
Birmingham
B73 5PT

**Senior management
team**

Dr. Barbara Minards, Headteacher
Mrs Cath James, Deputy Headteacher
Ms Claire Flannery, Deputy Headteacher, left 31 December 2022
Mrs Michelle Lucas, Assistant Headteacher
Mr Mike Nott, Assistant Headteacher, joined 1 September 2022
Mr Douglas Thorp, Finance and Operation Director, Chief Financial Officer
Mrs Samantha Hart, Assistant Headteacher

Independent auditors

Dains Audit Limited
15 Colmore Row
Birmingham
B3 2BH

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details (continued)
For the Year Ended 31 August 2023

Bankers Lloyds Bank Plc
 9 Birmingham Road
 Sutton Coldfield
 Birmingham
 B73 5PT

Solicitors Browne Jacobson
 15th Floor
 103 Colmore Row
 Birmingham
 B3 3AG

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditor's report of the Sutton Coldfield Grammar School for Girls Academy Trust ("the Academy Trust") for the year from 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

Established in 1929, Sutton Coldfield Grammar School for Girls ("the School") has developed in both size and prestige and became an Academy Trust in 2011. The School is a thriving community of 1,219 students, celebrated for academic excellence, creativity, and enrichment opportunities. It is a positive, happy and purposeful learning environment in which staff and students are fully engaged. Our vision is for all to have a love of learning, a positive and resilient approach with a strong sense of community. Each individual will be encouraged to be aspirational, prepared for their future and inspired to make a difference.

Alongside our academic curriculum, we have an emphasis on Character Development. Through specific lessons, tutor time activities, assemblies and our reward system, the character strengths 'Love of Learning, Positive and Resilient, Making Good Decisions, Integrity and Respect' are embedded throughout school life. In addition to the learning that takes place in lessons, students develop their skills through participating in House competitions, charity events and attending a wide variety of extra-curricular clubs and societies. Through the careers programme, which includes independent guidance, a careers fair, visits from numerous professionals and guest speakers, students are encouraged to have high aspirations and achieve their potential. Throughout their time at the school, students are supported to maintain their wellbeing, develop their understanding of others and cultivate skillsets to become well-rounded members and future leaders of a rapidly changing global society.

The Academy Trust operates one school, which currently has a pupil capacity of 900 (11-16 year olds) and had a roll of 1,219 in the School Census 2022, of which there were 897 in years 7 to 11 and 322 pupils were in the Sixth Form (School Census October 2022).

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Sutton Coldfield Grammar School for Girls Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Sutton Coldfield Grammar School for Girls Academy Trust.

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.

b. Members' liability

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

Trustees' Report (continued)
For the Year Ended 31 August 2023

Structure, governance and management (continued)

c. Trustees' indemnities

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement ('RPA'), an alternative to insurance, where UK government funds cover losses that arise. The scheme protects Members and Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000 for such claims.

d. Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- The Members may appoint up to 15 Trustees;
- No more than one third of the total number of individuals appointed as Trustees shall be employees of the Academy Trust (including the Headteacher). The Board of Trustees shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Trustees;
- Parent Trustees shall be elected by parents and individuals exercising parental responsibility of registered students at the Academy Trust. A Parent Trustee must be a parent, or an individual exercising parental responsibility, of a registered student at the Academy Trust at the time when he or she is elected; and
- The Trustees may appoint Co-opted Trustees. The Trustees may not appoint an employee of the Academy Trust as a Co-opted Trustee, if thereby the number of Trustees who are employees of the Academy Trust (including the Headteacher) exceeds one third of the total number of Trustees.

Trustees are appointed for a 4-year period, except that this time limit does not apply to the Headteacher where they have agreed to be appointed as a Trustee or where they are automatically appointed as a Trustee under the Articles of Association. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Members and the Board of Trustees gives consideration to the skills and experience mix of existing Trustees, in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

e. Policies adopted for the induction and training of Trustees

Trustees bring a variety of experience from a number of different backgrounds, not just in education, but also industry and commerce. Where necessary, additional training is provided or made available on charity, educational, legal, financial and any other matters relevant to the role of the Trustees. All Trustees are routinely involved with meetings, reports, plans and other information as necessary, to enable them to carry out their roles. Assistance and advice is always available from Academy Trust staff or professional advisors. The Trustees have access to the National Governance Association's learning resources and NGA Goldline support and "The Key for Governors".

Trustees' Report (continued)
For the Year Ended 31 August 2023

Structure, governance and management (continued)

f. Organisational structure

Members of the Academy Trust are a small body whose responsibility it is to have an oversight of the Academy Trust's affairs and to appoint Trustees.

The Trustees of the Academy Trust are the Board of Trustees, with whom ultimate responsibility and accountability for the day to day running of the Academy Trust lies.

The Board of Trustees has a strong focus on three core strategic functions:

- Ensuring clarity of vision, ethos and strategic direction of the Academy Trust;
- Holding the Headteacher to account for the educational performance of the Academy Trust and its pupils, and the performance management of staff; and
- Overseeing and ensuring effective financial performance of the Academy Trust.

In order to carry out its role efficiently and effectively, the detailed work of the Board of Trustees is delegated to and undertaken by several committees, which are sub-committees of the main Board of Trustees. In addition to attending the full Board of Trustees meetings, all Trustees sit on at least one sub-committee. The sub-committees report back to termly meetings of the Board of Trustees at which broader issues are discussed.

The Academy Trust is managed by seven members of staff in the Senior Leadership Team. This is led by the Headteacher and includes two Deputy Headteachers, three Assistant Headteachers and a Finance and Operations Director. One of the Deputy Headteachers is responsible for the Curriculum/Data and the other for Student and Staff Development. The three Assistant Headteachers each have a specific responsibility: Student Support and Welfare; Character Development; and Teaching and Learning. All staff appointments must be agreed with the Headteacher and although the Deputy Headteachers have some financial delegation of authority, ultimately all financial decisions must be agreed by the Headteacher, as Accounting Officer of the Academy Trust.

The Board of Trustees meets four times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of sub-committees of the Board of Trustees and other groups. It receives reports on various matters from each of the sub-committees and, where necessary, ratifies decisions made at Committee level. It monitors the activities of the sub-committees through the minutes of their meetings and through direct reporting from the elected Chair of each sub-committee. The Chair of the Board of Trustees also sits on each of the sub-committees. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are six sub Committees of the Board of Trustees as follows:

- Finance
- Operations
- Welfare and Access
- Curriculum
- Audit and Risk
- Pay

Each Committee has its own terms of reference detailing the responsibilities discharged to it. The following decisions are reserved for the full Board of Trustees:

- Consider any proposals for changes to the status or constitution of the Academy Trust and its Committee structure;
- Appoint or remove the Chair and / or Vice Chair and statutory Link Governors; and
- Appoint the Headteacher.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2023

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The pay of the Senior Leadership Team is overseen and approved by the Pay Committee (a sub-committee of the Board of Trustees).

The Headteacher, in accordance with the Pay Policy, makes annual recommendations on the salary of the Senior Leadership Team to the Pay Committee.

For the Headteacher, a sub-group of the Pay Committee (the Headteacher Appraisal Panel) reviews the performance and salary of the Headteacher in the autumn term of each academic year, with the involvement of an external advisor. Decisions regarding salary reflect the Headteacher Appraisal Panel's views based on the outcomes of the annual performance review.

The Trustees consider the Board of Trustees and the Senior Leadership Team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 12 of the financial statements.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	-
Total pay bill	5,710
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Academy Trust was established as a standalone company and does not have any external sponsors.

The Sutton Coldfield Grammar School for Girls Charity ("the Charity") is a separate entity that is affiliated to the School. Its charitable objective is to "provide special benefits for the benefit of and for pupils of the Sutton Coldfield Grammar School for Girls". Any money raised by the Charity is controlled by the Trustees of the Charity and transferred to the School to spend on agreed items and causes, in accordance with the charitable objective.

Objectives and activities

a. Objects and aims

The Academy Trust's specific object, as set out in its Articles of Association, is restricted to the following:

- 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 and balanced curriculum.

The Academy Trust fulfils this object through the operation of the School, providing selective entry education for pupils between the ages of 11 and 19.

b. Objectives, strategies and activities

The key priorities for the year are contained in the Academy Trust's School Development Plan, which is available from the Headteacher. The key activities of the Academy Trust for the year ended 31 August 2023 were focused as follows:

1. Excellent teaching and learning
 - a. Focus on high quality teaching that identifies and responds to the needs of individuals.
 - b. Review and adapt schemes of learning, building in regular retrieval practice/low stakes testing.
 - c. Embed regular, rigorous and effective assessment practices that are used proactively to inform curriculum delivery and support student progress.
 - d. Create a developmental programme of lesson observation, work sampling and student voice.
 - e. Ensure the curriculum and resources promote diversity and equality.
 - f. Create classroom environments and relationships which enhance learning.
 - g. Consolidate use of Microsoft Teams and technology in teaching and learning.
2. Developing the student experience
 - a. Embed a cohesive student journey with a positive and enriching school life from Year 7 to 13.
 - b. Continue to develop the principles of growth mindset to encourage positive and resilient approaches to learning.
 - c. Recognise and celebrate character strengths across all year groups and all aspects of school life.
 - d. Embed links between student support and PHSE, tutor time activities and assembly themes.
 - e. Extend the extra-curricular and super-curricular programmes, monitor and promote students' participation.
 - f. Develop Student Leadership opportunities to support academic, personal and character development.
 - g. Enhance careers provision throughout all year groups, support applications process for Sixth Form students.
 - h. Support Sixth Form students to develop their independent study skills using VESPA mentoring.

Trustees' Report (continued)
For the Year Ended 31 August 2023

Objectives and activities (continued)

3. Collaboration and Communication

- a. Develop a collaborative, developmental culture within teaching and support staff across and within departments.
- b. Create opportunities for departments to support each other with subject reviews and curriculum conversations.
- c. Build staff communication through use of staff meetings, disaggregated training time, staff forum and regular feedback surveys.
- d. Cultivate open and supportive communication between students and staff, in person and via Teams.
- e. Increase communication and engagement with parents, through in-person events, regular information sharing and feedback surveys.
- f. Increase the use of social media to broaden stakeholder engagement, support widening access programme and promote opportunities.
- g. Develop links beyond school for SLT and middle leaders to collaborate with other networks.
- h. Research and evaluate Multi Academy Trust options to formulate strategy for 2030.

4. Refining systems and processes

- a. Embed a strategic and cohesive approach to Continuing Professional Development for all staff.
- b. Continue to support Curriculum Leaders to review teaching and learning with quality assurance systems in place.
- c. Establish cohesive pastoral support systems across all staff to develop a strategic approach to student support.
- d. Further develop the IT strategy, taking account of systems used across school, with a view to consolidate and plan for how/when this could be achieved.
- e. Continue reviewing procedures for staff with consideration to reduce workload and cognitive load.
- f. Maintain safeguarding procedures in light of latest directives and best practices.

5. Stewardship of Resources

- a. Continue to develop a flexible and sustainable long-term financial plan allowing for considerable uncertainty.
- b. Investigate and bid for additional sources of revenue and develop fundraising strategy.
- c. Implement the Estates Strategy, producing and monitoring a plan for the Sixth Form Build project and maintaining the school site to a high standard.
- d. Manage catering and lettings contracts to add value to the school's resources and reputation. Continue to reduce the impact of the School on the environment

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2023

Objectives and activities (continued)

c. Public benefit

The Academy Trust aims to advance for the public benefit, education in the West Midlands region and the wider region, offering a broad curriculum and an excellent educational environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure activities for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The details of the particular activities of the Academy Trust during the year and how these have provided public benefit are detailed in the Achievements and Performance section below.

The Academy Trust continues its longstanding commitment to supporting a wide range of charitable causes. These include: non-uniform days raising money for Children In Need, bake sales for Cancer Research UK and the Young Minds Charity for example.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Academy Trust has been in operation since 2011 and is in its 12th year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2023 was 1,219.

The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The particular achievements and performance of the Academy Trust during the year ended 31 August 2023 were as follows in addition to high levels of academic achievement:

- Charitable Trust and School Coldfield Grammar School for Girls Charity
- Completing a major upgrade of boilers and roofing works across the School site funded mainly by prior year Condition Improvement Fund ("CIF") grants.
- Successfully bidding for a replacement of the last major part of the School roof replacement programme via the CIF (to be completed in Autumn 2023). With £721k awarded. Total funding from successful CIF bids across four years academic years is over £2 million.
- Donating used library equipment to a local primary school and 200 exam desks to a new school being setup in Malawi.
- Over 150 students have benefited from the "Pre-Loved" uniform shop where 2nd hand uniform is available to buy supported by the Parents Association.
- Following Covid-19 the School was able to run a near normal range of school trips such as to France and the annual ski trip during February half term.

a. Key performance indicators

GCSE and A-level Results: Following the return to pre Covid-19 pandemic grading, students successfully completed their external examinations in Summer 2023. At GCSE: 82% of the grades awarded were grades 7-9 and 61% were grades 8 or 9. At A-level 83% of grades awarded were A*-B and 55% were A*/A. These statistics were higher than those of 2019, the last comparable year of examination results.

Trustees' Report (continued)
For the Year Ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

The Academy Trust has celebrated the wide range of destinations of our Year 13 students and this year the cohort has gone on to 72 different courses at 46 universities, with 79% of students securing their first choice university. Two students have successfully secured places on Degree Apprenticeships and 8 students have embarked upon planned gap years involving both further study and travel.

During the year the School community has enjoyed various performances and extracurricular activities, including, The Musical Legally Blonde, where the dress rehearsals were attended by a number of primary schools as part of the School's widening access programme; Christmas and Spring concerts; Evening of Dance; and Duke of Edinburgh.



The School's literacy festival in July had author visits, book signings, a book themed bake off competition and cake sale, raising funds for the 'Read for Good' charity, which provides brand new books and storytellers for children who are seriously ill in hospital.

Financial performance: The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Academy Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2023, the balance of the unrestricted and restricted income reserves was £2,281,000 (2022: £1,755,000), which is after transfers of £131,000 (2022: £37,000) to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

The majority of the Academy Trust's funding is based on pupil numbers, another key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 1,219; a decrease of 9 from the same point in the prior year. This was due to a lower number in 6th form following a bulge due to the pandemic.

Staffing costs: The percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the Education and Skills Funding Agency ('ESFA')) for the year was 82% (2022: 84%), while the percentage of staff costs to total costs (excluding depreciation and Local Government Pension Scheme FRS102 pension cost charges) was 79% (2022: 85%).

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Financial review

The majority of the Academy Trust's income is received from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

For the year ended 31 August 2023, the Academy Trust's total income (excluding capital grants) was £7,828,000 (2022: £6,903,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £7,172,000 (2022: £6,365,000), resulting in a net operating surplus for the year of £657,000 (2022: £538,000).

This surplus, which had been expected by the Trustees, has increased the Academy Trust's reserves. The balance of reserves at 31 August 2023, excluding the restricted fixed asset funds and LGPS liability fund was £2,281,000 (2022: £1,755,000).

The net book value of fixed assets at 31 August 2023 was £15,158,000. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy Trust's balance sheet at year end is a defined benefit pension scheme liability of £448,000 (2022: £1,971,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy Trust. Further details regarding the deficit in the LGPS at 31 August 2023 are set out in note 25 to the financial statements.

The key financial policies reviewed and adopted during the period included the Finance Policy, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included:

- Charging Policy;
- Governor Expenses; and
- Statement of Financial Reserves, Investment and Deprecation.

The Academy Trust was also successful in obtaining the following funding from external sources:

- A successful bid to the CIF bringing in £721,000 to upgrade the last part of pitched roof over the main building.

Lettings in the School (managed by a third party lettings agent), generated c.£27,000 of income. This is expected to grow in future years.

The School's income was more than originally budgeted due to:

- Extra funding announced during the year to support Schools, namely the Mainstream Grant; and

Trustees' Report (continued)
For the Year Ended 31 August 2023

Strategic report (continued)

- Higher than anticipated returns on funds generated from higher interest returns on cash held.

Pay costs were in line with budget and non pay costs were lower than budgeted due to reduced gas bills following investment in new boilers and funding from government to offset the impact of a rise in energy costs.

The Academy Trust invested significantly in the estate and assets during the year, including:

- Replacement of 50% of both the pitched roof over the admin building and the School's heating system, both funded by successful CIF bids completed in Autumn 2022;
- Refurbishment of the School hall;
- Installation of new LED lights in the School Sports Hall;
- Resurfacing of tennis courts, which was completed in September 2022; and
- Investing in IT to ensure students and staff have access to up-to-date equipment.

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined the appropriate level of operating reserves to be 8% of income from the General Allocation Grant and 16-19 funding from the ESFA – approximately £540,000 in 2022-23.

The majority of the Academy Trust's income is received from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Board of Trustees consider it appropriate to maintain a minimum amount of ongoing reserves at this level for the following specific purposes:

- In case of income reduction due to changes in Government funding;
- To hold for unforeseen emergencies;
- To cover ongoing working capital requirements, including one month's salary.

Reserves kept above the minimum will be used to invest in the upkeep of the estate and possible new building and estate developments e.g. a Sixth Form Centre Build.

Reserve funds will be used as soon as practicable and following receipt of any other designated funds from external organisations.

The Academy Trust's level of operating reserves at 31 August 2023 was £2,281,000 (2022: £1,755,000), which is made up of restricted income reserves of £1,579,000 (2022: £1,057,000) and unrestricted funds of £702,000 (2022: £698,000).

Although the current level of operating reserves is above the minimum target level identified above, the Trustees' expectation is that these excess reserves will be utilised over the next few years to fund the ongoing development of the Academy Trust, including the potential development of a new building and the need to fund ongoing capital projects and developments.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2023

The value of the restricted fixed asset fund at 31 August 2023 is £15,455,000 (2022: £14,975,000), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Academy Trust, and the balance of unspent capital grants to be used on future capital expenditure. These funds can only be realised by disposing of the associated tangible fixed assets. The majority of the assets relate to buildings which are used for the Academy Trust's primary objective of delivering education. The Academy Trust does not plan to sell the site or transfer ownership of these assets and cannot do so without the permission of the Secretary of State for Education.

The pension reserve fund had a deficit balance at 31 August 2023 of £448,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Academy Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

b. Investment policy

The Trustees on behalf of the Academy Trust have powers to make decisions about investments, as there will be different times throughout the academic year when large cash balances are being held. The Academy Trust will not invest any funds in any accounts or ventures that could endanger the investment balance. The deposit of cash balances will consider any social, environmental and/or ethical grounds before investment of funds takes place. The Academy Trust's Articles of Association allow for Academy Trust funds to be invested for furtherance of objects after obtaining the advice from a financial expert as the Trustees consider necessary. The Articles state that:

- The investment policy is set down in writing for the financial expert by the Trustees;
- Every transaction is reported promptly to the Trustees;
- The performance of investments is reviewed regularly with the Trustees;
- The Trustees are entitled to cancel the delegation arrangement at any time;
- The investment delegation arrangement are reviewed at least once per year;
- All payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
- The financial expert must not do anything outside the powers of the Trustees.

Investment principles

The Academy Trust only invests funds in low risk and easily-accessible accounts.

Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation.

The Finance and Operations Director will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the Finance and Operations Director to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.

When there are funds surplus to immediate cash requirements in the current account, the Trustees will consider transferring these to an account with a higher interest rate.

Investments will normally be for a fixed term of no more than 6 months, unless there is a clear business case, that is agreed with by the Finance Committee, for longer-term investment that would benefit the Academy Trust. Investments will only be made in UK banking institutions who have a strong credit rating and are regulated by the Financial Conduct Authority.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2023

A maximum of £85,000 will be placed within one bank account and institution with the exception of 'A' rated well known UK banks where Trustees have agreed that up to £85,000 can be invested into up to three accounts at a maximum of three institutions (i.e. a maximum of nine accounts across three A rated banks). This is because the first £85,000 of an investment is protected by the Financial Services Compensation Scheme.

Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure and that decision recorded.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health and safety, safeguarding and school trips, and in relation to the control of finances and strategical development of the Academy Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is regularly reviewed at least annually by the Audit and Risk Committee (more frequently in light of any new information).

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on outstanding exam results and an excellent reputation.

Safeguarding and child protection

The Trustees ensure that high standards of safeguarding and child protection are adhered to. This is done through:

- Clear child protection policies and procedures that are regularly reviewed and robustly implemented, including regular training for everyone in the School community;
- Health and Safety policy and procedures;
- Staff Code of Conduct; and
- Student Behaviour for Learning Policy.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the year, approximately 97% of the Academy Trust's income was ultimately Government funded. Whilst this level of funding is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs associated with both the Teachers' Pension Scheme and the LGPS, and premises costs (particularly utility costs) and general inflation will also continue to place significant pressure on the Academy Trust's financial position and its ability to invest in the state.

Monthly management accounts are circulated to the Chair of Governors and the Chair of the Finance Committee. The Trustees examine the financial health of the Academy Trust every half term via the Finance Committee, reviewing performance against budgets and overall expenditure by means of regular update reports.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2023

However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued welfare, development and training of staff, as well as ensuring there is clear succession planning. The Academy Trust is also conscious of staff well-being and ensures staff have access to appropriate support (for example communicating the availability of mentoring services), and is aware of inflationary pressures around pay awards, significant elements of which are expected to be unfunded. The Academy Trust is continuously updating financial models to ensure it remains a going concern.

Inflation

The Trustees are aware that inflation is running significantly above the Bank of England target rate of 2%. The Academy Trust has a robust financial plan that can be adapted to meet cost pressures as and when they arise.

Cyber Security

The Academy Trust continues to invest in improved security measures and procedures in order to deal with current and future risks relating to cyber security. The Academy Trust annually obtains Cyber Security Essentials accreditation. The Academy Trust has also invested in an online training package in relation to Cyber Security which is mandatory for all staff.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation and statutory returns. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds (see below).

Fraud and mismanagement of funds

The Trustees have performed a programme of work aimed at checking and reviewing the financial systems and records as required by the Academies Trust Handbook, led by a qualified Internal Auditor. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

Fundraising

The School received funding directly from the School Charity in 2022-23 to invest in improving student experience at the School, which has been spent on initiatives such as creating more social space for Year 12 students and outdoor seating for all students to use at break and lunchtimes.

Trustees' Report (continued)
For the Year Ended 31 August 2023

Plans for future periods

The Academy Trust's School Development Plan for 2023-24 is:

1. High Quality Teaching and Learning
 - a) Embed whole school Teaching and Learning Principles consistently, within and across departments.
 - b) Positive language used consistently with emphasis on identifying strengths and areas for development.
 - c) Assessment, feedback and reporting processes support growth mindset approach.
 - d) All teaching staff to be engaged in developmental lesson observations and feedback discussions.
 - e) Establish an effective Personal Development curriculum specific to SG context.
2. Aspirational Students
 - a) Establish Whole School Aspirational Students Principles.
 - b) Provide a variety of opportunities to broaden students' current experience and develop their skills for the future.
 - c) Enhance provision for Sixth Form students to be aspirational.
 - d) Celebrate and support each individual within our whole school community.
3. Inspirational Environment
 - a) Maintain a welcoming and sustainable environment with effective and efficient IT systems in place.
 - b) Become more outward facing, build networking opportunities and share best practice.
 - c) Build a supportive, developmental culture for staff in their current roles and preparation for potential future roles.
 - d) Develop clear communications and high levels of engagement with parents & carers.
 - e) Plan for New Build and develop fundraising strategy to achieve it.

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy Trust does however hold Post-16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2023

Auditors

The auditors, Dains Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2023 and signed on its behalf by:



Mrs Charlotte Senior
Chair of Trustees



Dr. Barbara Minards
Accounting Officer

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in the DfE's Governance Handbook and Competency Framework for Governance, as well as the Academy Trust Handbook.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 the Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mrs Charlotte Senior, Chair*	4	4
Mr Neil Dance, Vice Chair	4	4
Dr Natalie Ball	3	4
Mrs Helen Booth*	3	4
Mr Matthew Cannan	0	1
Dr John (Jack) Carnell*	3	4
Mr Ranbir Dhesi	1	3
Mr Peter Dragoonis	3	4
Mr Matthew Jeavons	4	4
Mr Anthony Maguire, Staff Governor	3	4
Mr Stephen Millman	4	4
Dr Barbara Minards, Accounting Officer and Headteacher*	4	4
Ms Manjit Nahal*	3	3
Mr Michael Overton	3	4
Ms Janet Redman*	2	3
Mrs Hannah Tipper*	4	4
Ms Shaistah Zeidan	2	4

The Board of Trustees reviewed the Academy Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Academy Trust and the Trustees are satisfied that the structure currently in place is appropriate and effective for governance of the Academy Trust.

All Board of Trustee meetings for 2022-23 and sub-committee meetings have taken place as scheduled in person.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

An audit of skills and training is undertaken formally every year and is monitored informally by the Chair and Link Governor for Training throughout the year as the need arises for additional skills, in order to ensure appropriate expertise and address and perceived areas of need. The recruitment of new Trustees is undertaken with the skills requirements in mind, to ensure that the Board of Trustees has a breadth and depth of expertise and experience appropriate to its core functions and responsibilities. In November and towards the end of the year two Governors stepped down due to a change in circumstances. A new Community Governor was appointed with specific skills to strengthen the Board and plan for future succession, and two Parent Governors were appointed.

Regular updates and data are provided to sub-committees by relevant members of staff (for example: Finance and Operations Director and Deputy Headteachers). In addition, the Curriculum Committee receives a regular presentation from a different Head of Department to update them on current issues, developments and initiatives relevant to that academic department. The Welfare and Access Committee also began hearing presentations from pastoral staff to update them on current issues, developments and initiatives relevant to the pastoral provision within the School.

In addition to sub-committee meetings there is a regular dialogue between Trustees and the Academy Trust, via meetings between the Headteacher and the Chair of Trustees, between specific members of staff and Link Governors, and/or individuals offering other specific skills or expertise.

The Trustees consider that they are kept well-informed with good quality data and information, and this, together with the breadth of skills and experience of individual Trustees, enables the Board of Trustees to provide a high degree of challenge and support to the Academy Trust. The Board of Trustees meets at least four times a year with responsibility delegated to sub-committees who act on behalf of the Board of Trustees as detailed below. These committees report back to the main Board of Trustees termly.

The Headteacher attends all sub-committee meetings during the year, and it was agreed that the Chair of Governors would continue to sit formally on all sub-committees for 2022-23, to ensure oversight across and connectivity between all of the sub-committees.

The **Finance Committee** is a sub-committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance and that the requirement of Academy Trust Handbook are met.

The key priority of the Finance Committee during the year was ensuring that the financial health of the School was maintained in light of the high inflation (with particular regard to cost control), and the investigation and maximisation of income generation opportunities, including supporting a new investment approach and evaluating long term financial forecasts.

Attendance at meetings of the Finance Committee was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Helen Booth	5	6
Dr John (Jack) Carnell	5	6
Mr Ranbir Dhesi	2	5
Dr Barbara Minards	6	6
Ms Manjit Nahal	4	5
Ms Janet Redman	4	5
Mrs Charlotte Senior	5	6
Mrs Hannah Tipper - Chair	6	6

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

The **Audit and Risk Committee** is also a sub-committee of the Board of Trustees. Its purpose is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework. It reports its findings annually to the Board of Trustees and the Accounting Officer as a critical element of the Academy Trust's annual reporting requirements.

Attendance at meetings of the Audit and Risk Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Helen Booth - Chair	4	4
Dr John (Jack) Carnell	4	4
Mr Ranbir Dhesi	2	4
Ms Manjit Nahal	3	3
Ms Janet Redman	3	3
Mrs Charlotte Senior	4	4
Mrs Hannah Tipper	4	4

The Audit and Risk Committee reviewed reports presented in relation to internal scrutiny in the following areas:

- Procurement; and
- Energy usage.

The reports summarised the reviews undertaken in respect of the Academy Trust's systems of internal control and the recommended areas for action to address any control weaknesses identified.

The **Operations Committee** is a sub-committee of the main Board of Trustees. The Operations Committee is responsible for all matters relating to the operational running of the Academy Trust's land and buildings, as well as oversight of the Academy Trust's catering provision and the Academy Trust's digital requirements.

Attendance at meetings of the Operations Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Neil Dance	3	3
Mr Ranbir Dhesi	1	2
Mr Peter Dragoonis	0	3
Mr Matt Jeavons	3	3
Dr Barbara Minards	3	3
Mr Michael Overton - Chair	3	3
Mrs Charlotte Senior	2	3
Ms Shaistah Zeidan	0	3

In this financial year the Operations Committee focused on overseeing the implementation of the School's capital plan and continuing to develop a comprehensive digital strategy that includes teaching and learning and infrastructure requirements.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

The **Curriculum Committee** is a sub-committee of the main Board of Trustees. Its purpose is to ensure compliance with the statutory requirements of the curriculum for Years 7-13 and ensuring it is balanced and broadly based, promoting spiritual, moral, cultural, mental and physical development of pupils of the school and of society, as well as preparing pupils for the opportunities, responsibilities and experiences of later life.

Attendance during the year at Curriculum Committee was as follows:

Trustee	Meetings attended	Out of a possible
Ms Natalie Ball	2	3
Mr Pete Dragoonis	1	3
Mr Antony Maguire	3	3
Mr Stephen Millman - Chair	3	3
Dr Barbara Minards	3	3
Ms Manjit Nahal	2	2
Mr Michael Overton	1	3
Mrs Charlotte Senior	3	3
Ms Hannah Tipper	2	3
Ms Shaistah Zeidan	2	3

The Curriculum Committee has focused this year on the development of effective questioning in lessons using a range of techniques.

The **Welfare and Access Committee** is a sub-committee of the main Board of Trustees. It is responsible for ensuring compliance with all current guidance and legislation on the welfare of staff and pupils, together with ensuring the Academy Trust's compliance with child protection and safeguarding regulations. It also has oversight of matters relating to staff Continuing Professional Development and appraisal and Personal, Social, Health and Economic (PSHE) provision within the Academy Trust, as well as overseeing all access and inclusion matters.

Attendance at meetings of the Welfare and Access Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms Natalie Ball	1	3
Dr John (Jack) Carnell	2	2
Mr Neil Dance	3	3
Mr Matt Jeavons - Chair	3	3
Mr Antony Maguire	3	3
Mr Stephen Millman	3	3
Dr Barbara Minards	3	3
Ms Manjit Nahal	2	2
Ms Janet Redman	1	2
Mrs Charlotte Senior	3	3

Governance Statement (continued)

Governance (continued)

The Welfare and Access Committee oversaw changes to the pastoral support system which enabled a more bespoke and systematic offer of support for students and their mental health. The impact of Sleuth, the new digital system for recording rewards based on the character traits (Respect, Positive and Resilient, Make Good Decisions, Integrity and Love of Learning) and logging negative behaviours was also monitored. Reports from the link governor for Safeguarding and SEND kept trustees informed of School procedures in relation to these areas. The widening access initiative continued, during the autumn term ten students from a local primary school attended an afternoon outreach visit hosted by the Head of Year 7 and a team of Year 10 wellbeing mentors. Students had a tour of the school with lesson drop ins, a Q&A session with the Year 10s, a session in the library and a session in the drama studio. Two local primary schools attended the dress rehearsal of the school musical in the Spring term and ten were invited to participate in an 'Aim higher' programme for Year 5 students in the summer term.

The **Pay Committee** is a sub-committee of the main Board of Trustees. It is responsible for matters relating to remuneration of staff, the Headteacher's objectives and performance and undertaking an annual review of staff salaries.

Attendance at meetings of the Pay Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Matt Jeavons - Chair	1	1
Mr Michael Overton	1	1
Mrs Charlotte Senior	1	1
Ms Hannah Tipper	1	1

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Undertaking procurements rounds for two major capital projects around the replacement of boilers and a pitched roof on the main school building;
- Holding the Finance and Operations Director to account; and
- Working closely with the Finance and Operations Director and Deputy Headteacher: Curriculum and Data to ensure there is an appropriate staffing model.

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 the Academy Trust's 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 the Academy Trust for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to handle risk

The Board of Trustees 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 Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance 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; and
- identification and management of risks.

The Board of Trustees has decided not to appoint an external auditor for the purpose of internal scrutiny. However, the Audit and Risk Committee appointed Trustees Helen Booth (a qualified Internal Auditor), Ranbir Deshi and Manjit Nahal as "Reviewers" to carry out a programme of internal scrutiny checks during the year ended 31 August 2023.

The Reviewers' role included giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current year included:

- Procurement; and
- Energy usage.

The appointed Reviewers reported to the Board of Trustees through the Audit and Risk Committee on the operation of the systems of control that had been the subject of the check, and on the discharge of the Board of Trustees' financial responsibilities. A short annual summary report is prepared for the Board of Trustees outlining the areas reviewed, key findings, recommendations and conclusions to help the Audit and Risk Committee consider actions and assess year on year progress, which will be filed with the Department for Education in accordance with the Academies Trust Handbook.

The Reviewers have delivered their program of work during the year ended 31 August 2023 as planned and no significant internal control weaknesses were identified from the work completed.

Governance Statement (continued)

The risk and control framework (continued)

Conflicts of interest

The Academy Trust manages conflicts of interest in two ways:

- Trustees annually declare all interests on a Register of Interests, which are then updated if any changes occur and Trustees are reminded of this at every meeting. This is published on the School website and made available to Finance Staff.
- Trustees are also asked to declare all potential conflicts of interest in agenda items at the start of each Governing Board or Sub-Committee meeting. Where any conflicts are declared, appropriate action is taken to ensure the conflict does not impact discussions or decisions taken by the Board or Sub-Committee.
- Academy Trust Staff complete a Register of Interests annually. They are advised if they have any conflicts to speak with the Finance and Operations Director.

Review of effectiveness

As Accounting Officer, the Headteacher 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 Reviewers appointed by the Audit and Risk Committee;
- the financial management and governance self-assessment process including the School Resource Management Self-Assessment Tool;
- the work of the external auditors; and
- the work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee.

Approved by order of the members of the Board of Trustees on 7 December 2023 and signed on their behalf by:



Mrs Charlotte Senior
Chair of Trustees



Dr. Barbara Minards
Accounting Officer

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Sutton Coldfield Grammar School for Girls Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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



Dr. Barbara Minards
Accounting Officer
Date: 7 December 2023

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2023

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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 of Trustees on 7 December 2023 and signed on its behalf by:



Mrs Charlotte Senior
Chair of Trustees

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Sutton Coldfield Grammar School for Girls Academy Trust

Opinion

We have audited the financial statements of Sutton Coldfield Grammar School for Girls Academy Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Sutton Coldfield Grammar School for Girls Academy Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report on the financial statements to the Members of Sutton Coldfield Grammar School for Girls Academy Trust (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

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

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

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Sutton Coldfield Grammar School for Girls Academy Trust (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Mark Gurney FCCA (Senior Statutory Auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

7 December 2023

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Sutton Coldfield Grammar School for Girls Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 12 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sutton Coldfield Grammar School for Girls Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Sutton Coldfield Grammar School for Girls Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Sutton Coldfield Grammar School for Girls Academy Trust's funding agreement with the Secretary of State for Education dated 25 May 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Sutton Coldfield Grammar School for Girls Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Dains Audit Limited

Dains Audit Limited

Statutory Auditor
Chartered Accountants

Date: 7 December 2023

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2023

		Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
	Note					
Income from:						
Donations and capital grants	4	40	37	797	874	524
Other trading activities		100	12	-	112	115
Investments	7	48	-	-	48	2
Charitable activities:						
Academy Trust educational operations		399	7,192	-	7,592	6,774
Total income		587	7,241	797	8,625	7,415
Expenditure on:						
Charitable activities:						
Academy Trust educational operations		559	6,718	448	7,725	7,136
Total expenditure		559	6,718	448	7,725	7,136
Net income		28	523	349	900	279
Transfers between funds	18	-	(131)	131	-	-
Net movement in funds before other recognised gains		28	392	480	900	279
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	25	-	1,628	-	1,628	3,186
Net movement in funds		28	2,020	480	2,528	3,465
Reconciliation of funds:						
Total funds brought forward		698	(914)	14,975	14,760	11,295
Net movement in funds		28	2,020	480	2,528	3,465
Total funds carried forward		726	1,106	15,455	17,287	14,760

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

The notes on pages 36 to 61 form part of these financial statements.

Sutton Coldfield Grammar School for Girls Academy Trust

(A Company Limited by Guarantee)

Registered number: 07543893

Balance Sheet

As at 31 August 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	15,158	14,603
Current assets			
Debtors	15	648	867
Investments	16	2,237	820
Cash at bank and in hand		582	1,103
		3,467	2,790
Creditors: amounts falling due within one year	17	(889)	(663)
Net current assets		2,578	2,127
Net assets excluding pension liability		17,736	16,730
Defined benefit pension scheme liability	25	(448)	(1,971)
Total net assets		17,288	14,759
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	15,455	14,975
Restricted income funds	18	1,554	1,057
Pension reserve	18	(448)	(1,971)
Total restricted funds	18	16,561	14,061
Unrestricted income funds	18	727	698
Total funds		17,288	14,759

The financial statements on pages 33 to 61 were approved by the Trustees, and authorised for issue on 07 December 2023 and are signed on their behalf, by:



Mrs Charlotte Senior

Chair of Trustees

The notes on pages 36 to 61 form part of these financial statements.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	1,055	610
Cash flows from investing activities	21	(159)	(43)
Change in cash and cash equivalents in the year		896	567
Cash and cash equivalents at the beginning of the year		1,923	1,356
Cash and cash equivalents at the end of the year	22, 23	2,819	1,923

The notes on pages 36 to 61 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 August 2023

1. General information

The Sutton Coldfield Grammar School for Girls Academy Trust is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The registered number and address of the registered office is given on page 1. The principal activities of the company are set out in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

2.3 Income

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

• Grants

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

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

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

2. Accounting policies (continued)

2.3 Income (continued)

- **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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 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 Part 11, chapter 3 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.

Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% (50 years)
Long-term leasehold land	- over life of the lease
Furniture and equipment	- 10-33% (3-10 years)
Computer equipment	- 33.3% (3 years)

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

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 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.

Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.11 Financial instruments

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

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

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

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

2.12 Operating leases

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

2.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2. Accounting policies (continued)

2.14 Agency arrangements

The Academy Trust distributes 16-19 Bursary funds to students as an agent for the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds.

The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 29.

2.15 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 the funders where the asset acquired or created is held for a specific purpose.

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

Notes to the Financial Statements
For the Year Ended 31 August 2023

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual value where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgment:

The classification of expenditure between restricted and unrestricted funds is deemed as a critical area of judgment as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

4. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Donations	15	-	-	15
Capital Grants	-	-	797	797
Other	25	37	-	62
Total 2023	40	37	797	874

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

4. Income from donations and capital grants (continued)

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Donations	12	40	52
Capital Grants	-	472	472
	<hr/>	<hr/>	<hr/>
Total 2022	12	512	524
	<hr/>	<hr/>	<hr/>

5. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
Educational activities			
DfE/ESFA grants			
General Annual Grant (GAG)	-	6,763	6,763
Other DfE/ESFA grants			
Pupil Premium	-	91	91
School supplementary grant	-	156	156
Teachers pension grant	-	68	68
Other DfE Group grants	-	83	83
	<hr/>	<hr/>	<hr/>
	-	7,161	7,161
Other income from the Academy Trust's educational activities	399	7	406
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	24	24
	<hr/>	<hr/>	<hr/>
	-	24	24
	<hr/>	<hr/>	<hr/>
Total Educational activities	399	7,192	7,591
	<hr/>	<hr/>	<hr/>

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

5. Funding for the Academy Trust's charitable activities (continued)

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Educational activities			
DfE/ESFA grants			
General Annual Grant (GAG)	-	6,389	6,389
Other DfE/ESFA grants			
Pupil Premium	-	76	76
School supplementary grant	-	64	64
Teachers pension grant	-	59	59
Other DfE Group grants	-	33	33
	-	6,621	6,621
Other income from the Academy Trust's educational activities	85	30	115
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	11	11
Mass testing	-	27	27
	-	38	38
Total 2022	85	6,689	6,774

The Academy Trust received £24,000 (2022: £11,000) of funding for recovery / catch-up premium and costs incurred in respect of this funding totalled £24,000 (2022: £11,000) during this financial year. The Academy Trust also received £3,000 (2022: £27,000) of mass testing funding and costs incurred in respect of this fund totalled £3,000 (2022: £27,000) during the financial year. These costs are included in note 8 below as appropriate.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

6. Income from other trading activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
Hire of facilities	27	-	27
Income from ancillary activities	73	12	85
Total 2023	100	12	112

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Hire of facilities	20	15	35
Income from ancillary activities	72	8	80
Total 2022	92	23	115

7. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Interest	48	48	2

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

8. Expenditure

	Staff Costs	Premises	Other	Total
	2023	2023	2023	2023
	£000	£000	£000	£000
Educational activities:				
Direct costs	4,902	-	704	5,606
Allocated support costs	808	851	460	2,119
Total 2023	5,710	851	1,164	7,725

	Staff Costs	Premises	Other	Total
	2022	2022	2022	2022
	£000	£000	£000	£000
Educational activities:				
Direct costs	4,948	-	384	5,332
Allocated support costs	718	661	425	1,804
Total 2022	5,666	661	809	7,136

9. Analysis of expenditure by activities

	Activities	Support	Total
	undertaken	costs	funds
	directly	2023	2023
	2023	£000	£000
	£000	£000	£000
Educational activities	5,606	2,119	7,725

	Activities	Support	Total
	undertaken	costs	funds
	directly	2022	2022
	2022	£000	£000
	£000	£000	£000
Educational activities	5,332	1,804	7,136

Notes to the Financial Statements
For the Year Ended 31 August 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £000	Total funds 2022 £000
Staff costs	4,902	4,948
Educational supplies	96	101
Examination fees	149	135
Student support costs	63	71
Educational trip expenditure	384	72
Other costs	12	5
	5,606	5,332

Analysis of support costs

	Total funds 2023 £000	Total funds 2022 £000
LGPS cost	84	82
Staff costs	808	718
Depreciation	448	425
Technology costs	73	69
Premises costs	403	236
Other costs	266	234
Professional costs	37	40
	2,119	1,804

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

10. Net income

Net income for the year includes:

	2023	2022
	£000	£000
Operating lease rentals	16	10
Depreciation of tangible fixed assets	448	425
Fees paid to auditors for:		
- audit	10	9
- other services	2	1
	=====	=====

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£000	£000
Wages and salaries	4,240	4,039
Social security costs	421	391
Pension costs	1,049	1,236
	=====	=====
	5,710	5,666
Agency staff costs	84	145
	=====	=====
	5,794	5,811

b. Non-statutory/non-contractual staff severance payments

During the year two non contractual severance payments were made of £5,895 and £7,000 totalling £12,895 (2022: £nil).

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

11. Staff (continued)

c. Staff numbers

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

	2023 No.	2022 No.
Teachers	71	72
Administration and support	55	62
Management	6	7
	132	141

d. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	-

e. 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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £679,000 (2022 - £738,000).

Notes to the Financial Statements
For the Year Ended 31 August 2023

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an 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. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£000	£000
Dr. Barbara Minards, Accounting Officer and Headteacher*	Remuneration	115 - 120	95 - 100
	Pension contributions paid	25 - 30	20 - 25
Mr Anthony Maguire, Staff Governor	Remuneration	45 - 50	40 - 45
	Pension contributions paid	10 - 15	5 - 10
Dr. Natalie Ball	Remuneration	15 - 20	15 - 20
	Pension contributions paid	0 - 5	0 - 5

During the year ended 31 August 2023, expenses totalling £1,406 were reimbursed or paid directly to 2 Trustees (2022 - £NIL).

13. Trustees' and Officers' insurance

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

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

14. Tangible fixed assets

	Long-term leasehold land and buildings £000	Assets under construction £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2022	16,495	435	258	433	17,621
Additions	364	411	187	42	1,004
Transfers between classes	65	(435)	369	-	(1)
At 31 August 2023	<u>16,924</u>	<u>411</u>	<u>814</u>	<u>475</u>	<u>18,624</u>
Depreciation					
At 1 September 2022	2,610	-	130	278	3,018
Charge for the year	281	-	75	92	448
At 31 August 2023	<u>2,891</u>	<u>-</u>	<u>205</u>	<u>370</u>	<u>3,466</u>
Net book value					
At 31 August 2023	<u>14,033</u>	<u>411</u>	<u>609</u>	<u>105</u>	<u>15,158</u>
At 31 August 2022	<u>13,885</u>	<u>435</u>	<u>128</u>	<u>155</u>	<u>14,603</u>

Land is included in the total leasehold land and buildings valuation at a value of £4,624,000 (2022: £4,624,000).

15. Debtors

	2023 £000	2022 £000
Due within one year		
Trade debtors	8	7
Other debtors	95	105
Prepayments and accrued income	545	755
	<u>648</u>	<u>867</u>

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

16. Current asset investments

	2023	2022
	£000	£000
Short-term investments	2,237	820

17. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	529	392
Other taxation and social security	100	93
Other creditors	128	83
Accruals and deferred income	132	95
	889	663

	2023	2022
	£000	£000
Deferred income at 1 September 2022	26	2
Resources deferred during the year	43	26
Amounts released from previous periods	(26)	(2)
	43	26

The release of deferred income in the year relates to funds held by the Academy Trust in 2022/23 for deposits on school trips that took place in 2023/2024.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

18. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General Funds	698	588	(559)	-	-	727
Restricted general funds						
General Annual Grant (GAG)	1,057	6,763	(6,135)	(131)	-	1,554
Pupil Premium	-	91	(91)	-	-	-
Teachers pension grant	-	68	(68)	-	-	-
School supplementary grant	-	156	(156)	-	-	-
Other DfE/ESFA grants	-	123	(123)	-	-	-
Income from educational activities	-	7	(7)	-	-	-
Other income	-	33	(33)	-	-	-
Pension reserve	(1,971)	-	(105)	-	1,628	(448)
	(914)	7,241	(6,718)	(131)	1,628	1,106
Restricted fixed asset funds						
Transfer on conversion	10,178	-	(187)	-	-	9,991
DfE/ESFA Capital grants	2,529	797	(246)	-	-	3,080
Capital expenditure from GAG	2,046	-	(12)	131	-	2,165
Restricted donations	222	-	(3)	-	-	219
	14,975	797	(448)	131	-	15,455
Total Restricted funds	14,061	8,038	(7,166)	-	1,628	16,561
Total funds	14,759	8,626	(7,725)	-	1,628	17,288

18. Statement of funds (continued)

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Academy Trust's charitable objects and the terms and conditions of the Academy Trust's funding agreement.

The pupil premium funding must be used to support children from families on low income or children in care.

Other DfE / ESFA grants (including Teacher Pay grants and Teachers' Pension grants), Local Authority funding and other restricted income are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

18. Statement of funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	668	191	(161)	-	-	698
Restricted general funds						
General Annual Grant (GAG)	586	6,389	(5,881)	(37)	-	1,057
Pupil Premium	-	76	(76)	-	-	-
Teachers pension grant	-	59	(59)	-	-	-
School supplementary grant	-	64	(64)	-	-	-
Other DfE/ESFA grants	-	80	(80)	-	-	-
Income from educational activities	-	21	(21)	-	-	-
Other income	-	23	(23)	-	-	-
Pension reserve	(4,811)	-	(346)	-	3,186	(1,971)
	<u>(4,225)</u>	<u>6,712</u>	<u>(6,550)</u>	<u>(37)</u>	<u>3,186</u>	<u>(914)</u>
Restricted fixed asset funds						
Transfer on conversion	10,365	-	(187)	-	-	10,178
DfE/ESFA Capital grants	2,222	472	(165)	-	-	2,529
Capital expenditure from GAG	2,079	-	(70)	37	-	2,046
Restricted donations	185	40	(3)	-	-	222
	<u>14,851</u>	<u>512</u>	<u>(425)</u>	<u>37</u>	<u>-</u>	<u>14,975</u>
Total Restricted funds	<u>10,626</u>	<u>7,224</u>	<u>(6,975)</u>	<u>-</u>	<u>3,186</u>	<u>14,061</u>
Total funds	<u>11,294</u>	<u>7,415</u>	<u>(7,136)</u>	<u>-</u>	<u>3,186</u>	<u>14,759</u>

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	15,158	15,158
Current assets	727	2,443	297	3,467
Creditors due within one year	-	(889)	-	(889)
Provisions for liabilities and charges	-	(448)	-	(448)
Total	727	1,106	15,455	17,288

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	14,603	14,603
Current assets	698	1,720	372	2,790
Creditors due within one year	-	(663)	-	(663)
Provisions for liabilities and charges	-	(1,971)	-	(1,971)
Total	698	(914)	14,975	14,759

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

20. Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£000	£000
Net income for the year (as per Statement of Financial Activities)	900	279
Adjustments for:		
Depreciation	448	425
Capital grants from DfE and other capital income	(797)	(472)
Interest receivable	(48)	(2)
Defined benefit pension scheme cost less contributions payable	21	264
Defined benefit pension scheme finance cost	84	82
Decrease/(increase) in debtors	221	(128)
Increase in creditors	226	162
Net cash provided by operating activities	1,055	610

21. Cash flows from investing activities

	2023	2022
	£000	£000
Dividends, interest and rents from investments	48	2
Purchase of tangible fixed assets	(1,004)	(517)
Capital grants from DfE Group	797	472
Net cash used in investing activities	(159)	(43)

22. Analysis of cash and cash equivalents

	2023	2022
	£000	£000
Cash in hand and at bank	582	1,103
Short-term investments	2,237	820
Total cash and cash equivalents	2,819	1,923

Notes to the Financial Statements
For the Year Ended 31 August 2023

23. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	1,103	(521)	582
Short term investments	820	1,417	2,237
	<u>1,923</u>	<u>896</u>	<u>2,819</u>

24. Capital commitments

	2023 £000	2022 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>391</u>	<u>520</u>

25. Pension commitments

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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £ - were payable to the schemes at 31 August 2023 (2022 - £ -) and are included within creditors.

Teachers' Pension Scheme

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2023

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £997,000 (2022 - £670,000).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £327,000 (2022 - £358,000), of which employer's contributions totalled £257,000 (2022 - £301,000) and employees' contributions totalled £70,000 (2022 - £57,000). The agreed contribution rates for future years are 21.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

25. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4.00	4.20
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.20

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

	2023	2022
	Years	Years
Retiring today		
Males	19.7	21.2
Females	24.8	23.6
Retiring in 20 years		
Males	21.6	22.9
Females	25.1	25.4

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(99)	(114)
Discount rate -0.1%	99	114
Mortality assumption - 1 year increase	208	260
Mortality assumption - 1 year decrease	(208)	(260)
CPI rate +0.1%	93	106
CPI rate -0.1%	(93)	(106)

Share of scheme assets

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

	At 31	At 31 August
	August 2023	2022
	£000	£000
Equities	3,223	3,030
Corporate bonds	995	950
Property	332	362
Cash and other liquid assets	190	180
Total market value of assets	4,740	4,522

Notes to the Financial Statements
For the Year Ended 31 August 2023

25. Pension commitments (continued)

The actual return on scheme assets was £362,000 (2022 - £647,000).

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

	2023	2022
	£000	£000
Current service cost	278	565
Interest income	84	82
Total amount recognised in the Statement of Financial Activities	362	647

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

	2023	2022
	£000	£000
At 1 September	6,493	9,208
Current service cost	278	565
Interest cost	279	156
Employee contributions	70	57
Actuarial gains	(1,762)	(3,372)
Benefits paid	(170)	(121)
At 31 August	5,188	6,493

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

	2023	2022
	£000	£000
At 1 September	4,522	4,397
Interest income	195	74
Actuarial losses	(134)	(186)
Employer contributions	257	301
Employee contributions	70	57
Benefits paid	(170)	(121)
At 31 August	4,740	4,522

Sutton Coldfield Grammar School for Girls Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

26. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Not later than 1 year	10	16
Later than 1 year and not later than 5 years	27	36
	37	52

27. 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.

28. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income related party transactions:

During the year the Sutton Coldfield Grammar School Charity, connected by common directorship, donated £8,000 (2022: £13,800) to the Academy Trust.

29. Agency arrangements

The Academy Trust distributes 16-19 bursary funds on behalf of the ESFA. In the accounting period ended 31 August 2022, the Trust received £38,800 (2022: £25,100) and disbursed £31,800 (2022: £27,800) from the fund. An amount of £19,000 (2022: £12,000) is included in other creditors relating to the undistributed funds that are repayable to the ESFA.