

Clitheroe Royal Grammar School
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2024

Clitheroe Royal Grammar School
Annual Report and Financial Statements
Year Ended 31 August 2024

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Clitheroe Royal Grammar School

Reference and Administrative Details

Year Ended 31 August 2024

Members

Dr A D Clayton
Mrs J S Hart
Mr A Rogers
Mrs J Child
Mr W Honeywell

Trustees / Members of Governing Body

Mr M Blacklidge – Vice Chairman (Foundation)
Dr A D Clayton* - Chairman (Foundation)
Miss J Pinder (Foundation) – Resigned 20/10/2023
Mr A Rogers* - (Foundation)
Mrs S Turner* (Foundation)
Mrs C Lehner (Community)
Mr A Scholfield* Chairman of Estates (Community)
Mr C P Watson (Community)
Mr M N Frankish* - Chairman of Finance & Audit (Co-opted)
Mr A Hawkins* (Co-opted)
Mrs S Chudasama (Parent) – Elected 16/10/2023
Dr P Elmer (Parent) – Elected 16/10/2023
Mr M Hashmi (Parent) – Elected 16/10/2023
Mrs V Hollingsworth (Parent) – Resigned 01/10/2023
Ms S Lever (Parent) – Elected 16/10/2023
Mrs S Spencer (Staff)
Mrs J Holden (Staff) – Resigned 20/10/2023
Mr M Longhi (Staff)
Mrs H F Wilson* (Member)
Mr J Keulemans* - Head teacher & Accounting Officer
(*Members of Finance & Audit Committee)

Secretary

Ms L Higginbottom

Senior Leadership Team

Mr J Keulemans (Head teacher)
Mrs K Johnston (Deputy Head teacher)
Miss J Renold (Deputy Head teacher)
Mr J Hoyle (Senior Assistant Head teacher)
Mr J Alcock (Assistant Head teacher)
Miss H Ashton (Assistant Head teacher)
Ms G Clark (Assistant Head teacher)
Mrs L Higginbottom (Bursar)

Principal and Registered Office

York Street
Clitheroe
BB7 2DJ

Company Registration Number

07461173

Clitheroe Royal Grammar School

Reference and Administrative Details

Year Ended 31 August 2024

Independent Auditor

CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Internal Reviewer

Redrambler Limited
15a Turnpike
Newchurch
Rossendale
Lancashire
BB4 9DU

Bankers

Barclays Bank plc
3 Hardman Street
Spinningfields
Manchester
M3 3AX

Foundation

The Clitheroe Royal Grammar School Foundation CIO
York Street
Clitheroe
BB7 2DJ

Registered Charity No. 1174177

Clitheroe Royal Grammar School

Trustees' Report

Year Ended 31 August 2024

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period from 1 September 2023 to the 31 August 2024. The annual report serves the purposes of both a Trustees' report, and a directors' report including a strategic report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18, who are preferentially drawn from the area in which the academy is situated. As a former grammar school, designated under as such under section 104 of the School Standards and Framework Act 1998, the academy selects its intake at Year 7 by reference to academic ability. The academy operates an open-access Sixth Form and as such typically admits between 200 and 220 students from other 11 – 16 providers in the area at Year 12, in addition to those continuing into Year 12 from the School itself. The Main School (Years 7 to 11) had a roll of 782 in the school census of January 2024 and the Sixth Form a roll of 659.

STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Constitution:

The Academy Trust is a 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 Clitheroe Royal Grammar School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Clitheroe Royal Grammar School (the School) (company number 07461173).

Additionally, the Trustees of Clitheroe Royal Grammar School are also the Governors of the School. Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 2.

1.2 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.

1.3 Trustees' Indemnities:

Since the incorporation of the Charitable Company on the 6 December 2010, the Trustees (Directors) have been indemnified in respect of their legal liability for financial loss arising because of a negligent act, accidental error or omission in the course of their official duties. As explained in note 10 to the Financial Statements the limit of this indemnity is £10,000,000.

1.4 Principal Activities:

The principal activity of Clitheroe Royal Grammar School is to provide a quality, free education for young people, aged 11 to 19, who live in the area local to the School.

In determining its intake at Year 7 the School preferentially accepts those young people who live in the town of Clitheroe and the surrounding 41 civil parishes of the Ribble Valley (as defined in the School's Admissions Policy). At Year 12, typically 200 students join those already in the School to enter the Sixth Form, from other Schools in the area.

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1.5 Method of Recruitment and Appointment or Election of Governors (Trustees):

The processes for appointing or electing the various types of Governor at Clitheroe Royal Grammar School are as follows:

- 1) *Foundation Governors* – The Trustees of The Clitheroe Royal Grammar School Foundation have the right to appoint up to FIVE Governors of the School. Such appointments are usually made following consultation by the Trustees of the Foundation with the Governors of the School.

In addition to their overall role as governors and Trustees, the Foundation Governors are appointed for the purpose of ensuring that the character of the School is preserved and developed, i.e. a selective 11 to 16 grammar school with an open access sixth form.

- 2) *Parent Governors* – The Articles of Association require that there shall be FOUR Parent Governors. Parents, including carers, of registered pupils at the School are eligible to stand as individuals for election as a Parent Governor. They are elected by other parents at the School as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Governor elections.

If insufficient parents stand for election, the Governors must appoint Parent Governors to bring their number up to that required by the Articles of Association. Such appointed Parent Governors would preferentially be parents or carers of registered pupils at the School. If, however, no such parents are willing to under the role then the Governors can appoint any person who is the parent or carer of one or more school-age children.

- 3) *Staff Governors* – Up to THREE Staff Governors are elected by the School staff as individuals who are representative of the staff of the School. Both teaching and support staff paid to work at the School are eligible for staff governorship.

Suitable procedures have been put in place for the conduct of Staff Governor elections.

- 4) *Community Governors* – Up to FOUR Community Governors can be appointed by the Governors. Community Governors can be people who live or work in the community served by the School, or people who live outside of the immediate area and who are committed to the good governance and success of the School.

Vacancies for Community Governors will be posted upon the School's web site. Anyone expressing an interest in becoming a Community Governor will be asked to provide an appropriate curriculum vitae with their letter of application. Following an informal interview with the Chairman and Head teacher each application will be considered by the Governors.

The Governors may not appoint an employee of Clitheroe Royal Grammar School as a Community Governor if the number of Governors who are employed by the School (including the Head teacher) would thereby exceed one third of the total number of Governors.

- 5) *Co-opted Governors* – Up to THREE Co-opted Governors can be appointed by the Governors because they have experience and/or expertise of particular of benefit to the school. Following an identification of specific needs suitable candidates are identified by the Governing Body and approached accordingly.

A "Co-opted Governor" means a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed.

The Governors may not appoint an employee of Clitheroe Royal Grammar School as a Co-opted Governor if the number of Governors who are employed by the School (including the Head teacher) would thereby exceed one third of the total number of Governors.

- 6) *Member Governor* - The Members of Clitheroe Royal Grammar School (the Academy Trust) may appoint up to ONE Governor.

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No person who is a Local Authority Associated Person (LAAP) may be appointed as a Trustee (Governor) if, once the appointment has taken effect, the number of Trustees who are LAAPs would represent 20% or more of the total number of Trustees.

Local Authority Associated Person means any person associated with any local authority within the meaning given in Section 69 of the Local Government and Housing Act 1989.

1.6 Policies and Procedures Adopted for the Induction and Training of Governors (Trustees):

Following their appointment/election, all new Governors receive an introduction to their role from the Chairman and Head teacher, this introduction includes tours of the School's sites and the opportunity to meet other members of the Senior Leadership Team.

The Governors at Clitheroe Royal Grammar School are committed to provide adequate opportunities for Governors to undertake and receive suitable training, so as to enable them to undertake their role more effectively. To this end the School maintains a Service Level Agreement with the Lancashire County Council's Governor Services Department. This Agreement allows for any or all the Governors to attend any of the training courses provide by Lancashire County Council. In addition to this the Governors make use of the on-line training opportunities available both on GovernorHub and TES Develop.

All Governors are activity encouraged to take advantage of these training opportunities to gain a better understanding of the role and responsibilities of being a school governor and trustee. Additionally, Governors with specific roles are strongly encouraged to undertake specific training.

The Governors recognise the importance of their having a sound understanding of the principles of Safeguarding and the Prevent Initiative. Consequently, all Governors at CRGS are required to partake in annual Safeguarding training and Prevent training every two years.

There is a nominated Training and Development Governor who acts as the focus the Governor Training and as liaison between Governor Services and Clitheroe Royal Grammar School.

1.7 Organisational Structure:

Before conversion to academy status on 1 January 2011, Clitheroe Royal Grammar School was a foundation school with a foundation, as defined in the School Standards and Framework Act 1998. The relative autonomy of a foundation school meant that the former Governing Body was structured to undertake similar roles to those required of the Board of Trustees of an academy. Consequently, whilst the extra responsibilities of the Trustees of the Academy Trust have been recognised, the structure of the board still reflects its very successful predecessor.

At Clitheroe Royal Grammar School, most of the roles and responsibilities of the Board of Trustees have been delegated to a small number of committees, as defined in the Governor's Standing Orders. The Board has, however, retained responsibility for certain aspects, again as defined in the Standing Orders.

Members of the Senior Leadership Team (SLT), in addition to the Head teacher, attend Governor's meetings as appropriate.

The Governors are responsible for the strategic management of the School, deciding and setting the key aspects, including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the responsibility of the Head teacher and staff. This latter is carried out at a number of levels, i.e. by the Senior Leadership Team, Heads of Learning, Heads of Year and Sixth Form Tutors.

School policies are developed by senior members of the School's staff, to reflect both the strategic direction agreed by the Governors and statutory requirements. These policies are approved and adopted by the Governors and implemented as procedures and systems by the SLT and other designated members of staff.

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During the year ending 31 August 2024, the full Board of Trustees met four times; the Finance & Audit Committee four times; The Estates Committee three times; the Students and Staffing Committee three times, the Curriculum and Achievement Committee three times; and the Admissions Committee once.

1.8 Arrangements for Setting Pay and Remuneration of Key Management Personnel:

Arrangements for setting the pay and remuneration of key management personnel follows the School Teachers Pay and Conditions document (STPCD) and the Lancashire County Council Whole School Pay Policy. The Governors of Clitheroe Royal Grammar School adopted this Whole School Pay Policy to provide a clear framework to exercise its powers in relation to the pay of individual members of staff. The Governors have established a Chairs' and Pay Committee to exercise their functions in relation to the Pay Policy, with clearly delegated responsibilities.

For a new appointment to the post of Head teacher, the Governors will review the salary range taking account of the responsibilities of the post, the social, economic, and cultural background of pupils attending the school, whether the post has been difficult to fill, and the appropriate positions of other leadership group pay ranges.

For a new appointment to the post of Deputy or Assistant Head teacher, the Governors will review the salary range taking account of the responsibilities and challenges of the post and whether the post is difficult to fill.

Once in post, the Head teacher, Deputy or Assistant Head teacher's overall performance is reviewed by the Chairs' and Pay Committee/Head teacher, with reference to the quality of the appraisee's leadership and management and the progress made by pupils at the school, in accordance with the school's policy on appraisal/performance management.

Movement up a pay range for members of the Senior Leadership Team can only take place following a review of performance (which will include performance objectives) at the end of the school year, and the review has shown sustained high quality of overall performance. These pay ranges are not incremental scales and there is no right of progression following a review of performance. In the case of the Head teacher such a review will consider the findings of a performance review carried out by an independent external adviser.

1.9 Related Parties and Other Connected Charities and Organisations:

The Clitheroe Royal Grammar School Foundation, a Charitable Incorporated Organisation (CIO), Registered Charity No. 1174177, holds on trust property and investments that represent the present-day value of the permanent endowment of the School given to it by Queen Mary at its founding by Letters Patent in 1554. The income derived from this permanent endowment can only be used by the Trustees of the Foundation in accordance with the objects of the charity, i.e.

- 1) Providing for the School such special benefits of any kind not normally provided by governmental or other public funds or provided as part of the normal running costs of the School as may from time to time be agreed between the School's Governors and the Trustees of the Foundation; and
- 2) Otherwise promoting the education (including social and physical training) of persons who are pupils of the School or former such pupils under the age of 25 years and who are in need of financial assistance.

2. OBJECTIVES AND ACTIVITIES

2.1 Objects and Aims:

The principal object and activity of the Charitable Company is the operation of Clitheroe Royal Grammar School to provide education for pupils between the ages of 11 and 18.

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The School provides an education for pupils who are preferentially drawn from the area in which the School is situated. As a former grammar school, designated under as such under section 104 of the School Standards and Framework Act 1998, the School selects its intake at Year 7 by reference to academic ability. The School, however, operates an open-access sixth form and as such admits approximately 200 to 220 students from other 11 – 16 providers in the area at Year 12 in addition to those continuing into Year 12 from the School itself.

2.2 Objectives, Strategies and Activities:

The Academy Trust was set up on 6 December 2010 to advance, for the public benefit, education in the Clitheroe area of the County of Lancashire by maintaining, operating, and developing Clitheroe Royal Grammar School; a school with a history and tradition dating back to 1554. Clitheroe Royal Grammar School offers a broadly-based curriculum.

The aims of the School rest on the following principles:

- Our school is built on high quality relationships and respect.
- Our students are encouraged to be happy, independent, enquiring, creative, curious and respectful individuals.
- We value the rich diversity of our student body and celebrate every individual and their unique educational journey.
- We create a safe, effective learning community where each individual encounters a wide range of opportunities to reach their full potential and to excel.

Clitheroe Royal Grammar School therefore aims to encourage students to:

- Develop lively and healthy bodies and minds, the latter capable of original thought, enquiry and well-balanced critical argument.
- Become confident, independent learners well-equipped for lifelong learning.
- Derive enjoyment from their learning which should extend their intellectual capacity, develop their interest and stimulate their curiosity.
- Embrace the many opportunities afforded by developments in information and communication technologies, whilst fully accepting the responsibilities that go with using them properly.
- Engage in a broad programme of experiences which enable them to appreciate their cultural inheritance and understand more about themselves and the world in which they live.
- Develop the capacities to make informed, rational and responsible decisions and to work in ways which enhance their self-respect and sensitivity to the needs of others, particularly those less advantaged than themselves.
- Show respect for each other and all people working in the school and appreciate the diverse talents that contribute to our school community.
- Play a full part in creating a caring, supportive school environment.
- Develop a range of reasoned beliefs and values and a sympathy and respect for those held by others, which will prepare them to become considerate and responsible citizens.
- Display self-discipline and proper regard for authority.
- Foster good behaviour and avoid all forms of bullying.

2.3 School Improvement Plan for the Academic Year 2023/2024:

The Summary School Improvement Plan for 2023/2024 has 4 overarching areas of focus:

1. Foster an open, connected and respectful community.
2. Be in the top 25% of schools nationally for Value Added.
3. Improve outcomes for identified groups of students/individuals.
4. Further embed curriculum opportunities for reviewing and revisiting concepts, key skills and knowledge.

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Outcomes for Students (Achievement)

- Improve achievement in identified departments at GCSE and A Level.
- Improve outcomes with particular focus on identified groups including most able learners.
- Ensure students continue to progress to a wide range of destinations including Oxbridge and Higher and Degree Apprenticeships.
- Develop a whole school data strategy to improve on the refinement of accuracy of tracking.

Quality of Education

- Continue to develop our Quality Assurance processes for Teaching and Learning (T&L).
- Develop further the curriculum and plan learning to best meet individual/group needs.
- Encourage collaboration and connection between students and further develop meta cognition.
- Further develop curriculum links between subjects and key stages.
- Implement recommendations from Ofsted subject reviews.
- Ensure effective and conscious use of Assessment for Learning.
- Develop further the involvement of parents/carers in supporting learning.
- Focus on the development of literacy skills, particularly oracy and writing.
- Effective and conscious use of CRGS T&L Foci.

Personal Development

- Promote a culture which is safe, welcoming and inclusive.
- Make good progress towards achieving school's equality objectives.
- Continue to develop whole-school Careers Education, Information, Advice and Guidance (CEIAG) provision to achieve all Gatsby benchmarks including Uni-Frog roll out across all key stages.
- Further develop the programme of enrichment activities.
- Continue to empower students to engage and participate in Student Voice and other leadership activities.

Behaviour and Attitudes

- Develop a culture of pride in learning.
- Recognise and intervene with appropriate groups in response to behaviour and attendance data.
- Celebrate and recognise the diversity of our student and staff community.
- Encourage students to develop the skills needed to become independent, creative and flexible learners.
- Maintain open channels of communication with students including further embedding of the "Say Something" approach.
- Establish the CRGS Way at Main School.

Effectiveness of Leadership and Management

- Maintain and develop an exemplary safeguarding culture.
- Further development of leadership capacity at all levels with a central focus on effective succession planning and development of middle leaders.
- Ensure the efficient use of resources for financial stability and security.
- Maintain safety of both sites including site safety improvements and make appropriate plans for expansion in light of increased student numbers.
- Review curriculum offer for 2024/2025.
- Plan response and actions related to any new ESFA and DfE guidance.
- Devise and implement a communication strategy.
- Develop and implement a Mental Health Plan including the appointment of a Mental Health Lead.
- Encourage increasing levels of collaboration with educational systems beyond the school.

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Clitheroe Royal Grammar School

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2.4 Public Benefit:

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Clitheroe Royal Grammar School is the maintenance and development of the high-quality education provided by the School, for over 470 years, to the young people of Clitheroe and the surrounding parishes.

In doing this Clitheroe Royal Grammar school not only offers a broadly-based academic education but aims to educate the whole individual. A very wide range of extra-curricular activities, educational trips, visits, and foreign exchange programmes are offered and undertaken.

3. STRATEGIC REPORT

3.1 Achievements and Performance:

The school analysis of examination performance is very thorough using performance and benchmarking data from a range of sources. Heads of Departments are provided with the resources to undertake a full evaluation of the impact of Teaching and Learning on the cohort and on groups of students. There is appropriate attention paid to evaluating both attainment and progress. Our discussions reflect the high aspirations which the school has for its students and a strong drive for continuous improvement.

***Analysis of public examination outcomes for the academic year 2023/2024**

**(Delays in DfE statistics mean only provisional data available)*

Introduction

We are very proud of our students' achievements, yet again, this year. The GCSE results, in terms of progress are excellent and the Sixth Form results are strong. They are testament to the hard work of our students and staff.

At both Key Stage 4 and 5 pupil attendance is strong and above the national average.

Key Stage 4

At GCSE we had 150 students entered for examinations (compared with 149 in 2023) and whilst the overall attainment appears slightly lower, the Progress 8 score is 0.63 (0.37 in 2023). This meant that, on average, our students achieved half a grade higher than expected.

43% of results were graded at level 8/9 and 63% at grades 7-9.

Key Points KS4

- Overall standards at the end of KS4 remain very high and are well above the national average.
- This year there was an improvement in the progress 8 score from previous years.
- The Attainment 8 grade at 7.28 is an excellent average GCSE and significantly higher than the national average.
- Standards in the three core subjects are high.
- In Mathematics 100% of students achieved passes at grade 5 or better and the proportion of higher grades 7-9 at 78% was an exceptional figure. The progress 8 score for the mathematics component, at over 0.93, suggests that well over 3 quarters of grades were higher than might have been expected given the prior attainment of students and that achievement in Mathematics was outstanding.
- Standards remain strong both English Language and Literature in 2024. Approximately 55% of grades were at grades 7-9 in both Language and Literature. The progress 8 score for the English component, at +0.32, suggests that around a third of students achieved a grade higher than might have been expected in either Language or Literature and that achievement in English in 2024 was high.

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- Standards in Science remain high and approximately 65% of entries in Biology, Chemistry and Physics were graded 7-9.
- Standards and achievement across a broad range of GCSE option subjects remain consistently strong and this is a significant strength of the school.
- Progress 8, at +0.63, is significantly above average compared to all schools.
- Taking into account overall achievement the data is consistent with a judgement that outcomes in KS4 and 5 are outstanding in 2024.

Key Points KS5

- 310 students completed Level 3 (A Level) studies.
- The proportion of A*-A grades awarded, at 32%, and A*-B grades of 59% remain strong.
- Level 3 average points per entry 37.42 represents an average grade of B-.
- A significant number of departments continue to have upper quartile value added.
- Teaching quality grades are consistent with good provision.
- The overall Assessment and Learning in Practice Settings (ALPS) value added data and L3VA data suggests that outcomes at A level are in line and slightly above national.
- The 3-year ALPS A Levels on target figure (4) indicates a good level of success.
- Destinations at KS5 remain strong.

3.2 Key Performance Indicators:

The school sets key targets through the School Improvement Plan, which is monitored regularly through rigorous self-evaluation. Examination results are carefully monitored against set targets. Internal and external data e.g. RAISEonline, ALPS and Level 3 Value Added data are carefully evaluated and considered actions are implemented. Our school's success, however, is not only measured by external examination results, and the very positive responses to our students and parent questionnaires indicate that students have a wide range of opportunities to develop into well-rounded individuals.

The school complies with all the terms and conditions of its Funding Agreement with the ESFA and manages its reserves in line with the policy set out below.

3.3 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, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

4. FINANCIAL REVIEW

4.1 Operating and Financial Review for the year:

Most of the School's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of its General Annual Grant (GAG), the use of which is restricted to specific purposes, i.e., the objects of the Academy Trust. The GAG funding received during the period covered by this report and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

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In 2022/23 the school was supported by Lancashire County Council in successfully requesting a significant change, which led to an increase in student numbers beginning in year 7 from 1st September 2023 by 30 per year until the school has a capacity of 900. This brought investment from the basic needs capital fund to provide a new build of two general teaching spaces, one science laboratory, one design & technology room and a drama studio together with a staff room with additional staff and student toilets as required.

The build commenced mid-August 2023 with monthly design team meetings taking place on site at the school attended by representatives from the Local Authority, the building contractor and the school. The completion of the build was delayed by 6 weeks due to adverse weather conditions, with the Local Authority formally handing over of the new building to the school on 28th August 2024.

During the accounting period, total revenue expenditure exceeded total revenue income by £186,000. This meant that the combined General Restricted and Unrestricted Fund show a cumulative reserve at the year end of £1,121,000 (2023 £1,307,000). Consequently, available reserves at 31 August 2024 were approximately 13.1% of the DfE funded revenue income received.

There were no restricted funds that could not be used for the general purposes of the academy trust.

The school has received additional income streams from the Department for Education in respect of Sixth Form funding for students who met the criteria for Core Maths, the Teachers' Pension Employer Contribution Grant and Teachers Pay Additional Grant funding. Utilising the schools cash balances, the school has for a second consecutive year generated an income stream through return on investments by placements of funds in Fixed Term Deposit Accounts.

The school has experienced challenges in recruiting qualified teaching staff during the academic year which has resulted in above average teaching supply costs, attributed to limited availability of specialised educators within the Lancashire and surrounding area. The school has also witnessed a surge in utility costs, increasing by around 37%, placing additional strain on the school's budget.

Factors contributing to this rise include increased energy consumption and higher utility rates. The school remains committed to energy saving efficiencies and will strive to make improvements wherever possible. Having two separate school sites has brought challenges during the year with heating and boiler repairs being necessary. These critical repairs to the heating systems were funded directly from the school's budget this one-time, but significant expense has reduced available funds and is a contributing factor to the school's deficit for the financial year 2023/2024.

The Trustees, having considered their budgetary forecasts for future years, have continued to maintain a cautious approach in respect to the level of reserves being held, especially given the variability of both revenue funding and the various additional costs brought about by the ongoing covid pandemic.

It was noted by the Trustees that a surplus or deficit in the LA pension scheme would generally affect the cash flow of the academy trust in the form of an increase or decrease respectively in employers' pension contributions over a period of years.

On conversion on 1 January 2011, all the fixed assets of the former foundation school were transferred to the Academy Trust and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

4.2 Reserves Policy:

The policy of the School is to carry forward a prudent level of resources designed to contribute to:

- Financial Stability: to maintain sufficient liquidity to meet short-term financial commitments such as additional costs relating to longer-term staff absence.
- Strategic Investment: to fund planned future investment in the long-term cyclical needs of maintenance, renewal and site development plans, IT infrastructure and school improvement strategy.

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- Risk Management: to mitigate financial risks associated with unforeseen circumstances including sufficient funds to ensure salary obligations are met in the event of potential disruption to funding receipt.
- Compliance: to meet the DfE and Academy Trust Handbook requirements on reserves management.

The Finance & Audit Committee has reviewed the School's reserve levels and has determined that a minimum target level of reserves equivalent to 5% of its annual income or one month's salary costs should provide sufficient adequate working capital to cover delays between spending and receipt of grants, and to cover any emergencies such as urgent maintenance work. All use of reserves will be approved by the Finance and Audit Committee and reported to Trustees.

The Trustees will continue to review level of reserves on an annual basis. In doing so the Trustees will then be able to increase/decrease reserves at a rate which is achievable, prudent and in the best interests of our charitable purpose.

Under its Funding Agreement with the Secretary of State for Education Clitheroe Royal Grammar School currently has no carried forward restriction on its reserves at the year end.

4.3 Investment Policy:

Apart from the cash held for the operation of the School, Clitheroe Royal Grammar School has no realisable investments. With respect to its cash holdings the Trustees have adopted a low-risk strategy. In addition to the main current account the School maintains an instant access deposit account. Suitable sweeping and switching procedures are in place at the School's bankers to ensure that adequate funds are available in the current account whilst maintaining a balance in the deposit account as high as possible. Additionally, in the 2023/2024 academic year the Trustees agreed to continue to hold some of their cash holdings into high interest fixed term deposit accounts. This approach meant that the School has been able to benefit from the currently relatively high interest rates, whilst maintaining a low-risk approach to their investments. This latter approach has proved to be successful, providing the School with extra valuable funds.

4.4 Principal Risks and Uncertainties:

Following its conversion to an academy on 1 January 2011 the Board undertook a comprehensive assessment of possible risks to the future of the academy (Risk Register).

Following this initial risk assessment, the major risks to which the School is exposed have been reviewed regularly by the Finance & Audit Committee and systems and procedures have been developed to manage and mitigate these risks.

The chief risks identified include:

- Variations year on year in the numbers of students joining the School at Year 12, with a concomitant effect upon funding levels.
- Possible funding changes at KS5 (High Value Course Premium and Level 3 Maths Premium).
- Deficit in the Local Authority Pension Scheme.
- Increased employment costs brought about by increases in employers National Insurance Contributions, pension contributions and staff pay rises.

4.5 Fundraising:

The academy trust does not use any external fundraisers. Any fundraising undertaken during the year was monitored by the Trustees.

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Year Ended 31 August 2024

5. PLANS FOR THE FUTURE

Clitheroe Royal Grammar School will continue to work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of all its students, not only in academic subjects but also in extra-curricular activities and in essential life skills; to increase the number of opportunities open to them when they move on to higher education and ultimately employment.

In the 2021/2022 academic year the Trustees were approached by the Pupil Planning Team at Lancashire County Council (LCC) asking if they would consider increasing the Planned Admission Number (PAN) at the Main School, for entry at Year 7, from 150 to 180. Thus, bringing the number of students at the Main School (Years 7 to 11) from 750 to 900 over the course of five years. This Basic Need Expansion is considered to be essential by the Local Authority so as to be able to accommodate the expected significant increase in the number of secondary school age children in the local area, which would be a consequence of the large numbers of new houses being constructed in the Ribble Valley and surrounding areas of Lancashire.

The Trustees agreed with LCC that an increase in the PAN by 30 students for the September 2023 could be accommodated within the existing facilities at the Main School. Consequently 180 students were admitted to the School in September 2023. The Trustees also agreed, however, that to accommodate the remaining 120 planned extra students, extra facilities need to be provided. In this respect LCC agreed to undertake a new-build programme to provide two general teaching spaces, a science demonstration room, a design & technology room and a drama studio, together with additional staff and student toilets etc as required. Work on this building was completed in mid-August 2024, with the building being formally handed-over to the School on 28 August.

Whilst the Trustees are confident that both the staff and teaching facilities will now be able to accommodate the increase in student numbers at the Main School site very well, they are concerned that the catering/social space at the Main School will be stretched significantly by the increase in student numbers over the next four years.

Consequently, a project, funded in its entirety by the Clitheroe Royal Grammar School Foundation, has been taking place over the past six years to provide essential extra catering/social space at the Main School. The first three phases of this project have all now been successfully completed, with the resulting facilities being warmly received by both students and staff. The fourth phase of this project, the conversion of the redundant former girls' changing room to provide an additional servery and indoor seating, is currently at the preliminary design stage. It has been agreed with the Foundation Trustees that this phase will again be funded through a donation from the CRGS Foundation.

6. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

During the period 1 September 2023 to 31 August 2024 Clitheroe Royal Grammar School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

(Continued)

Clitheroe Royal Grammar School

Trustees' Report

Year Ended 31 August 2024

7. AUDITOR

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 4th December 2024 and signed on the board's behalf by:

Dr Andrew David Clayton
Chair of Governors (Trustees)

Clitheroe Royal Grammar School

Governance Statement

Year Ended 31 August 2024

1. Scope of Responsibility:

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Head teacher, 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 Clitheroe Royal Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

2. 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 met formally four times during the year. Attendance during the year at meetings of the Board was as follows:

	MEETINGS ATTENDED	OUT OF POSSIBLE
Mr M Blacklidge (Vice Chairman)	4	4
Dr A D Clayton (Chairman)	4	4
Mrs J Pinder (Resigned 20/10/2023)	1	1
Mr A Rogers	2	4
Mrs S Turner	1	4
Mrs C Lehner	4	4
Mr A Scholfield	4	4
Mr C P Watson	3	4
Mr M N Frankish	2	4
Mr A Hawkins	4	4
Mrs S Chudasama (Elected 16/10/2023)	3	3
Dr P Elmer (Elected 16/10/2023)	3	3
Mr M Hashami (Elected 16/10/2023)	0	3
Mrs V Hollingsworth (Resigned 01/10/2023)	1	1
Ms S Lever (Elected 16/10/2023)	3	3
Mrs S Spencer	4	4
Mrs J Holden (Term of office ended 20/10/2023)	1	1
Mr M Longhi	4	4
Mrs H F Wilson	4	4
Mr J Keulemans (Head teacher)	4	4

In the period from 1 September 2023 to the date of this report the following changes in the make-up of the Board of Trustees took place:

Miss J Pinder resigned as a Foundation Governor on 20/10/2023.

Mrs J Holden's Term of Office as a Staff Governor ended with her retirement on 20/10/2023.

Mr A Hawkin's Term of Office as a Parent Governor ended on 15/10/2023, he was appointed as a Co-opted Governor on 16/10/2023.

(Continued)

Clitheroe Royal Grammar School

Governance Statement

Year Ended 31 August 2024

Mrs V Hollingsworth resigned as a Parent Governor on 01/10/2023.
Mrs S Chudasama was elected as a Parent Governor on 16/10/2023.
Dr P Elmer was elected as a Parent Governor on 16/10/2023.
Mr M Hashmi was elected as a Parent Governor on 16/10/2023.
Ms S Lever was elected as a Parent Governor on 16/10/2023.

Meetings

The Board of Trustees has delegated much of its work to the following committees: Finance & Audit, Estates, Students & Staffing, Curriculum & Achievement and Admissions. The various committees meet annually as follows: Finance & Audit Committee four times; The Estates Committee three times; the Students and Staffing Committee three times, the Curriculum and Achievement Committee three times; and the Admissions Committee once.

The scope of the Board of Trustees work, including the terms of reference of each of its committees, is defined in its Standing Orders. This document is reviewed annually by the Board to ensure that it continues to provide a sound basis for all its work.

As a result of the restrictions brought about by the Covid-19 pandemic the Trustees, of necessity, had to adapt very quickly to holding all of their meetings remotely using Microsoft Teams. All of the Trustees found that Teams was able to provide an extremely effective means of attending meetings. Indeed, it was noted by several the Trustees that it had allowed them to attend meetings that they might otherwise have been unable to attend in person, had those meetings been held solely face-to-face. Consequently, it has been agreed by the Trustees that provision will be made for Trustees to be able to attend all future meetings remotely, including those where the Trustees have agreed to meet primarily "in-person".

Conflicts of Interest

Prior to their appointment/election, and also as part of their induction, all Trustees are made aware that the interests of the academy trust and thus the School, especially its students and staff, are paramount. It is emphasised that Trustees must not allow their personal interests or views, or those of others, to override this basic tenet and that they must exercise independent judgement at all times.

A conflict of interest is considered to be any situation in which a Trustee's personal interests, or the interests which they owe to another body, clash or appear to clash with the interests of the beneficiaries of the academy trust.

It is recognised that it is inevitable that conflicts of interest can occur. The issue is not that of the integrity of the Trustee concerned, however, but rather the management of any potential to profit from a person's position as Trustee, or for a Trustee to be influenced by conflicting loyalties.

All Trustees need to be alert to possible conflicts of interest which they might have and how they can minimise the effects. A key aspect of minimising the effects of conflicts of interest is for Trustees to be open and transparent about such situations when they arise.

To help the Trustees to identify any conflict of interest, each Trustee, upon their appointment/election, completes a "Declaration of Interest, Loyalty and Confidentiality". These declarations are made again annually every October thereafter. All of the declarations are scrutinised by the Governance Professional and any possible conflicts identified are then added to the Register of Interests, which is published on the School's website. Additionally, at the start of each Trustees' meeting, Trustees have the opportunity to disclose any conflict of interest that has not previously been disclosed, including those of particular relevance to any items on the agenda for that meeting. Any new conflicts of interest will be noted in the minutes of the meeting.

When a conflict of interest has been identified, the Trustee in question will be asked to remove themselves from the decision-making process by leaving the meeting when discussions concerning the interest in question take place.

(Continued)

Clitheroe Royal Grammar School

Governance Statement

Year Ended 31 August 2024

Governance Reviews

The Trustees recognise the importance of reviewing their effectiveness. Consequently, the Trustees regularly carry out a review of the skills available to them within the Board. In this respect each Trustee completes a self-review skills matrix. The resulting amalgamated skills matrix is then used as a tool in an internal review of effectiveness. This review uses as a basis a methodology similar to those published by several Local Authorities, the National Governors Association (NGA) and other interested bodies.

The most recent review was carried out in the spring term 2024. Data collected in the amalgamated skills matrix resulting from this review has again shown that the Board is fortunate in being made up of Trustees who collectively possess a wide range of skills, including in the fields of: Health and Safety, Special Educational Need and Disabilities (SEND), accountancy, banking, legal, medical, HR, public relations, marketing and business. The Board has been able to draw upon all of these to ensure that it operates in an effective and appropriate manner. The Trustees consider that at the present time they do not have any major gaps in their skills base. Indeed, a skills-gap identified in earlier reviews, that of marketing expertise, has been filled in the year through the election of two of the new Parent Trustees.

The Trustees have reviewed their effectiveness and have concluded that in nearly all areas of their operations they were very effective, and that the experience and expertise of the Trustees meant that they were able to make decisions in an informed and confident manner.

The effectiveness of the Governance at the School was assessed as part of the School's Section 5 Inspection, carried out by Ofsted on 22 and 23 November 2022. The summary of this assessment was:

"Governors are highly skilled and knowledgeable. They bring a wide range of experiences to their role. Governors are astutely aware of their statutory responsibilities and fulfil them with diligence and integrity."

The School's Internal Auditors were tasked with carrying out a review of the Trustees' effectiveness and compliance, this review was carried out in January 2024. This review concluded that:

"There were no items of an urgent nature to bring to the attention of the Academy and that the overall risk is LOW".

The **Finance and Audit Committee** is one of the committees Board of Trustees. Its Terms of Reference are to:

- a) To approve the annual indicative and final budgets, recommending the final budget to the full Board of Trustees.
- b) To act as the Audit & Risk Committee, including responsibilities for all the items listed for such a committee in the Academies Handbook.
- c) To oversee the preparation of the Annual Trustees Report and Accounts.
- d) To recommend to the Board of Trustees and the members of the Trust the annual appointment of the School's accountants, auditors, and internal reviewer.
- e) To agree the Terms of Reference of the accountant, auditor, and internal reviewer.
- f) To review the auditor's findings and any actions taken by the School's managers in response to those findings.
- g) To direct the School's programme of internal scrutiny, ensuring that risks are being adequately addressed.
- h) To report to the Board of Trustees on the adequacy of the School's internal control framework, including financial and non-financial controls and management of risks.
- i) To maintain a 3-year financial plan.
- j) To ensure that the School financial systems are in accordance with the guidance set down in the Academy Trust Handbook.
- k) To ensure that the requirements of the School's Internal Financial Regulations are met.
- l) To receive regular reports from the School's internal auditor.
- m) To be responsible for reviewing the effectiveness of the School's internal systems and procedures, to ensure that the objectives of the School are achieved in an economic and timely manner.
- n) To approve major items of expenditure.

(Continued)

Clitheroe Royal Grammar School

Governance Statement

Year Ended 31 August 2024

Attendance at meetings of the Finance and Audit Committee in the year was as follows:

GOVERNOR (TRUSTEE)	MEETINGS ATTENDED	OUT OF POSSIBLE
Dr A D Clayton	4	4
Mrs S Turner	3	4
Mr A Rogers*	4	4
Mr A Scholfield	2	4
Mr M N Frankish* (Chairman of the Finance & Audit Committee)	3	4
Mr A Hawkins	4	4
Mrs H F Wilson	2	4
Mr J Keulemans (Head teacher)	4	4

*Denotes committee members who are qualified accountants.

3. Review of Value for Money:

As Accounting Officer, the Head teacher 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 available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Controlling the staffing budget whilst retaining student numbers and hence income.
- Continuing the expansion of Main School provision from 150 to 180 students per year group.
- Improving educational outcomes at KS4.
- Reducing postage, printing and administration costs by the increased use of electronic communications.

4. 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 Clitheroe Royal Grammar School for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

5. 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 year ended 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

(Continued)

Clitheroe Royal Grammar School

Governance Statement

Year Ended 31 August 2024

6. The Risk and Control Framework:

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

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

The School's system of internal financial control was introduced following its conversion to academy status. The system adopted is a natural evolution of that in place as a foundation school (which was compliant with FMSIS) and is in line with the requirements of the Academies Handbook.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Red Rambler Ltd as its internal auditor. The Internal Auditor's role includes giving advice on financial and other matters and performing a range of checks on the School's financial and other systems. In particular, the checks carried out by Red Rambler in the year to 31 August 2024 have included testing of the following processes:

- Governance review
- Compliance with the Academy Trust Handbook 2023
- Website compliance
- Premises management

Over the current period the Internal Auditor reported, on a termly basis, to the Board of Trustees, through the Finance & Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Internal Auditor also prepared an annual summary report outlining the areas reviewed, key findings, recommendations and conclusions to help the Finance & Audit Committee consider actions and assess year on year progress.

No material control issues of any significance have arisen as a result of the Internal Auditor's reviews. The Trustees have, however, taken due heed of any comments and suggestions made by the Internal Auditor in respect of any minor issues and, especially, any improvements that could be made to the School's systems and practices; and have acted accordingly.

7. Review of Effectiveness:

As Accounting Officer, the Head teacher 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 internal reviewer.
- the financial management and governance self-assessment process or the school resource management self-assessment tool.
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor.
- correspondence from ESFA, as appropriate

(Continued)

Clitheroe Royal Grammar School

Governance Statement

Year Ended 31 August 2024

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

Approved by order of the members of the Board of Trustees on 4th December 2024 and signed on its behalf by:

Dr Andrew David Clayton
Chair of Governors (Trustees)

Mr James Keulemans
Accounting Officer

Clitheroe Royal Grammar School

Statement on Regularity, Propriety and Compliance

Year Ended 31 August 2024

As Accounting Officer of Clitheroe Royal Grammar School, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, 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 2023, including responsibilities for estates safety and management.

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 2023.

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

Mr James Keulemans
Accounting Officer

Date: 4th December 2024

Clitheroe Royal Grammar School

Statement of Trustees' Responsibilities

Year Ended 31 August 2024

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report and Directors' Report) and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 the incoming resources and application of resources, including its income and expenditure. In preparing these financial statements, the Trustees are required to:

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

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education & Skills Funding Agency and Department for Education 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 4th December 2024 and signed on its behalf by:

Dr Andrew David Clayton
Chair of Governors (Trustees)

Clitheroe Royal Grammar School

Independent Auditor's Report to the Members of Clitheroe Royal Grammar School

Year Ended 31 August 2024

Opinion

We have audited the financial statements of Clitheroe Royal Grammar School (the 'Academy Trust') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education & 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 the 31 August 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education & 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy 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.

Other information

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

(Continued)

Clitheroe Royal Grammar School

Independent Auditor's Report to the Members of Clitheroe Royal Grammar School

Year Ended 31 August 2024

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' 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 Trustees' responsibilities statement set out on page 23, 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.

(Continued)

Clitheroe Royal Grammar School

Independent Auditor's Report to the Members of Clitheroe Royal Grammar School

Year Ended 31 August 2024

Auditor's responsibilities for the audit of the financial statements

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

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.

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 auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The extent to which the audit was capable of detecting irregularities including fraud

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

- we identified the laws and regulations applicable to the academy from our knowledge and experience of the academy sector.
- the engagement partner ensured that the engagement team collectively had the appropriate competence and skills to identify non-compliance with applicable laws and regulations.
- we assessed the extent of compliance with the laws and regulations through making enquiries of management and reviewing legal correspondences.
- we reviewed minutes of meetings of those charged with governance.
- we assessed the risk of management override of controls, including through journal testing and other adjustments for appropriateness.
- we reviewed the reports of the internal auditor appointed by the school in the accounting period.
- we reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or collusion.

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

(Continued)

Clitheroe Royal Grammar School

Independent Auditor's Report to the Members of Clitheroe Royal Grammar School

Year Ended 31 August 2024

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Robert Mitchell FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 16th December 2024

Clitheroe Royal Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Clitheroe Royal Grammar School and the Education & Skills Funding Agency

Year Ended 31 August 2024

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

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

Respective responsibilities of Clitheroe Royal Grammar School's Accounting Officer and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 4 of the Guide For External Auditors section of the Academies Accounts Direction 2023 to 2024 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express and opinion on regularity.

(Continued)

Clitheroe Royal Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Clitheroe Royal Grammar School and the Education & Skills Funding Agency

Year Ended 31 August 2024

Conclusion

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

Mr Robert Mitchell FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 16th December 2024

Clitheroe Royal Grammar School

Statement of Financial Activities incorporating Income & Expenditure Account

Year Ended 31 August 2024

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2024 £000	Total 2023 £000
Income and endowments from:						
Donations and capital grants	2	-	312	2,885	3,197	496
Charitable activities:						
Funding for the School's educational operations	3	-	8,755	-	8,755	8,210
Other trading activities	4	358	-	-	358	328
Investments	5	62	-	-	62	44
Total		420	9,067	2,885	12,372	9,078
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
School's educational operations	6,7	421	9,012	557	9,990	9,144
Total		421	9,012	557	9,990	9,144
Net income/(expenditure)		(1)	55	2,328	2,382	(66)
Transfers between funds	15	(1)	(150)	151	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	15, 26	-	(274)	-	(274)	742
Net movement in funds		(2)	(369)	2,479	2,108	676
Reconciliation of funds:						
Total funds brought forward	15	387	1,105	14,549	16,041	15,365
Total funds carried forward	15	385	736	17,028	18,149	16,041

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Clitheroe Royal Grammar School

Balance Sheet

Year Ended 31 August 2024

	Notes	2024 £000	2024 £000	2023 £000	2023 £000
Fixed assets					
Tangible assets	11		16,996		14,488
Current assets					
Stocks	12	3		3	
Debtors	13	211		268	
Cash at bank and in hand		1,715		2,111	
		<u>1,929</u>		<u>2,382</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(776)</u>		<u>(1,014)</u>	
Net current assets			<u>1,153</u>		<u>1,368</u>
Total assets less current liabilities			18,149		15,856
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>18,149</u>		<u>15,856</u>
Defined benefit pension scheme asset	26		-		185
Net assets including pension liability			<u>18,149</u>		<u>16,041</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	15	17,028		14,549	
Restricted income fund	15	736		920	
Pension reserve	15	-		185	
Total restricted funds		<u></u>	17,764	<u></u>	15,654
Unrestricted income funds	15		385		387
Total funds			<u>18,149</u>		<u>16,041</u>

The financial statements on pages 30 to 57 were approved by the Trustees, and authorised for issue on the 4th December 2024 and are signed on their behalf by:

Dr Andrew David Clayton
Chair of Governors (Trustees)

Company Limited by Guarantee
Registration Number: 07461173

Clitheroe Royal Grammar School

Statement of Cash Flows

Year Ended 31 August 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(278)	652
Cash flows from investing activities			
	21	(118)	(203)
Cash flows from financing activities			
	20	-	-
Change in cash and cash equivalents in the reporting period		<u>(396)</u>	<u>449</u>
Cash and cash equivalents at 1 September 2023			
		<u>2,111</u>	<u>1,662</u>
Cash and cash equivalents at 31 August 2024	22/23	<u>1,715</u>	<u>2,111</u>

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

1 Accounting policies

General information and basis of preparation

Clitheroe Royal Grammar School is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements and the principal place of business is York Street, Clitheroe, BB7 2DJ. The nature of the Academy Trusts operations and principal activities are set out in the Trustees' Report on page 4.

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102) 2019), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants receivable**

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

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

Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

1 Accounting policies (continued)

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 period it is receivable and to the extent the Academy Trust has provided goods or services.

- **Donated goods, facilities and services**

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

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

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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 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 restrictions 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:

Freehold buildings	50 years straight line
Fixtures, fittings and equipment	33% straight line
ICT equipment	33% straight line
Motor vehicles	25% straight line

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.

Agency arrangements

The School acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

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 School 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.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 14. 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.

Stocks

Stocks consist of unused stationery. Stocks are valued at the lower of cost or net realisable value.

Taxation

The School 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 School 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.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

1 Accounting policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. 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 School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net operating income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

As the Academy Trust cannot draw down on surplus funds and does not "control" the asset, any overall scheme surplus has been restricted in order to recognise a £nil asset/liability.

Fund Accounting

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

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

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

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
ESFA Capital grants	-	32	32	91
Donated fixed assets	-	2,850	2,850	-
Trips and other non-public funds	-	279	279	311
Donations towards ICT	-	-	-	26
Donations towards canopy	-	-	-	22
Other donations	-	36	36	46
	<u>-</u>	<u>3,197</u>	<u>3,197</u>	<u>496</u>

Income from donations and capital grants was £3,197,000 (2023 - £496,000) of which £nil (2023 - £nil) was attributable to unrestricted funds, £312,000 (2023 - £357,000) was attributable to restricted general funds and £2,885,000 (2023 - £139,000) was attributable to restricted fixed asset funds.

£32,000 (2023 - £91,000) of government grants were received for capital and maintenance works.

3 Funding for School's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,908	7,908	7,659
Other DfE Group grants:				
Pupil Premium	-	82	82	66
Teacher Pay/Pension grant	-	284	284	135
Rates grant	-	40	40	34
Advanced Maths Premium	-	49	49	49
Supplementary grant	-	-	-	143
Mainstream Schools Additional grant	-	148	148	62
Other grants	-	5	5	9
	<u>-</u>	<u>8,516</u>	<u>8,516</u>	<u>8,157</u>
Other Government grants				
Local Authority grants	-	204	204	16
	<u>-</u>	<u>204</u>	<u>204</u>	<u>16</u>
Exceptional Government funding				
Other DfE/ESFA Covid-19 funding	-	35	35	37
	<u>-</u>	<u>35</u>	<u>35</u>	<u>37</u>
Total	<u>-</u>	<u>8,755</u>	<u>8,755</u>	<u>8,210</u>

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

3 Funding for School's educational operations (continued)

Funding for School's educational operations was £8,755,000 (2023 - £8,210,000) of which £nil (2023 - £nil) was attributable to unrestricted funds, £8,755,000 (2023 - £8,210,000) was attributable to restricted general funds and £nil (2023 - £nil) was attributable to restricted fixed asset funds.

£8,755,000 (2023 - £8,210,000) of government grants were received for the purposes of the day to day running costs of the Academy and its charitable objectives.

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Hire of facilities	1	-	1	1
Catering income	295	-	295	261
Sale of educational goods and services	20	-	20	23
Exam related fees	13	-	13	12
Supplies of staff	2	-	2	4
Music tuition	26	-	26	27
Minibus sale proceeds	1	-	1	-
	<u>358</u>	<u>-</u>	<u>358</u>	<u>328</u>

Income from other trading activities was £358,000 (2023 - £328,000) of which £358,000 (2023 - £328,000) was attributable to unrestricted funds, £nil (2023 - £nil) was attributable to restricted general funds and £nil (2023 - £nil) was attributable to restricted fixed asset funds.

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Short term deposits	62	-	62	44
	<u>62</u>	<u>-</u>	<u>62</u>	<u>44</u>

Investment income was £62,000 (2023 - £44,000) of which £62,000 (2023 - £44,000) was attributable to unrestricted funds, £nil (2023 - £nil) was attributable to restricted general funds and £nil (2023 - £nil) was attributable to restricted fixed asset funds.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2024 £000	Total 2023 £000
School's educational operations					
Direct costs	6,399	321	880	7,600	7,022
Allocated support costs	997	689	704	2,390	2,122
	<u>7,396</u>	<u>1,010</u>	<u>1,584</u>	<u>9,990</u>	<u>9,144</u>

£421,000 (2023 - £371,000) of the above expenditure on the School's educational operations was attributable to unrestricted funds, £9,012,000 (2023 - £8,327,000) was attributable to restricted general funds and £557,000 (2023 - £446,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

	2024 £000	2023 £000
Operating lease rentals	8	7
Depreciation	557	445
Loss on disposal of fixed assets	-	1
Fees payable to the auditor for:		
Audit	6	5
Other services	6	6

No additional transactions have taken place under Section 5.2 of the 2023 Academies Financial Handbook which require additional disclosure.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

7 Charitable activities

	Total 2024 £000	Total 2023 £000
Direct costs – educational operations	7,600	7,022
Support costs – educational operations	2,390	2,122
	<u>9,990</u>	<u>9,144</u>

Analysis of direct costs	Educational operations £000	Total 2024 £000	Total 2023 £000
Direct staff costs	6,399	6,399	5,821
Learning resources	215	215	237
Examination fees	219	219	215
School trips and visits	296	296	325
Other direct costs	471	471	424
Total direct costs	<u>7,600</u>	<u>7,600</u>	<u>7,022</u>

Analysis of support costs	Educational operations £000	Total 2024 £000	Total 2023 £000
Support staff costs	997	997	990
Depreciation	173	173	92
Technology costs	30	30	32
Premises costs	632	632	527
Other support costs	537	537	461
Governance costs	21	21	20
Total support costs	<u>2,390</u>	<u>2,390</u>	<u>2,122</u>

Clitheroe Royal Grammar School
Notes to the Financial Statements
Year Ended 31 August 2024

8 Staff

(a) Staff costs

	2024	2023
	£000	£000
Staff costs during the period were:		
Wages and salaries	5,440	5,076
Social security costs	555	508
Pension costs	1,239	1,183
	<u>7,234</u>	<u>6,767</u>
Apprenticeship Levy	12	10
	<u>7,246</u>	<u>6,777</u>
Agency staff costs		
Staff restructuring costs	150	34
	<u>-</u>	<u>-</u>
	<u>7,396</u>	<u>6,811</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

(b) Staff numbers

The average number of persons employed by the School during the year, and the full-time equivalents, was as follows:

	2024	2024	2023	2023
	Number	Full-time	Number	Full-time
		equivalent		equivalent
Teachers	80	73	87	77
Administration and support staff	75	48	75	45
Senior Leadership Team	8	8	8	8
	<u>163</u>	<u>129</u>	<u>170</u>	<u>130</u>

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

8 Staff (continued)

(c) Higher paid staff

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

	2024 No.	2023 No.
£60,001 - £70,000	4	3
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	9	6

(d) Key management personnel

The key management personnel of the School comprise the Trustees and the Senior Leadership Team as listed on page 2. 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 School was £855,000 (2023: £748,000).

9 Related party transactions - Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or have received other benefits from employment with the Academy Trust. The Head teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head teacher and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

J Keulemans (Head teacher and Trustee):

Remuneration	£125,000 - £130,000 (2023: £115,000 - £120,000)
Employers' pension contributions	£30,000 - £35,000 (2023: £25,000 - £30,000)

J Holden (Staff Trustee resigned 20.10.23):

Remuneration	£0 - £5,000 (2023: £15,000 - £20,000)
Employers' pension contributions	£0 - £5,000 (2023: £0 - £5,000)

S Spencer (Staff Trustee):

Remuneration	£40,000 - £45,000 (2023: £30,000 - £35,000)
Employers' pension contributions	£10,000 - £15,000 (2023: £5,000 - £10,000)

M Longhi (Staff Trustee):

Remuneration	£10,000 - £15,000 (2023: £10,000 - £15,000)
Employers' pension contributions	£0 - £5,000 (2023: £0 - £5,000)

During the year ended 31 August 2024, travel and subsistence expense claims in performing the role of Trustee totalled £nil (2023: £nil).

No other transactions with Trustees were undertaken during the course of the year ended 31 August 2024.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

10 Trustees' and officers' insurance

The School 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 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.

11 Tangible fixed assets

	Freehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2023	17,951	687	301	27	18,966
Additions	2,945	46	29	45	3,065
Disposals	-	-	(6)	-	(6)
At 31 August 2024	<u>20,896</u>	<u>733</u>	<u>324</u>	<u>72</u>	<u>22,025</u>
Depreciation					
At 1 September 2023	3,776	439	236	27	4,478
Charged in period	378	116	52	11	557
Disposals	-	-	(6)	-	(6)
At 31 August 2024	<u>4,154</u>	<u>555</u>	<u>282</u>	<u>38</u>	<u>5,029</u>
Net book values					
At 31 August 2023	14,175	248	65	-	14,488
At 31 August 2024	<u>16,742</u>	<u>178</u>	<u>42</u>	<u>34</u>	<u>16,996</u>

The Academy Trust's transactions relating to land and buildings this year included:

- The addition of a new building at the Chatburn Road site for the provision of teaching and education which was fully funded by the Local authority at a cost of £2,850,000.

12 Stocks

	2024 £000	2023 £000
Stationery	<u>3</u>	<u>3</u>
	<u>3</u>	<u>3</u>

Clitheroe Royal Grammar School
Notes to the Financial Statements
Year Ended 31 August 2024

13 Debtors

	2024	2023
	£000	£000
Trade debtors	-	2
VAT recoverable	80	86
Other debtors	4	72
Prepayments and accrued income	127	108
	<u>211</u>	<u>268</u>

14 Creditors: amounts falling due within one year

	2024	2023
	£000	£000
Trade creditors	201	331
Other taxation and social security	123	122
Other creditors	291	200
Accruals and deferred income	161	190
LCC Expansion funding	-	171
	<u>776</u>	<u>1,014</u>

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

15 Funds

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2024 £000
Restricted general funds					
General Annual Grant (GAG)	876	7,908	(7,912)	(150)	722
Pupil premium grant	-	82	(82)	-	-
Teacher Pay/Pension grant	-	284	(284)	-	-
Rates grant	-	40	(40)	-	-
Advanced Maths Premium	-	49	(49)	-	-
Mainstream Schools Additional grant	-	148	(148)	-	-
Other DfE/ESFA grants	-	5	(5)	-	-
Local Authority grants	7	204	(211)	-	-
Other DfE/ESFA Covid-19 funding	-	35	(35)	-	-
Other restricted funds	37	312	(335)	-	14
Pension reserve	185	-	89	(274)	-
	1,105	9,067	(9,012)	(424)	736
Restricted fixed asset funds					
DfE/ESFA capital grants	61	32	-	(61)	32
Other restricted fixed asset funds	-	2,853	-	(2,853)	-
Capitalised assets post conversion	2,868	-	(297)	3,065	5,636
Assets on conversion	11,620	-	(260)	-	11,360
	14,549	2,885	(557)	151	17,028
Total restricted funds	15,654	11,952	(9,569)	(273)	17,764
Total unrestricted funds	387	420	(421)	(1)	385
Total funds	16,041	12,372	(9,990)	(274)	18,149

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

The General Annual Grant (GAG) must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the School is not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024. At the year end the carry forward of GAG funding was £722,000.

Other DfE/ESFA Group Grants, and Local Authority Grants include monies received outside of GAG funding and these Grants are all related to the furtherance of education within the School. As at the year end all funds had been spent.

Other restricted funds include monies from trips and non-public funds and donations, whose purpose is restricted. At the year end part of a donation from the Friends of Clitheroe Royal Grammar School remained unspent totalling £2,000 along with unspent sports hall donations amounting to £12,000.

The pension reserve represents the value of the school's share of the surplus/(deficit) in the Local Government Pension Scheme. Due to the effect of the asset ceiling implemented in the valuation approach this year, the scheme reports no overall deficit or surplus at the 31 August 2024.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

15 Funds (continued)

DfE Group capital grants represent capital monies received during the period from the ESFA. £32,000 in respect of the Devolved Formula Capital grants remains unspent at the year end and is carried forward to the next accounting period.

Assets purchased post conversion is the fund balance relating to all fixed assets purchased since the School became an Academy. During the year ended 31 August 2024 this included the new building at Chatburn Road funded by the Local authority.

Assets on conversion represent the transfer of the freehold assets valued at £15,000,000 into the School on conversion to Academy status depreciated over a 50-year period.

Unrestricted funds represent funds generated via activities such as sale of materials, lettings, catering and music lessons to students, exam fee income and income from universities with respect to student teachers. It also includes the brought forward surplus on conversion to Academy status. The surplus on this fund at the year end was £385,000 and these funds can be used at the discretion of the Governors to meet the charitable objectives of the School.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

15 Funds (continued)

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

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	804	7,659	(7,420)	(167)	876
Pupil premium grant	-	66	(66)	-	-
Teacher Pay/Pension grant	-	135	(135)	-	-
Rates grant	-	34	(34)	-	-
Advanced Maths Premium	-	49	(49)	-	-
Supplementary grant	-	143	(143)	-	-
Mainstream Schools Additional grant	-	62	(62)	-	-
Other DfE/ESFA grants	-	9	(9)	-	-
Local Authority grants	-	16	(9)	-	7
Coronavirus Catch-up premium	7	-	(7)	-	-
Other DfE/ESFA Covid-19 funding	4	37	(41)	-	-
Other restricted funds	2	357	(334)	12	37
Pension reserve	(539)	-	(18)	742	185
	<u>278</u>	<u>8,567</u>	<u>(8,327)</u>	<u>587</u>	<u>1,105</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	153	91	-	(183)	61
Other restricted fixed asset funds	-	48	-	(48)	-
Capitalised assets post conversion	2,668	-	(186)	386	2,868
Assets on conversion	11,880	-	(260)	-	11,620
	<u>14,701</u>	<u>139</u>	<u>(446)</u>	<u>155</u>	<u>14,549</u>
Total restricted funds	<u>14,979</u>	<u>8,706</u>	<u>(8,773)</u>	<u>742</u>	<u>15,654</u>
Total unrestricted funds	<u>386</u>	<u>372</u>	<u>(371)</u>	<u>-</u>	<u>387</u>
Total funds	<u>15,365</u>	<u>9,078</u>	<u>(9,144)</u>	<u>742</u>	<u>16,041</u>

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

16 Analysis of net assets between funds

Fund balances at 31 August 2024 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	16,996	16,996
Current assets	385	1,512	32	1,929
Current liabilities	-	(776)	-	(776)
Total net assets	<u>385</u>	<u>736</u>	<u>17,028</u>	<u>18,149</u>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	14,488	14,488
Current assets	387	1,934	61	2,382
Current liabilities	-	(1,014)	-	(1,014)
Pension scheme asset	-	185	-	185
Total net assets	<u>387</u>	<u>1,105</u>	<u>14,549</u>	<u>16,041</u>

17 Capital commitments

	2024 £000	2023 £000
Contracted for, but not provided in the financial statements	<u>-</u>	<u>36</u>

18 Commitments under operating leases

Operating leases

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

	2024 £000	2023 £000
Amounts due within one year	3	3
Amounts due between one and five years	1	4
Amounts due after five years	-	-
	<u>4</u>	<u>7</u>

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

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

	2024	2023
	£000	£000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	2,382	(66)
Adjusted for:		
Depreciation (note 11)	557	445
Capital grants from DfE and other capital income	(2,885)	(139)
Loss on asset disposal	-	1
Interest receivable (note 5)	(62)	(44)
Defined benefit pension scheme cost less contributions payable (note 26)	(70)	2
Defined benefit pension scheme finance cost (note 26)	(19)	16
Decrease in debtors	57	10
(Decrease)/increase in creditors	(238)	427
Net cash (used in)/provided by operating activities	(278)	652

20 Cash flows from financing activities

	2024	2023
	£000	£000
Repayments of borrowing	-	-
Cash inflows from borrowing	-	-
Net cash provided by/(used in) financing activities	-	-

21 Cash flows from investing activities

	2024	2023
	£000	£000
Dividends, interest and rents from investment	62	44
Purchase of tangible fixed assets	(3,065)	(386)
Capital grants from DfE/ESFA	32	91
Capital funding received from others	3	48
Donated fixed assets	2,850	-
Net cash (used in) investing activities	(118)	(203)

22 Analysis of cash and cash equivalents

	2024	2023
	£000	£000
Cash at bank and in hand	1,715	1,461
Treasury deposits (6 months)	-	650
Total cash and cash equivalents	1,715	2,111

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

23 Analysis of changes in net debt

	At 1 September 2023	Cash flows	Acquisition / disposal of subsidiaries	Finance leases	Other non- cash changes	At 31 August 2024
Cash	2,111	(396)	-	-	-	1,715
Cash equivalents	-	-	-	-	-	-
Overdraft facilities repayable on demand	-	-	-	-	-	-
	<hr/> 2,111	<hr/> (396)	<hr/> -	<hr/> -	<hr/> -	<hr/> 1,715
Loans falling due within one year	-	-	-	-	-	-
Loans falling due after more than one year	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> -
Total	<hr/> 2,111	<hr/> (396)	<hr/> -	<hr/> -	<hr/> -	<hr/> 1,715

24 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any capital asset for which a Government Capital grant was received, the School is required to either re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State, as the Secretary of State may require.

25 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.

26 Pension and similar obligations

The School'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 Lancashire County Pension Fund. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £160,673 (2023: £134,420) were payable to the schemes at 31 August 2024 and are included within creditors.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

26 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023 with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,435,000 (2023: £1,250,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Academy Trust has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

26 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £375,000 (2023: £346,000), of which employer's contributions totalled £297,000 (2023: £277,000), and employees' contributions totalled £78,000 (2023: £69,000). The agreed contribution rates for future years are 20.5% for employers and the rate for employees remains dependant on the earnings of the employee.

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

As described in note 1 the LGPS obligation relates to the employees of the School, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the School at the balance sheet date.

Principal Actuarial Assumptions	At 31 August 2024	At 31 August 2023
Rate of increase in salaries	4.1%	4.3%
Rate of increase for pensions in payment / inflation	2.7%	2.9%
Discount rate for scheme liabilities	5.0%	5.4%
Inflation assumption (CPI)	2.6%	2.8%

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

	At 31 August 2024	At 31 August 2023
<i>Retiring today</i>		
Males	21	21
Females	23.5	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.3	25.2

Sensitivity analysis

	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
Central £000	+0.5% pa discount rate £000	+0.25% pa inflation £000	+0.25% pa pay growth £000	1 year inc in life expectancy £000
Liabilities	4,529	4,177	4,716	4,630
Assets	(4,776)	(4,776)	(4,776)	(4,776)
Surplus	(247)	(599)	(60)	(146)
Projected service cost	230	202	246	236
Projected net interest	(20)	(41)	(11)	(15)

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2024	Fair value at 31 August 2023
Equities	2,278	2,030
Government bonds	5	17
Other bonds	5	-
Property	406	399
Cash and other liquid assets	67	25
Other	2,015	1,724
Total market value of assets	4,776	4,195

The actual return on scheme assets was £322,000 (2023: £94,000).

Amounts recognised in the statement of financial activities

	2024 £000	2023 £000
Current service cost (net of employer contributions)	78	5
Interest income	234	179
Interest expense	(215)	(195)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	(8)	(7)
Total operating charge	89	(18)

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2024	2023
	£000	£000
At 1 September	4,010	4,566
Current service cost	219	272
Past service cost	-	-
Interest cost	215	195
Employee contributions	78	69
Actuarial loss/(gain)	114	(1,017)
Benefits paid	(107)	(75)
At 31 August	<u>4,529</u>	<u>4,010</u>

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

	2024	2023
	£000	£000
At 1 September	4,195	4,027
Interest income	234	179
Return on plan assets (excluding interest income)	-	-
Assets distributed on settlements	-	-
Actuarial gain/(loss)	87	(275)
Employer contributions	297	277
Employee contributions	78	69
Benefits paid	(107)	(75)
Administration expenses	(8)	(7)
Effect of non-routine settlements	-	-
At 31 August	<u>4,776</u>	<u>4,195</u>

Surplus/(deficit) recognised in the financial statements:

	2024	2023
	£000	£000
Scheme assets	4,776	4,195
Scheme obligations	(4,529)	(4,010)
Surplus	<u>247</u>	<u>185</u>
Restriction of scheme assets	(247)	-
At 31 August	<u>-</u>	<u>185</u>

Clitheroe Royal Grammar School

Notes to the Financial Statements

Year Ended 31 August 2024

27 Related Party Transactions

Owing to the nature of the School's operations 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the School's financial regulations and normal procurement procedures.

The following related party transactions took place in the financial year:

The School received donations totalling £28,000 from the associated charity Clitheroe Royal Grammar School Foundation (charity number 1174177). These donations were for a variety of educational and capital purposes. The School recharged the Clitheroe Royal Grammar School Foundation £1,650 for costs incurred on their behalf in relation to governance.

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

28 Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2024 the trust received £91,000 (2023: £86,000) and disbursed £90,000 (2023: £76,000) from the fund.

An amount of £32,000 (2023: £31,000) is included in other creditors relating to undistributed funds. These funds are to be utilised after the end of the year.