

Company Registration Number: 07666185 (England & Wales)

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Morris I Paston A Hartley M Nicol R Jones
Trustees	J Brook, Headteacher and Accounting Officer A Millicheap, Staff Trustee K Moore, Chair of Trustees H Karakashian G Lodge B Crabbe A Kirk, Staff Trustee H Bowen A Holmes I Paston D Birch (appointed 22 February 2024) S Exon (appointed 22 February 2024) A Fisher (resigned 11 October 2023) E Crawford (resigned 12 September 2023) P O'Donohoe (resigned 12 October 2023)
Company registered number	07666185
Company name	Droitwich Spa High School and Sixth Form Centre
Principal and registered office	Briar Mill Droitwich Spa Worcestershire WR9 0AA
Company secretary	T McRoy
Chief executive officer	J Brooks

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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**Senior management
team**

J Brook, Headteacher
G Lloyd-Davies, Deputy Headteacher
C Moss, Deputy Headteacher
J Broughton, Assistant Headteacher
P Hayman, Assistant Headteacher
J Noon, Assistant Headteacher (appointed January 2024)
D Hall, Assistant Headteacher
S Jones, Assistant Headteacher, Head of Sixth Form (resigned August 2024)
D Brown, Head of House
A Hook, Head of House
A Kirk, Head of House
A Mugridge, Head of House (resigned August 2024)
A Ward, Head of House

Independent auditor

Byrd Link Audit & Accountancy Services Limited
Honeybourne Place
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

Bankers

Lloyds Bank
4 The Cross,
Worcester
Worcestershire,
WR13PY

Solicitors

Stone King
13 Queen Street,
Bath,
BA12HJ

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
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TRUSTEES' REPORT
FOR THE 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 year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a Trustees' report, and a Directors' report and Strategic report under company law.

The academy trust operates an academy for pupils aged 12 to 18 serving the catchment area of Droitwich Spa and its surrounding villages. It currently has 1,303 students on roll.

Structure, governance and management

a. Constitution

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

The Trustees of Droitwich Spa High School and Sixth Form Centre are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Droitwich Spa High School and Sixth Form Centre.

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

b. Members' liability

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

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every Trustee or other officer of the academy is provided with indemnity insurance to cover their liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the academy trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees.

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the academy's Articles of Association. The Trustees are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the charity legislation. The Articles of Association state that there must be at least three Trustees with a minimum of two Parent Trustees.

The term of office for any Trustee is four years, save that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee any Trustee may be re-appointed or re-elected. The Trustees who were in office at 31 August 2024 and who served during the year are listed on page 1.

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will include training on educational, legal and financial matters. All new Trustees will be given the opportunity of a tour of the academy, have the chance to meet with staff and students and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Trustees. As there is expected to be only a small number of new Trustees a year, induction will be carried out informally and will be tailored specifically to the individual. All new Trustees are given the opportunity to attend the training for new Trustees run by Governor Services at Worcestershire Children First. All Trustees have access to a wealth of training opportunities through a variety of providers to ensure training meets requirements and offers value for money.

f. Organisational structure

The academy was set up with a management structure to support the Education Brief. The academy's organisational structure consists of two levels: the Trustees and the Senior Leadership Team. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy's financial and operational performance and making strategic decisions about the direction of the academy, approving major items of expenditure and making senior staff appointments.

The Trustees have three sub-committees; the School Improvement Committee, the Resources and Audit Committee and the Pay Panel. These have approved terms of reference. During the course of the 2023/2024 financial year the following meetings were held:

Full Governing Body	6 meetings
Resource and Audit Committee	3 meetings
Pay Panel	1 meeting

The Trustees have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the Headteacher and the Deputy Headteachers.

The Senior Leadership Team (SLT) control the academy at an executive level, implement the policies laid down by the Trustees and report back to the Trustees. The SLT is led by the Headteacher. Members of the SLT are responsible for developing and implementing academy plans which seek to deliver the best possible education for its students within the agreed budget and scheme of delegation approved by Trustees. Members of the SLT are set out on page 2.

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

The Headteacher, Deputy Headteachers and Assistant Headteachers are paid on the Leadership Spine and each has an Internal Salary Range (ISR) commensurate with the scope and responsibilities of their post. In order to progress through the ISR individual targets related to the academy's Improvement Plan have to have been met.

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£
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Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

Droitwich Spa High School and Sixth Form has no formal links to any other academy and does not belong to a hard or soft federation. This does not, however, mean that the academy works in isolation.

Droitwich Spa High School and Sixth Form belongs to the Aspire Consortium. This is a group of schools in Worcestershire which work together to develop alternative curriculum provision in Worcester City, Martley and Droitwich.

The same schools also comprise the local Fair Access Panel which seeks to provide alternatives to permanent exclusion for those whose record suggests that this is looming. The Headteacher also has the benefit of a good network of other local Headteachers.

The Aspire academy, which opened in September 2014, has extended and enhanced the alternative educational provision for young people in South Worcestershire. Droitwich Spa High School and Sixth Form, which has been centrally involved in this scheme, has benefitted from having an effective and attractive alternative to offer to those of its students for whom mainstream provision has proved unsuitable.

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

Objectives and activities

a. Objects and aims

The academy objective is set out in its Articles of Association. In summary it is to establish, maintain, manage and develop a school offering a broad curriculum and high quality pastoral care to suit the needs of the young people in the local area. In accordance with the Articles of Association, the academy has adopted a Funding Agreement approved by the Secretary of State for Education.

The aims of the academy, were:

1. Continue to safeguard students from harm and respond to concerns regarding the mental health of young people;
2. Improve attendance of students, particularly in Year 11;
3. Continue to raise the standard of educational achievement and pastoral care for all students;
4. Continue to improve educational outcomes of disadvantaged students and those on the SEND register;
5. Ensure that parents and students are, as far as practicable, satisfied with the quality of service that the school provides; and
6. Provide value for money for the funds expended (in terms of human resource but also in terms of spending on physical and non-tangible resources).

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The plans for implementation of the above aims were:

Aims	Plans
Continue to safeguard students from harm and respond to concerns regarding the mental health of young people.	Prioritise safeguarding CPD; embed new system of logging safeguarding referrals; give safeguarding lead fewer classes; increase the resource in the pastoral team to support with mental health and wellbeing.
Improve attendance of students, particularly in Year 11.	Make more contact with parents; investigate barriers to attendance with families and attempt to take them away; ensure the atmosphere and support in school is conducive to good attendance.
Continue to raise the standard of educational achievement and pastoral care for all students.	Ensuring that talented staff are retained, new recruits are of good quality and that there is capacity to respond to change; Staff enjoy high quality CPD that makes their practice even more effective; Maintaining a positive, orderly atmosphere around school, where all students and staff are Ready, Kind and Respectful; Quality assuring the quality of teaching and learning, pastoral care and leadership and management with rigour and following up as necessary; Ensuring that the curriculum, including during tutor time and in other personal development opportunities, is fit for purpose and meets the needs of our students; Ensuring that there are appropriate extra curricular opportunities.
Continue to improve educational outcomes of disadvantaged students and those on the SEND register.	Ensure that CPD focuses on SEND and its impact is properly reviewed; ensure that disadvantaged students are well supported (e.g. access to materials to work at home, access to high quality work experience etc.)
Ensure that parents and students are, as far as practicable, satisfied with the quality of service that the school provides.	Communicate more frequently and in methods that parents prefer; do more parental surveys and respond to the feedback.
Provide value for money for the funds expended (in terms of human resource but also in terms of spending on physical and non-tangible resources).	Continue to review structures in school to take advantage of any available or emerging capacity; invest in CPD so we get the best from our staff; continue to follow the Finance Policy so we get best value on non-human resources.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit. The key public benefit delivered by the academy is the provision of high quality education in Droitwich Spa and the surrounding area. There is additional public benefit from the letting of school facilities to community groups.

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

Strategic report

Achievements and performance

The academy was awarded a 'Good' in every category in a full Section 5 OFSTED inspection in February 2024.

The academy has had a mixed year in terms of examination results. The results in the Sixth Form were good, as are the performances of lots of Year 11s, nearly all of whom have chosen to return to study with us in Year 12. The provisional data shows that progress at KS4 has improved marginally (and there are some significant improvements in some subjects). We are optimistic that there will be a more marked improvement in 2025, not least because the year group attend significantly better.

a. Key performance indicators

Attendance

	2023-24 (%)	National average for 2023-24 (%)	Difference (%)
Year 8	89.7	91.3	-1.6
Year 9	90.8	90.3	+0.5
Year 10	90.6	89.8	+0.8
Year 11	87.3	89.8	-1.9

The sector is moving towards using percentile ranks to better represent this data and it is worth pointing out that, as of 12 October the data for the new academic year is:

	2024-25	Percentile rank (100 = best)
Year 8	96.1	93
Year 9	92.2	38
Year 10	91.8	67
Year 11	91.4	68
Year 12	97.4	91
Year 13	93.8	66

Exam results

	2019	2023	2024
KS4			
Progress 8 (target of 0)	0.02	-0.33	-0.24 (provisional)
KS5			
APS (there is no progress data available as this cohort had their GCSEs disrupted)	32.63	35.29 (4th highest in Worcestershire)	34.63 (5th highest in Worcestershire)
A*-A grades	15%	28% (nationally 27.2%)	22.73%

Note, 2020, 2021 and 2022 have been omitted due to COVID.

The progress of pupil premium students remains a significant concern and the entirety of the academy Improvement Plan has been shaped around addressing this issue.

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

Strategic report (continued)

Achievements and performance (continued)

Financial

	Notes
(Slowly) rebuild a modest reserve in order to be able to manage with any adverse circumstances.	The carry forward has increased from £143,793 brought forward to £274,611 carry forward.
Insulate academy from rising energy costs.	Our new glazing, LED lighting and solar energy projects have been successfully implemented this year and in the prior year; significantly reducing our energy consumption, protecting future budgets.
Ensure capacity is retained and developed to accurately model future income and costs.	The budget variance analysis is impressive; there are very few areas where spend is out of proportion to budget, giving us confidence we have appropriate controls and models in place.

b. Going concern

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

Financial review

In previous years we have seen the academy in a position where reserves have been less than 1% of income. For the first time in a while, the academy has seen an increase in its reserves to 2.6% of total income.

The unavoidable and significant costs of alternative provision, teaching staff supply cover, energy and facilities management put extra strain on the ability of the academy to avoid an overall budget deficit.

With the resignation of the previous Headteacher projecting the benefit into future years, and making savings and securing best value on other areas has meant that the academy has exited the financial year with an in year surplus. This has allowed the academy to make a modest recovery to its reserves.

Challenges still lie ahead, particularly if there is not sufficient provision from the ESFA for funding to keep pace with increased staffing costs, and funding planned building changes to accommodate our needs.

Significant Events affecting Financial Performance / Position

The following events have affected the academy's financial performance and position during the year and continue to be monitored by both management and Trustees through strong budgetary control:

1. Inflation (and the impact on costs of goods and services).
2. Uncertainty of expected knock-on impact of inflation in terms of increased offers for teachers' pay by central government.
3. Rising energy costs / ending of energy cost support / ending of fixed rate contracts.
4. Increased national living wage putting upward pressure on remuneration for a lot of roles (and on contracted out cleaning costs).
5. Increased income and spending on SEND.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

6. Some staff resignations at Easter meaning that, whilst the spend on teaching staff contracts fell, there were some extra costs associated with agency staffing.
7. An incredibly challenging labour market (particularly for teachers) meaning some extra costs for the forthcoming academic year in order to remain fully staffed.

The majority of the academy's income was received through the Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the academy's charitable objectives and educational activities. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activities. Total restricted income in the year ended 31 August 2024 was £9,033,585 with restricted expenditure of £8,694,853 and transfers out of restricted funds, to fund fixed asset additions and reflect catering costs funded by Free School Meal income, were £110,167.

Unrestricted income is earned in relation to catering and lettings revenue. In the year ended 31 August 2024, unrestricted income was £276,450 with expenditure of £338,654. This general fund is in deficit, due to losses made as a result of the COVID pandemic and increasing catering costs. Prices are reviewed annually and set at a level which aims to break even on the catering activities whilst still allowing the catering offering to be competitively priced for all pupils. Efforts have been made in the year ended 31 August 2024, with a decrease in the general fund deficit of £23,253, and will continue to be made in coming years to reduce this deficit through canteen and lettings revenue.

Droitwich Spa High School and Sixth Form has been awarded a number of CIF bids in recent years to conduct required works in relation to roofing, windows and fire safety. Some fire safety work took place in the year ended 31 August 2024 with the successful bid recognised in the prior year. The CIF income recognised in the year ended 31 August 2024 relates to phase 2 of the fire safety project which will be undertaken during the year ended 31 August 2025.

Overall financial position

The academy has run down its reserve over previous years to a position where it was significantly less than 1% of total income. Budgeting has been historically accurate. Accuracy of costings has improved during the year, particularly on costs of alternative provision. Significant challenges still lie ahead, particularly if there is not sufficient provision from the ESFA for funding to keep pace with increased costs of provision.

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

a. Reserves policy

The Trustees review the reserves of the academy annually. The trustees are mindful of the need to rebuild a reserve, with an overall target of 5% of income, as long as it isn't to a tangible detriment of the students currently on roll.

Reserves are held to enable the Trust to maintain cashflow in order to; make sure salaries and other bills can be paid when fluctuations occur in income and expenditure; to hold contingency for future change and uncertainty to enable the school to cover unforeseen costs; for planned investment and improvement as noted in the academy's Improvement Plan and the school's long term plan for school improvements and to improve the school's strategic growth to build up a better level of reserves.

Total reserves at the balance sheet date, 31 August 2024, were £5,341,155. Of this balance, £5,451,544 is the restricted fixed asset fund and -£385,000 the deficit on the Local Government Pension Scheme. Excluding these balances the reserves carried forward are £274,611. This equates to 2.6% of total income in the year and 3.5% of General Annual Grant income in the year.

With budget pressures in recent years the Trustees have had to focus on ensuring a balanced budget rather than working to increase reserves. Tight budget control is in place along with constant monitoring with the aim of increasing reserves in the coming years.

b. Investment policy

The overall objective of the academy is to meet its commitments, to ensure sufficient sums of money are available at short notice, and to earn an acceptable rate of return on surplus funds without risk.

The academy operates an interest-bearing deposit account, approved by the Board of Trustees, for sums surplus to working requirements to a maximum of one third of the lowest closing cash flow balance in the next 12 months, whilst maintaining a sufficient balance in the academy's main current account to meet financial commitments such as payroll and payment runs, plus maintaining a buffer for unexpected payments. Deposited funds are reviewed on a monthly basis in consideration alongside the long term cash flow forecast prepared by management.

Credit risk will be minimised as deposit accounts will offer an additional Financial Service Compensation Scheme (FSCS) certificate. Monies will be paid in to bank deposit accounts allowing access to funds within a relatively short term. The academy utilises a 32 days' notice account to ensure funds are readily available to meet changing financial commitments.

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

c. Principal risks and uncertainties

The Trustees' have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The Trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching and health and safety) and in relation to the control of finance. They have introduced systems, including operational procedures such as vetting of new staff and visitors, and supervision on school grounds for all visitors, and internal controls through the Finance Policy in order to minimise financial risk. Where significant financial risk remains the Trustees ensure sufficient insurance cover is in place.

A risk register is maintained by the academy. This identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Principal risk factors that may affect Droitwich Spa High School and Sixth Form are as follows:

Reputational risk

The continuing success of the academy is dependent on maintaining the highest educational standards, To mitigate this risk the Trustees ensure that student success and achievement are closely monitored and reviewed.

Operational Risk

1. Staffing - the success of the academy is reliant upon the quality of its staff. Trustees do all they can to attract and retain the best staff and to ensure continued professional development and training of staff.
2. Safeguarding and Child Protection - The Trustees monitor this area closely to ensure the highest standards are maintained.

Compliance Risk

Fraud and mismanagement of funds is a risk to the academy, there is a system of internal scrutiny as well as the external audit, which includes interim audit procedures undertaken during the year on systems and controls, and a Finance Policy in place with regular management reporting to Trustees.

Financial Risk (and plans for mitigation)

Risks	Mitigation plans
Increased roll at KS3 requiring extra staffing but lagged funding.	Attempt to rationalise curriculum at KS5 to ensure curriculum and provision is lean.
Rising SEND, alternative provision and mental health need placing upward pressure on expenditure..	Earlier identification and intervention; getting low cost external agency support where possible; more creative solutions to complex needs.
The academy does not use the funding available to support the academy's Improvement Plan and ensure best value for money at all times.	Financial planning; monitoring; robust procurement policy in place; Trustee scrutiny and challenge.
Financial irregularity or fraud committed by a staff member.	Robust Finance Policy in place with procedure to follow and appropriate segregation of duties; Responsible Officer checks; Auditors appointed.
Unfavourable inspection outcome leading to lower roll and lower income.	Recent good inspection (February 2024) and robust academy Improvement Plan in place.

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TRUSTEES' REPORT (CONTINUED)
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Fundraising

The academy does not use any external fundraisers. All fundraising undertaken by the academy, which relates to donations collected and passed on to Charity, during the year was monitored by the Trustees.

Plans for future periods

The main aim is to improve equality in terms of academic and personal development outcomes for students (pupil premium vs non pupil premium and SEND vs non SEND).

This will require focus on:

1. Attendance;
2. Expectations and ethos;
3. Quality of teaching and learning (and the CPD required to make this happen);
4. Quality of personal development curriculum and implementation (including extra curricular participation);
and
5. Leadership capacity amongst staff.

The key factors likely to affect financial performance going forward are:

1. Increased need (SEND, alternative provision, mental health etc.) creating increased costs;
2. Sufficiency of settlement from ESFA to meet rising costs of teachers' pay and teachers' pensions; and
3. Retention of key staff (and thereby avoiding the need add to expenditure from direct and indirect recruitment costs).

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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 11 December 2024 and signed on its behalf by:


.....
I Paston
Vice-chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Droitwich Spa High School and Sixth Form Centre 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Droitwich Spa High School and Sixth Form Centre 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.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
J Brook, Headteacher and Accounting Officer	6	6
A Millicheap, Staff Trustee	5	6
K Moore, Chair of Trustees	5	6
H Karakashian	4	6
G Lodge	5	6
B Crabbe	5	6
A Kirk, Staff Trustee	5	6
H Bowen	4	6
A Holmes	5	6
I Paston	6	6
D Birch	2	3
S Exon	2	3
A Fisher	0	0
E Crawford	0	0
P O'Donohoe	1	1

Governance review

The Board of Trustees is committed to ensuring financial oversight and value for money. The full Board of Trustees met 6 times during the year and in addition the Resources and Audit Committee met 3 times. Effective oversight of funds is also provided by the fact that the Chair of Trustees meets with the Senior Financial Officer and Accounting Officer periodically to examine the budget and track expenditure and income. Should this frequent scrutiny reveal anything that cannot be covered in the 6 formal meetings described above, an extraordinary meeting would be convened.

During the year, the Board has maintained a focus on the budget, the risk register and pupil outcomes. These areas provide a comprehensive oversight and monitoring of the academy's performance. The Board has supported Senior Leaders to implement measures to improve attendance, behaviour and attitudes. Trustees and Members were pleased with the successful OFSTED inspection in February this year which saw the academy maintain its grade of 'Good'. The Board has taken note of the recommendation to improve

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

accountability for Pupil Premium spending, which in turn impacts achievement. Work started immediately and a senior member of staff has been appointed as the Specialist Student Personal Development Leader & Pupil Premium Advocate. In the summer term, a comprehensive plan of action was presented to the Board and they are closely monitoring the impact of this.

In September 2023 the Board appointed a new Chair of Trustees, Mrs Karen Moore who was previously the Vice Chair, and welcomed two new Trustees in February, all of whom bring a wealth of knowledge and a breadth of skills, as well as supporting the Board's aspiration to be inclusive and diverse in its recruitment.

The self evaluation, completed in the Summer term, confirmed that the Board is effective across all areas of governance but would benefit from further time spent defining its vision and objectives for the Trust. This work is planned for the Autumn term.

The Board has decided to deliver internal scrutiny using a bought-in service from another academy and this has proved very effective in identifying areas for improvement and confirming the efficiency of processes and procedures in place across all departments of the academy. The interconnection between the risk register and the plan of internal scrutiny has been further strengthened by adding timescales and methods of scrutiny to the risk register. Trustees review the register at every Board of Trustees meeting and ensure it is used to inform the future plans of internal scrutiny.

During the coming year, Trustees will work to appoint and integrate new members, ensuring they receive the effective induction and training they need to fulfil their roles and support the academy in its aims and objectives. The Board will complete a skills audit to ensure it is equipped to deliver its core functions and continue to monitor and contribute to a newly focused academy Improvement Plan.

The Resources and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Recommend to the Board the draft budget proposal and 3 year plan.
- Fulfil its responsibilities as set out in the Trust's Funding Agreement, Articles of Association, Scheme of Delegation, Academies Trust Handbook, Academies Accounts Direction and the Trust's Financial Procedures Manual.
- Ensure sound management of the Trust's finances and resources including proper planning, monitoring, probity and value for money.
- Advise the Board on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.
- Annually review charges and policies including Finance, Charging, Casual Lettings and Health & Safety.

During the financial year 2023-24 the Resources and Audit committee supported the CIF bid for further fire safety work across the site. This bid has been approved and will commence once Part 1 of this project is completed this term. It will significantly improve safety for pupils and staff. The Committee has also spent time reviewing the DfE's Good Estate Management for Schools guidance as with increasing pupil numbers there are additional pressures on the school which need to be considered and managed to optimise operations. The budget has been at the forefront of any decisions as the committee scrutinise the financial position at every meeting.

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
H Bowen	2	3
J Brook	3	3
B Crabbe	2	3
E Crawford	0	0
A Fisher	0	0
A Holmes	2	3
A Millicheap	3	3
K Moore	3	3
P O'Donohoe	0	0
I Paston	3	3

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, 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 or by using a framework where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

1. Improving staff COD so that staff are more productive and capable;
2. Exploring the use of AI in order to increase the productivity of staff and reduce costs;
3. Attempting to make delivery of the Sixth Form curriculum more lean;
4. Focusing on staff retention and wellbeing to minimise recruitment costs and costs relating to absence;
5. Securing funding to replace windows so that energy usage is lower.
6. Further adapting the Finance Policy to allow us to make better use of any spare working capital;
7. Increasing lettings income by investing in the facilities; and
8. Placing greater focus on attracting income from third party grants.

The purpose of the system of internal control

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

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

Conflicts of interest

The Trust manages conflicts of interest by maintaining an up to date and complete register of interests. Information in this register is monitored regularly to assist in the day-to-day management and governance of the academy trust.

Trustees consider and agree the approach to managing the conflict of interest by requiring the conflicted Trustee to:

1. Leave the discussions.
2. Not to take part in the relevant decision or vote.
3. Not to be counted as part of the quorum for the relevant matter.

Where available, legal or governing document requirements on how conflict of interest must be handled is used, however, in serious cases, it can be decided that removing the conflict of interest itself is the most effective way of preventing it from affecting the decision-making.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Audit and Resources 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 and capital investment) guidelines.
- Identification and management of risk.

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Fred Dowdeswell, the Finance and Business Manager of Dyson Perrins Church of England academy, to perform a peer review.

The peer reviewer roles includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period focused on the areas of cashflow, the fixed asset register and bank reconciliations during the year ended 31 August 2024.

On an annual basis, the reviewer reports to the Board of Trustees through the Resources and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. On an annual basis the peer reviewer prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The peer reviewer has delivered their schedule of work as planned and there were no significant control issues arising as a result of the internal review.

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

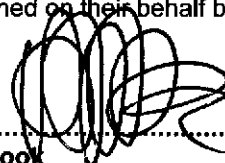
- the work of the peer reviewer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework; and
- the work of the external auditor

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

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



.....
I Paston
Vice-chair of Trustees
Date: 11/12/24



.....
J Brook
Headteacher and Accounting Officer

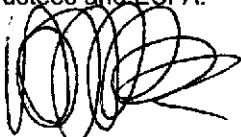
DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Droitwich Spa High School and Sixth Form Centre, I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy Trust, under the funding agreement 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.

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's funding agreement and the academy Trust Handbook.

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.



J Brooke
Headteacher and Accounting Officer

Date: 11/12/24

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE 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 and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

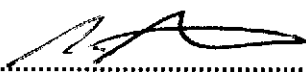
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....

I Paston
Vice-chair of Trustees

Date: 11/12/24

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE (CONTINUED)**

Responsibilities of trustees

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
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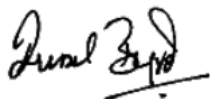
**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE (CONTINUED)**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Use of our report

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



Russel Byrd FCA (Senior statutory auditor)

for and on behalf of

Byrd Link Audit & Accountancy Services Limited

Honeybourne Place

Jessop Avenue

Cheltenham

Gloucestershire

GL50 3SH

Date: 12 December 2024

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Droitwich Spa High School and Sixth Form Centre during the year 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Droitwich Spa High School and Sixth Form Centre's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Droitwich Spa High School and Sixth Form Centre's funding agreement with the Secretary of State for Education dated 11 June 2011 and the academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DROITWICH
SPA HIGH SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

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

Byrd Link Audit & Accountancy Services Ltd

Byrd Link Audit & Accountancy Services Limited
Reporting Accountant

Honeybourne Place
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

Date: 12 December 2024

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

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

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:						
Donations and capital grants	3	17,348	-	1,076,615	1,093,963	776,307
Investments	5	100	-	-	100	128
Charitable activities		-	8,807,991	-	8,807,991	8,259,824
Other income	6	259,002	225,594	-	484,596	539,024
Total income		276,450	9,033,585	1,076,615	10,386,650	9,575,283
Expenditure on:						
Charitable activities	8	338,654	8,694,853	1,149,789	10,183,296	11,038,616
Total expenditure		338,654	8,694,853	1,149,789	10,183,296	11,038,616
Net (expenditure)/income		(62,204)	338,732	(73,174)	203,354	(1,463,333)
Transfers between funds	18	85,457	(110,167)	24,710	-	-
Net movement in funds before other recognised gains/(losses)		23,253	228,565	(48,464)	203,354	(1,463,333)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	25	194,000	-	-	194,000	1,204,000
Net movement in funds		217,253	228,565	(48,464)	397,354	(259,333)
Reconciliation of funds:						
Total funds brought forward		(88,001)	(468,206)	5,500,008	4,943,801	5,203,134
Net movement in funds		217,253	228,565	(48,464)	397,354	(259,333)
Total funds carried forward		129,252	(239,641)	5,451,544	5,341,155	4,943,801

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

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

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

The notes on pages 32 to 61 form part of these financial statements.

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 07666185

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	4,084,381	4,430,891
		<u>4,084,381</u>	<u>4,430,891</u>
Current assets			
Debtors	15	1,853,736	1,172,487
Cash at bank and in hand		661,230	828,946
		<u>2,514,966</u>	<u>2,001,433</u>
Creditors: amounts falling due within one year	16	(868,743)	(779,550)
Net current assets		<u>1,646,223</u>	<u>1,221,883</u>
Total assets less current liabilities		<u>5,730,604</u>	<u>5,652,774</u>
Creditors: amounts falling due after more than one year	17	(4,449)	(8,973)
Net assets excluding pension liability		<u>5,726,155</u>	<u>5,643,801</u>
Defined benefit pension scheme liability	25	(385,000)	(700,000)
Total net assets		<u><u>5,341,155</u></u>	<u><u>4,943,801</u></u>

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 07666185

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	5,451,544	5,500,008
Restricted income funds	18	339,359	231,794
Restricted funds excluding pension asset	18	5,790,903	5,731,802
Pension reserve	18	(385,000)	(700,000)
Total restricted funds	18	5,405,903	5,031,802
Unrestricted income funds	18	(64,748)	(88,001)
Total funds		5,341,155	4,943,801

The financial statements on pages 27 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

I Paston
Vice-chair of Trustees
Date:


10/12/24

The notes on pages 32 to 61 form part of these financial statements.

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	20	(1,188,964)	<i>(883,568)</i>
Cash flows from investing activities	22	1,025,697	<i>659,264</i>
Cash flows from financing activities	21	(4,449)	<i>(4,823)</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(167,716)	<i>(229,127)</i>
Cash and cash equivalents at the beginning of the year		828,946	<i>1,058,073</i>
Cash and cash equivalents at the end of the year	23, 24	661,230	<i>828,946</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 32 to 61 form part of these financial statements

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Droitwich Spa High School and Sixth Form Centre meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

In undertaking this assessment the Trustees have recognised that whilst Trust free reserves have increased from the prior year to £274,611 (2023: £143,793) this remains at a low level.

The Trustees have reviewed detailed budgets for the coming three years initially prepared for the Budget Forecast Return. These budgets have been further updated to reflect changes since the Budget Forecast Return was submitted. Budget assumptions have been based on the ASCL published assumptions that are used across the sector for this purpose.

The latest budgets predicts in-year deficits, funded by reserves, in the coming three years before a surplus is predicted to be realised in 2027/28.

Trustees have regard for the current uncertainty in the economic environment which makes forecasting beyond the next 12 months difficult. However, the Trustees believe the basis on which the above forecasts are prepared is prudent.

As in previous years, efforts are being made to manage costs through close monitoring of overheads and ongoing review of external contracts. The Trustees therefore believe actions are being taken to improve budget performance above and beyond the prudent budgets set for the coming three years. There is also a strong focus on cash flow forecasting and monitoring.

The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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:

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

The estimated useful lives are as follows

Long-term leasehold property	- 25 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

1. Accounting policies (continued)

1.11 Operating leases

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary 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 academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 Agency arrangements

The academy acts as an agent in distributing 16-19 Bursary funds on behalf of the ESFA. Payments received and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy does not have control over the application of the funds. The academy can use a percentage of the funding towards its own costs of administering the fund and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 28.

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

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £
Donations	17,348	-	17,348
Capital grants	-	1,076,615	1,076,615
	17,348	1,076,615	1,093,963
	17,348	1,076,615	1,093,963
	<i>Unrestricted funds 2023 £</i>	<i>Restricted fixed asset funds 2023 £</i>	<i>Total funds 2023 £</i>
Donations	8,369	-	8,369
Capital grants	-	767,938	767,938
	8,369	767,938	776,307
	8,369	767,938	776,307

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

4. Funding for the academy's charitable activities

	Restricted funds 2024 £	Total funds 2024 £
DfE/ESFA grants		
General Annual Grant	7,709,148	7,709,148
Other DfE/ESFA grants		
Other DfE/ESFA grants	81,924	81,924
Pupil Premium	292,167	292,167
Teachers Pay & Pension Grants	235,203	235,203
Mainstream Academy Grant	239,982	239,982
	8,558,424	8,558,424
Other Government grants		
Local Authority Grants	249,567	249,567
	249,567	249,567
	8,807,991	8,807,991
	8,807,991	8,807,991

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

4. Funding for the academy's charitable activities (continued)

	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
DfE/ESFA grants		
General Annual Grant	7,270,790	7,270,790
Other DfE/ESFA grants		
Other DfE/ESFA grants	237,185	237,185
Pupil Premium	287,687	287,687
Teachers Pension Grant	34,182	34,182
Supplementary Grant	203,659	203,659
	8,033,503	8,033,503
Other Government grants		
Local authority grants	226,321	226,321
	226,321	226,321
	8,259,824	8,259,824
	8,259,824	8,259,824

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

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Investment income	100	100
	<hr/>	<hr/>
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Investment income	128	128
	<hr/>	<hr/>

DROITWICH SPA HIGH SCHOOL AND SIXTH FORM CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

6. Other incoming resources

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Letting Income	37,178	-	37,178
Trip Income	-	155,210	155,210
School Fund Income	(4,875)	-	(4,875)
Catering Income	206,251	-	206,251
Other Income	20,448	70,384	90,832
	259,002	225,594	484,596
	259,002	225,594	484,596
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Letting Income	48,925	-	48,925
Trip Income	-	194,105	194,105
School Fund Income	597	-	597
Catering Income	183,453	-	183,453
Other Income	15,733	96,211	111,944
	248,708	290,316	539,024
	248,708	290,316	539,024

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

7. Expenditure

	Staff Costs 2024 £	Premises 2024 £	Other 2024 £	Total 2024 £
Educational operations:				
Direct costs	6,513,636	-	581,001	7,094,637
Allocated support costs	942,809	1,183,224	962,626	3,088,659
Total 2024	<u><u>7,456,445</u></u>	<u><u>1,183,224</u></u>	<u><u>1,543,627</u></u>	<u><u>10,183,296</u></u>
	<i>Staff Costs 2023 £</i>	<i>Premises 2023 £</i>	<i>Other 2023 £</i>	<i>Total 2023 £</i>
Educational operations:				
Direct costs	6,136,078	-	676,239	6,812,317
Allocated support costs	965,923	2,380,827	879,549	4,226,299
<i>Total 2023</i>	<u><u>7,102,001</u></u>	<u><u>2,380,827</u></u>	<u><u>1,555,788</u></u>	<u><u>11,038,616</u></u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Charitable activities	338,654	9,844,642	10,183,296
	<u><u>338,654</u></u>	<u><u>9,844,642</u></u>	<u><u>10,183,296</u></u>
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Charitable activities	307,795	10,730,821	11,038,616
	<u><u>307,795</u></u>	<u><u>10,730,821</u></u>	<u><u>11,038,616</u></u>

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Charitable activities	7,094,637	3,088,659	10,183,296

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Charitable activities	6,812,317	4,226,299	11,038,616

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	6,513,636	6,136,077
Recruitment	12,952	16,928
Educational equipment	60,015	86,053
Exam fees	141,523	137,029
Medical education	719	10,793
Training	7,612	11,423
Technology costs	10,554	7,661
Trips and alternative provision	347,626	406,353
	7,094,637	6,812,317

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Pension finance costs	26,000	70,000
Staff costs	942,808	965,922
Depreciation	397,428	409,382
Insurance	32,975	30,103
Technology costs	57,806	56,924
Administration costs	117,297	110,842
Maintenance of premises	785,796	1,967,274
Special facilities	8,529	8,958
Cleaning	86,689	79,006
Rates	-	19,793
Energy	213,178	190,551
Transport	11,197	8,269
Catering	127,944	111,664
Other premises costs	242,913	155,483
Legal and professional	28,599	29,597
Auditor costs	9,500	12,531
	3,088,659	4,226,299

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2024 £	<i>2023 £</i>
Operating lease rentals	95,350	49,988
Depreciation of tangible fixed assets	397,428	409,382
Fees paid to auditor for:		
- audit	8,750	8,000
- other services	3,475	3,750

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2024	2023
	£	£
Wages and salaries	5,550,984	5,310,565
Social security costs	555,023	527,975
Pension costs	1,277,930	1,230,940
	<u>7,383,937</u>	<u>7,069,480</u>
Agency staff costs	72,507	32,519
	<u>7,456,444</u>	<u>7,101,999</u>

b. Staff numbers

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

	2024	2023
	No.	No.
Teachers	103	103
Management	13	14
Administration and other support	54	55
	<u>170</u>	<u>172</u>

c. Higher paid staff

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

	2024	2023
In the band £60,001 - £70,000	5	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management

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

11. Staff (continued)

d. Key management personnel (continued)

team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,091,020 (2023 - £979,790).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2024	2023
		£	£
N Waters (resigned 16 April 2023)	Remuneration		65,000 - 70,000
	Pension contributions paid		15,000 - 20,000
D Harris-Smith (resigned 20 September 2022)	Remuneration		0 - 5,000
	Pension contributions paid		0 - 5,000
A Millicheap	Remuneration	55,000 -	50,000 -
		60,000	55,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
A Kirk, (appointed 7 December 2022)	Remuneration	55,000 -	35,000 -
		60,000	40,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
J Brook (appointed 21 April 2023)	Remuneration	95,000 -	30,000 -
		100,000	35,000
	Pension contributions paid	20,000 -	5,000 -
		25,000	10,000

During the year ended 31 August 2024, expenses totalling £466 were reimbursed or paid directly to 2 Trustees (2023 - £NIL to Trustee). These expenses related to expenses staff Trustees incurred in their roles as members of staff and not as Trustees.

13. Trustees' and Officers' insurance

The academy 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 membership.

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

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2023	8,193,191	265,024	619,585	9,077,800
Additions	-	35,019	15,899	50,918
Disposals	-	(17,808)	(364,679)	(382,487)
At 31 August 2024	<u>8,193,191</u>	<u>282,235</u>	<u>270,805</u>	<u>8,746,231</u>
Depreciation				
At 1 September 2023	3,879,457	186,719	580,733	4,646,909
Charge for the year	322,400	50,572	24,456	397,428
On disposals	-	(17,808)	(364,679)	(382,487)
At 31 August 2024	<u>4,201,857</u>	<u>219,483</u>	<u>240,510</u>	<u>4,661,850</u>
Net book value				
At 31 August 2024	<u>3,991,334</u>	<u>62,752</u>	<u>30,295</u>	<u>4,084,381</u>
At 31 August 2023	<u>4,313,734</u>	<u>78,305</u>	<u>38,852</u>	<u>4,430,891</u>

The academy trust took a 125 year leases over the school and sixth form centre's land and buildings at the date of conversion. The leasehold property is owned by Worcestershire County Council.

15. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	96	11,367
Other debtors	68,618	65,724
Prepayments and accrued income	1,785,022	1,095,396
	<u>1,853,736</u>	<u>1,172,487</u>

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

16. Creditors: Amounts falling due within one year

	2024 £	2023 £
Other loans	4,419	4,749
Trade creditors	310,576	363,428
Other taxation and social security	135,979	136,294
Other creditors	177,486	148,146
Accruals and deferred income	240,283	126,933
	868,743	779,550

Other loans

Other loans due within one year of £4,419 (2023: £4,749) and totalling £8,868 (2023: £13,722) when including amounts due after more than one year, from the ESFA are provided on the following terms:

- three unsecured Salix loans, repayable in six monthly installments over eight years, with an applicable interest rate of 0%. Two loans will be repaid by 31 March 2025, and one by 30 September 2026.

Deferred income

At the Statement of Financial Position date funds totalling £143,618 (2022: £48,992) were received in advance for trips that took place after 31 August 2024. For 2023, deferred income related to funds received in advance for trips that took place after 31 August 2023.

	2024 £	2023 £
Deferred income at 1 September 2023	48,992	98,250
Resources deferred during the year	143,618	48,992
Amounts released from previous periods	(48,992)	(98,250)
	143,618	48,992

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

	2024 £	2023 £
Other loans	4,449	8,973
	4,449	8,973

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds						
General Funds - all funds	(88,001)	276,450	(338,654)	85,457	-	(64,748)
Restricted general funds						
General Annual Grant	231,794	7,709,148	(7,491,416)	(110,167)	-	339,359
Other DfE/ESFA Grants	-	81,924	(81,924)	-	-	-
Pupil Premium	-	292,167	(292,167)	-	-	-
Teachers Pension & Pay Grants	-	235,203	(235,203)	-	-	-
Mainstream Schools Additional Grant	-	239,982	(239,982)	-	-	-
Local Authority Grants	-	249,567	(249,567)	-	-	-
Trip Income	-	155,210	(155,210)	-	-	-
Other Restricted Income	-	70,384	(70,384)	-	-	-
Pension reserve	(700,000)	-	121,000	-	194,000	(385,000)
	(468,206)	9,033,585	(8,694,853)	(110,167)	194,000	(45,641)
Restricted fixed asset funds						
Tangible Fixed Assets	4,430,891	-	(397,428)	50,918	-	4,084,381
CIF Grants	1,069,117	1,050,407	(752,361)	-	-	1,367,163
Other DFE grants	-	26,208	-	(26,208)	-	-

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18. Statement of funds (continued)

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
	5,500,008	1,076,615	(1,149,789)	24,710	-	5,451,544
Total Restricted funds	5,031,802	10,110,200	(9,844,642)	(85,457)	194,000	5,405,903
Total funds	4,943,801	10,386,650	(10,183,296)	-	194,000	5,341,155

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

Unrestricted Funds

This fund represents those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

The general unrestricted fund is in deficit and has been for a number of years. This is due to losses made on catering activity exacerbated by the covid pandemic in recent years. Every year catering pricing is reviewed with the aim for this particular activity to break even. However, in recent years, the lack of income as a result of the pandemic, increasing food prices and staff salary increases have led to in-year losses for catering activity. The Trustees continue to take efforts to ensure catering prices reflect costs, but remain competitive for students, to reduce the deficit and believe the deficit will be covered by catering and lettings income in the coming years.

Restricted Funds

General Annual Grant, Other DfE/ESFA Grants, Pupil Premium, Teachers Pension Grant, Supplementary Grant - These fund represents grants received for the academy's operational activities and development from the ESFA.

Local authority grants - This represents grants received for the academy's operational activities and development from the Local Authority.

Other Income - This represents other restricted income received from the Local Authority and other funders.

Trip Income - this represents money from pupils in relation to planned trips and is to be spent on funding these trips.

Pension reserve - This fund relates solely to the LGPS pension fund.

Restricted Fixed Asset Funds

Tangible Fixed Assets, CIF Grants and DFC Grants - These are funds received from the DfE and ESFA to carry out works of a capital nature as part of the School Building Project, as well as fixed asset purchases made out of restricted revenue funding.

Local Authority Grants - These are funds received from the local authority for fixed asset purchases made out of restricted revenue funding.

Transfers between funds

These relate to amounts utilised from restricted DfE/ESFA revenue grants and other revenue incoming

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18. Statement of funds (continued)

resources which have been used for the acquisition of fixed assets and revenue grants which have been used to fund Free School Meals.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2023 £</i>
Unrestricted funds						
General Funds	(37,410)	257,205	(307,796)	-	-	(88,001)
Restricted general funds						
General Annual Grant	81,286	7,270,792	(7,086,188)	(34,096)	-	231,794
Other DfE/ESFA Grants	-	237,183	(237,183)	-	-	-
Pupil Premium	-	287,687	(287,687)	-	-	-
Teachers Pension & Pay Grants	-	34,182	(34,182)	-	-	-
Mainstream Schools Additional Grant	-	203,659	(203,659)	-	-	-
Local Authority Grants	-	114,338	(114,338)	-	-	-
Trip Income	-	194,105	(194,105)	-	-	-
Other Restricted Income	-	208,193	(208,193)	-	-	-
Pension reserve	(1,887,000)	-	(17,000)	-	1,204,000	(700,000)
	<u>(1,805,714)</u>	<u>8,550,139</u>	<u>(8,382,535)</u>	<u>(34,096)</u>	<u>1,204,000</u>	<u>(468,206)</u>
Restricted fixed asset funds						
Tangible Fixed Assets	4,731,598	-	(409,381)	108,674	-	4,430,891
CIF Grants	2,314,661	693,360	(1,938,904)	-	-	1,069,117
Other DFE grants	-	74,578	-	(74,578)	-	-

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18. Statement of funds (continued)

	<i>Balance at 1 September 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£	£
	7,046,259	767,938	(2,348,285)	34,096	-	5,500,008
Total Restricted funds	5,240,545	9,318,077	(10,730,820)	-	1,204,000	5,031,802
Total funds	5,203,135	9,575,282	(11,038,616)	-	1,204,000	4,943,801

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024	Restricted funds 2024	Restricted fixed asset funds 2024	Total funds 2024
	£	£	£	£
Tangible fixed assets	-	-	4,084,381	4,084,381
Current assets	(60,298)	1,208,101	1,367,163	2,514,966
Creditors due within one year	(1)	(868,742)	-	(868,743)
Creditors due in more than one year	(4,449)	-	-	(4,449)
Provisions for liabilities and charges	-	(385,000)	-	(385,000)
Total	(64,748)	(45,641)	5,451,544	5,341,155

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Restricted fixed asset funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	-	-	4,430,891	4,430,891
Current assets	(88,001)	1,020,317	1,069,117	2,001,433
Creditors due within one year	-	(779,550)	-	(779,550)
Creditors due in more than one year	-	(8,973)	-	(8,973)
Provisions for liabilities and charges	-	(700,000)	-	(700,000)
Total	(88,001)	(468,206)	5,500,008	4,943,801

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

	2024 £	2023 £
Net income/(expenditure) for the period (as per Statement of financial activities)	203,354	(1,463,333)
Adjustments for:		
Depreciation	397,428	409,381
Capital grants from DfE and other capital income	(1,076,615)	(767,938)
Defined benefit pension scheme cost less contributions payable	(184,000)	(53,000)
Defined benefit pension scheme finance cost	63,000	70,000
(Increase)/decrease in debtors	(681,248)	1,157,330
Increase/(decrease) in creditors	89,117	(236,008)
Net cash used in operating activities	(1,188,964)	(883,568)

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21. Cash flows from financing activities

	2024 £	2023 £
Repayments of borrowing	(4,449)	(4,823)
Net cash used in financing activities	(4,449)	(4,823)

22. Cash flows from investing activities

	2024 £	2023 £
Purchase of tangible fixed assets	(50,918)	(108,674)
Capital grants from DfE Group and other capital income	1,076,615	767,938
Net cash provided by investing activities	1,025,697	659,264

23. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand and at bank	661,230	828,946
Total cash and cash equivalents	661,230	828,946

24. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	Due to ageing of loan balances £	At 31 August 2024 £
Cash at bank and in hand	828,946	(167,716)	-	661,230
Debt due within 1 year	(4,749)	(4,449)	4,779	(4,419)
Debt due after 1 year	(8,974)	-	4,525	(4,449)
	815,223	(172,165)	9,304	652,362

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25. Pension commitments

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

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

Contributions amounting to £157,111 were payable to the schemes at 31 August 2024 (2023 - £135,488) and are included within creditors.

Teachers' Pension Scheme

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

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

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 specified the level of future contributions.

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.

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,079,407 (2023 - £951,980).

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 FRS 102 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £411,000 (2023 - £380,000), of which employer's contributions totalled £345,000 (2023 - £332,585) and employees' contributions totalled £66,000 (2023 - £47,415). The agreed contribution rates for future years are 21 per cent for employers and 5.8 per cent for employees.

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

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	4.15	4.30
Rate of increase for pensions in payment/inflation	2.65	2.90
Discount rate for scheme liabilities	5	5.40
Inflation assumption (CPI)	2.65	2.80

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

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25. Pension commitments (continued)

	2024	<i>2023</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males	21.2	<i>22.8</i>
Females	23.6	<i>25.6</i>
<i>Retiring in 20 years</i>		
Males	22.5	<i>21.5</i>
Females	25.4	<i>23.8</i>

Sensitivity analysis

	2024	<i>2023</i>
	£000	<i>£000</i>
Discount rate -0.1%	113,000	<i>221,000</i>
Mortality assumption - 1 year increase	226,000	<i>738,000</i>
CPI rate +0.1%	111,000	<i>859,000</i>

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August 2024	<i>2023</i>
	£	<i>£</i>
Equities	3,576,000	<i>3,233,000</i>
Other bonds	427,000	<i>102,000</i>
Property	1,281,000	<i>362,000</i>
Cash and other liquid assets	53,000	<i>40,000</i>
Other	-	<i>680,000</i>
Total market value of assets	5,337,000	<i>4,417,000</i>

The actual return on scheme assets was £348,000 (2023 - £91,000).

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25. Pension commitments (continued)

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

	2024 £	2023 £
Current service cost	(198,000)	(265,000)
Interest income	244,000	179,000
Interest cost	(270,000)	(249,000)
Administrative expenses	-	(4,000)
Total amount recognised in the Statement of Financial Activities	(224,000)	(339,000)

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

	2024 £	2023 £
At 1 September	5,054,000	5,813,000
Current service cost	198,000	265,000
Interest cost	270,000	249,000
Employee contributions	66,000	62,000
Actuarial losses/(gains)	154,000	(1,304,000)
Benefits paid	(83,000)	(31,000)
At 31 August	5,659,000	5,054,000

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

	2024 £	2023 £
At 1 September	4,417,000	3,993,000
Interest income	244,000	179,000
Actuarial gains/(losses)	348,000	(100,000)
Employer contributions	345,000	318,000
Employee contributions	66,000	62,000
Benefits paid	(83,000)	(31,000)
Administration expenses	-	(4,000)
At 31 August	5,337,000	4,417,000

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26. Operating lease commitments

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

	2024 £	2023 £
Not later than 1 year	95,734	93,686
Later than 1 year and not later than 5 years	209,453	229,106
	<u>305,187</u>	<u>322,792</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2024 £	2023 £
Operating lease rentals	<u>95,350</u>	<u>49,988</u>

27. Capital commitments

Amounts contracted for, but not provided in the financial statements, for the year ending 31 August 2024 was £1,363,756. This is in relation to the fire project, phase 1 and phase 2, for which CIF income has been awarded, and recognised, but work remained ongoing at the balance sheet date for phase 1 with phase 2 starting after completion of phase 1.

28. Members' liability

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

29. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

30. Agency arrangements

The academy distributes 16-19 Bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2024 the academy received £11,735 (2023: £11,756) and disbursed £3,993 (2023: £7,139). An amount of £20,375 (2023: £12,633) is included in other creditors relating to undistributed funds that is repayable to the ESFA.