

Company registration number 07633715 (England and Wales)

SUTTON GRAMMAR SCHOOL TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

SUTTON GRAMMAR SCHOOL TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Chairman's Foreword	3
Trustees' report	4 - 14
Governance statement	16 - 20
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	25
Independent auditor's report on the accounts	21 - 24
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28 - 29
Balance sheet	30
Statement of cash flows	31
Notes to the accounts including accounting policies	30-51

SUTTON GRAMMAR SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr J R Edwards
Mr G W Jones
Mrs S Lalani
Mr C Townsend
Mr R Murrill (From 14 March 2022)

Trustees

Mr R W Murrill (Chair)
Mr B A Cloves (Accounting Officer and Headmaster)
Ms F H E Alexander
Mr D G Hobbs
Mr T G Kohler
Mr J R Edwards
Ms N Prasad
Mr A M Melbourne
Mr S Etienne
Mr P A J Brione (Appointed 1 February 2023)
Dr L Holt (Resigned 20 September 2022)
Mr P J Ritson (Resigned 20 September 2022)
Mr W D Humphries (Resigned 27 September 2022)
Mr A J Marsh (Resigned 24 June 2023)
Mr G W Jones (Resigned 24 June 2023)

Senior Leadership Team

- Headmaster
- Deputy Head
- Assistant Head
- Assistant Head
- Assistant Head (Head of Sixth Form)
- Director of Finance & Operations

Mr B A Cloves
Mrs K Ross
Mr S Brook
Mr J Costello
Mr I Marris
Mr S Richings

Company secretary

Mr Sean Richings

Company registration number

07633715 (England and Wales)

Principal and registered office

Manor Lane
Sutton
Surrey
SM1 4AS

Independent auditor

Alliotts LLP
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Solicitors

Ston King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

SUTTON GRAMMAR SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Internal auditor

A J Bennewith & Co
Ynot House
3 Wey Court
Mary Road
Guildford
GU1 4QU

SUTTON GRAMMAR SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

CHAIRMAN'S FOREWORD

This academic year our school returned to some degree of normality after the disruptions caused by COVID, with the return of the 2019 examination grade boundaries and a full academic year at school.

As might be expected from a school whose students start at a high level of ability, our examination results were very much as anticipated with added value achieved to our educational outcomes at all levels. Indeed, our A level results placed us within the top 30 of state schools in the country, with the vast majority achieving their first choice of destination, including Russell Group universities. Notable areas of excellence were in the fields of Medicine (19), Engineering (28) and Computer Science (17). There is no doubt that these results are just reward for the commitment, talent and endeavour of our students and staff through the uncertainty and upheaval caused by the pandemic.

Our Clerk to the Governors, Dr Wrench, retired after an esteemed career with the school which stretched over 30 years and I would like to place on record our thanks to him for his unstinting support and loyalty to both the school and the Trust board. We wish him a very happy retirement.

The richness of curricular and extracurricular activities at Sutton Grammar would not be possible without the hard work and dedication of a number of notable elements of the school, most notably the staff, Parents Teacher Association and Old Suttonians. I would like to take this opportunity to both acknowledge and thank them on behalf of the Trust for their unstinting support and dedication.

Finally, I should like to congratulate all our students on their academic and other achievements.

R Murrill

R Murrill (Dec 21, 2023 09:37 GMT)

Robert Murrill
Chairman
Sutton Grammar School Trust

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, a directors' report and strategic report under company law.

The Trust operates a selective grammar school for students aged 11 to 18 serving a catchment area in South West London and North East Surrey. During the year under review the School had 675 male students on roll in years 7 to 11 and a further 360 students (male and female) in years 12 and 13.

Structure, governance and management

Constitution

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

The charitable company is known as Sutton Grammar School.

The trustees of Sutton Grammar School Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Trust purchases insurance to protect trustees and officers from claims for negligent acts, errors and omissions whilst on Trust business. The insurance provides cover up to £10 million on any one claim and the cost for the year ended 31 August 2023 was £240 (2022: £196)

Method of recruitment and appointment or election of trustees

Five trustees appointed by the Members served throughout the year.

The composition of the Trust Board requires a minimum of two trustees to be elected by registered parents by nomination and secret ballot. Mr Melbourne and Mr Brione, parent elected trustees, served throughout the year.

Policies and procedures adopted for the induction and training of trustees

Trustees receive a detailed briefing on their role and specific training is arranged where a need is identified.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

The Board is responsible for all strategic decisions. It is supported by six standing committees:

- the Finance and General Purposes Committee (FGPC); responsible for budget setting and monitoring;
- the Audit and Risk committee; responsible for oversight of risk at the school and the audit function;
- the Admissions Committee; responsible for implementing the admissions policy and admissions decisions;
- the Curriculum Committee; has oversight of teaching and learning, pastoral policy and practice and also oversees CPD for both staff and trustees;
- the Remuneration Committee; reviews the Senior Leaders pay, holds the Headmaster and Director of Finance and Operations to account for their recommendations for other employees' pay
- the Nominations Committee; considers and interviews potential trustees and makes recommendations to both the Members and the Board.

Individual trustees take on specific responsibilities to act as the link between the Board and management on issues such as: pupil discipline and behaviour, educational visits and trips, pastoral support, and health and safety. Individual trustees have individual links with teaching faculties and the sixth form.

The Headmaster is the Accounting Officer. He is supported in this role by the Director of Finance and Operations.

The Board has delegated responsibility for all educational operations to the Headmaster. The Headmaster together with the Deputy Head, Assistant Heads and the Director of Finance and Operations comprise the Senior Leadership Team (SLT).

The Headmaster has the freedom to adjust staff numbers and other expenditure within the approved financial budget to meet the operational needs of the School.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the School responsible for directing and controlling the Academy comprise the trustees together with the SLT.

The Members of the Trust and the trustees receive no remuneration for their role as members and trustees. The Headmaster receives remuneration only as an employee of the Trust.

The Trust has an approved pay policy. It sets its own competitive pay scales for all staff below senior management. Salary progression is subject to performance assessment against agreed criteria.

The Remuneration Committee is responsible for setting and monitoring the performance objectives of the SLT. The Headmaster supports the Committee in its assessment of members of the SLT other than himself.

In setting the remuneration of the SLT the Committee benchmarks against other selective schools in terms of size, performance, and composition of the management team. It also considers relativities against other academy schools in the area.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	-
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

Total cost of facility time	900
Total pay bill	-
Percentage of the 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	-
---	---

The Trust contributed £900 (2021: £527) to the Partnership of Sutton Secondary School Head's Board as a contribution towards the cost of union facilities. No trade union has requested facilities from the Trust.

Related parties and other connected charities and organisations

The School collaborates with the local authority and other local academy trusts on a number of general issues relevant to the provision of education across the London Borough of Sutton.

The School provides administrative services on a not-for-profit basis to the local selective schools for the running of a common entrance test designed to show whether or not a child is of selective ability. The test is open to all eligible children irrespective of place of residence.

The School benefits from the activities of the charitable incorporated organisation, Sutton Grammar School Parent Teacher Association (SGSPTA) – charity number 1168281. The SGSPTA makes grants to the Trust, mostly for the provision of tangible assets and capital projects. Mr Cloves is the President of the SGSPTA but under the Charity's Articles exercises no control over its financial policy or distributions. The distribution of the company's assets is restricted by the terms of the Memorandum.

The Headmaster is in accordance with tradition the elected President of the Old Suttonians Association (OSA). The Trust hires sports facilities to the OSA on a commercial terms approved by the Finance and General Purposes Committee (FGPC).

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

Objects and aims

This report covers the period 1 September 2022 to 31 August 2023 and significant developments to the date of signing the Report.

The objective of the Trust is the advancement of education, principally secondary education.

The School admits boys to Year 7 by competitive examination. Entrance exams are also held if there are vacancies in years 8, 9 and 10. 135 boys (2022: 135) joined the School in Year 7 in September 2022. During the period there were on average 676 (2022: 678) students on roll in years 7 to 11.

The 2023 entry tests in the autumn of 2022 were held as normal in September and October and 140 boys, 5 above PAN, were admitted to the School in September 2023.

Most boys stay into the sixth form for A-level study. 49 (2022:54) students who met the sixth form admission requirements joined in Year 12 from other schools in September 2022 including 27 girls. There were 362 (2022: 362) students on roll in the sixth form during the year.

The principal source of income is the General Annual Grant (GAG) provided by the Secretary of State for Education under the Funding Agreement between the Trust and the Secretary of State. Payment of this grant is through the Education and Skills Funding Agency (ESFA).

The Trust also receives capital grants from the DfE. It distributes the DfE bursary funds to eligible sixth formers.

Objectives, strategies and activities

It is the Trust's strategic objective to aim for excellence in all areas of the School's educational provision.

The overall aim is to provide teaching at an outstanding level to all students in all age groups and to produce well-rounded individuals who can reach their full potential, including progressing to places at leading universities, preparing for success in their chosen careers and contributing to society. The Trust believes that this can be achieved by providing opportunities for all students to study a rich and broad curriculum and take part in a wide range of extra-curricular activities.

The Trust aims to provide an inclusive educational environment and excellent pastoral care so that all students and staff feel supported and safe, and students are encouraged to be open-minded engaged learners.

The Trust budgets for medium term financial sustainability with clear plans for both expenditure and income raising potential; with retention and recruitment of high-quality staff throughout the Trust as a priority.

The School's comprehensive programme cannot currently be delivered on the basis of public funding alone. Therefore, the Trust values the generous response by parents and others who make regular voluntary donations to support the Trust's aims. In addition, there is significant financial support provided by the SGSPTA as a result of its independent fundraising activities.

The School was inspected by Ofsted for the first time in June 2022 and was rated 'Good'.

Public benefit

The Board gives careful consideration to the Charity Commission's general guidance on public benefit and in normal circumstances makes its sports facilities available for community use, including the Borough Cross Country and Indoor Athletics. The School's other facilities are used by educational and religious organisations.

The School has entered into a joint venture with the other five selective Sutton schools to provide an out-reach programme in Maths and English for the most disadvantaged Year 5 children in Sutton schools. This programme started in September 2022 with teaching to a common syllabus taking place at each of the participating schools.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

The School has well established systems for academic and pastoral care. Programmes of early intervention are designed to ensure that each student is able to fully benefit from the range of opportunities that the School provides.

The strong pastoral team is under the leadership of the Deputy Head as the Designated Safeguarding Lead (DSL). She is supported by three Assistant DSLs and a Pastoral and Student Support Officer. This team, which is also supported by the Heads of Year, made a major contribution to the management of the student body.

Academic Performance

The Curriculum Committee advises the Board on all aspects of academic progress. The Headmaster, supported by the SLT lead on curriculum matters, provides detailed reports on teaching and learning, and on the relative performance of different subsets of students. Academic departments can, with the agreement of the Board, run non-standard courses if they feel this will benefit students.

Public examinations were held in the normal way in the summer of 2023. For the A-Level students this was their first experience of a public examination, their GCSEs in 2021 having been based on centre assessed grades (CAGs). Comparison in the following tables is best made against student achievement in 2019 and earlier rather than the TAGs of 2020 and the Centre Assessed Grades (CAGs) for 2021.

Student achievements GCSE

The results were the strongest set of GCSE results, when external exams have been taken, that the School has had.

	Students	9%	8+%	7+%	Average Point Score
2023	135	28	55	76	7.47
2022	135	39	66	83	7.78
2021	135	42	68	85	7.87
2020	135	37	66	85	7.84
2019	120	35	64	84	7.75
2018	120	32	61	81	7.63

Attainment 8 and Progress 8 (2016-2022)

	2023	2022	2021	2020	2019	2018	2017
Attainment 8	7.90	8.15	8.20	8.13	8.09	8.06	7.51
Progress 8	0.82	Not issued	Not issued	Not issued	0.95	0.83	0.64

(a) data excludes history as students take the IGCSE. If history is included the 2023 score is 8.0.

The ALPs report shows that the value added achieved by the students at GCSE was an ALPS quality indicator of band 2 (top 10). FSM Ever students (6) had an A8 of 8.3 and a P8 of 0.72. SEN students (7) had an A8 of 7.7 and a P8 of 0.58.

131 students progressed into the sixth form.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Student achievements - Advanced level

	Entries	A*%	A*-A%	A*-B%	Average Point Score	ALPS Value Added	Cohort GCSE A8
2023	583	24	58	80	45.0	3	8.20
2022	607	37	68	88	48.8	3	8.13
2021	546	44	76	91	50.7	2	8.09
2020	488	28	65	88	47.6	3	8.06
2019	499	18	53	83	44.1	4	7.51
2018	495	26	61	85	47.3	N/A	7.28

There were 174 students in the cohort (2022: 180, 2021: 163, 2020: 144).

It remains the Board's view that the most important measure of success at A-Level is the progress the School's sixth form students make to tertiary education or their chosen career.

There are a healthy variety of universities that our students will be starting in September. This year 174 will be starting at university (2022: 173).

We had 195 (including 21 externals, former students) UCAS applications submitted this year

- 105 First choice placed - inc. 3 studying abroad
- 39 Insurance choice placed
- 29 Clearing placements
- 3 Gap year students

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The most popular courses were:

The Sciences	17
Engineering	28
Medicine inc dentistry	19
Computing Science	17
Maths	15
Economics	14
Law	5
Accounting & Finance	10
Business/Management	8
History	6

List of top university places accepted:

University	No of students
University of Southampton	17
University of Surrey	16
University College London	14
Queen Mary University	11
University of Warwick	10
Imperial College London	8
University of Cambridge	8
University of Bristol	7
City, University of London	6
Loughborough University	6
University of Bath	5
University of Leeds	5
Kings College London	4
University of Birmingham	4
Bournemouth University	3
Queen's University Belfast	3
University of Brighton	3
University of Leicester	3
University of Manchester	3
University of Nottingham	3
Kingston University	2
London School of Economics	2
Royal Holloway	2
SOAS University of London	2
University of East Anglia	2
University of Oxford	2

Extra-Curricular Activity

The School endeavours to provide a wide range of extra-curricular activity including educational trips and visits.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Investment Programme

The Trust submitted two bids to the 2021 CIF for replacement of the pitch roofs and for the installation of new fire doors. Both bids were successful but because of material supply issues caused by Covid both projects were delayed. Both projects have been successfully completed.

As recorded in previous reports, the Trust plans to replace or extensively update the Pavilion at the Walch Memorial Sports Ground (WMSG). It has been decided that the facility will be designed primarily for the use of the School. Detailed specifications have been produced and technical surveys conducted. The project lost momentum in the absence of a DFO for six months and as a result of delays in the local authority planning process. Following a meeting with the Epsom and Ewell planners the planning application has been made. The outcome is awaited.

Going concern

The Trust regularly has more successful applicants for places than it can offer. The Board has agreed that the because of the size of the main site it cannot seek further growth in years 7 to 11. The Trust has adapted its admissions policy to provide more opportunity for boys from disadvantaged backgrounds by adjusting entrance exams results according to the IDACI number for the boy's home address while still applying an age adjustment. The Admissions Committee has noted that the impact of age adjustment has declined in recent years. The IDACI adjustment results in more boys passing the through the entrance exam process and indeed becoming eligible for places at the School.

The recruitment of external entrants to Year 12 adds diversity and experience into the sixth form. The Board recognises that it is important to ensure that sixth form provision overall is cost-effective but it believes that a broad based educational offer is appropriate for students. As a consequence, all students are encouraged to study four A-level subjects in Year 12. The School has an enviable reputation in STEM, so it is easy to attract students both internally and externally for these sixth form courses. However as can be seen from the earlier table showing university courses the School is well placed to develop students across a wide range of disciplines.

The Trust has prepared three-year budgets in accordance with ESFA requirements. These were prepared on the basis of the government's economic projections at the time that funding decisions for schools were made. Increased energy and transport costs impacted severely at the end of the financial year. These pressures were further exacerbated by increased labour costs coupled with a high level of general inflation.

The FGPC will carefully monitor the Trust's financial position to understand the potential impact on the medium term. Beyond the 2023-24 year the basic income elements, KS3 and KS4 student numbers, will be considered, while the Trust accepts the desire to keep class sizes smaller, it accepts that the numbers will need to grow. All budget projections indicate a continued need for funding from private sources if the School is to continue to provide the broad curriculum and educational experience that the Trust wishes to supply.

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

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

The majority of the School's revenue funding was provided by the Education and Skills Funding Agency (ESFA). In addition there was voluntary income from parents, donations from the SGSPTA and other donors, and income from lettings.

The School's total income for the period ended 31 August 2023 amounted to £7,562,757 (2022: £7,566,022) of which £5,993,608 (2022: £5,621,524) related to the ESFA General Annual Grant.

The School held fund balances at 31 August 2023 of £16,210,595 (2022: £15,921,862) which included unrestricted funds of £715,233 (2022: £938,089), being the free reserves. While this is a positive outcome overall, it further highlights that EFSA funding is not keeping pace with the school's expenditure.

Reserves policy

The Board reviewed its reserves policy and approved the principle of maintaining a strategic reserve of around 5% of income to protect the Trust against uninsured contingencies.

In its budgeting for 2022-23 the Board assumed that funds from private revenue sources for lettings, trips and other income generating activities would return to at least pre Covid-19 levels. However the increasing level economic uncertainty coupled with the need for the Trust to increase prices to ensure it covers its costs may see a reduction in this income. It was assumed that because of the emerging economic situation funds derived from donations will be lower than pre-Covid-19 levels. Alumni and external relations initiatives will aim to further increase private income.

The Reserve Policy requires a reserve of £320,000 which cannot be committed without Board approval. The application of the excess uncommitted reserves will be subject to careful consideration by the Board given the many possible uses for which it could be applied and the uncertain nature of both public and non-public income.

Given this position there is no prospect of the Trust being able to generate reserves for capital expenditure in the immediate future and it will be dependent on public capital grants. It will also be dependent on continued voluntary support.

Investment policy

The Director of Finance and Operations (DFO) manages the Trust's funds on a daily basis to maximise interest income whilst at the same time providing funds for the day-to-day management of the School. Overnight balances are cleared into interest bearing accounts to maximise interest. The amount of interest which can be earned has greatly fallen over recent years but with recent increases in the Bank of England's lending rate the DFO will consider whether better returns on the School's balances can be achieved through short/medium term investments.

Regular monthly cash flow forecasts are prepared. The Board does not foresee any cash management issues arising in the medium term.

Principal risks and uncertainties

The Trust's commercial and financial operating procedures are designed to provide a clear separation of responsibility for dealing with all income and expenditure. There are approved procedures for certifying all transactions including electronic ordering and payments. Risk to the Trust's day-to-day financial operations is therefore minimised.

The deficit on the Local Government Pension Scheme decreased as shown in the accounts, while this is welcome there is continuing uncertainty in any final salary scheme of this type particularly regarding the employer's future contribution rate. The Trust has been notified of an increase in the employer contributions to the Teacher Pension Scheme which the government have advised they will cover with an additional grant.

The Trust has an Estates Masterplan which has a requirement for significant capital investment to ensure that its facilities can provide the full range of experience for its students. The Trust is not able to realise any cash via the disposal of tangible fixed assets so it will be largely dependent on public sector grants to meet these capital requirements.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

The Trust aims to achieve best practice in the way in which it communicates with its supporters. The Trust invites parents and other donors to make regular donations to the School to help support the provision of the broadest range of curriculum and non-curricular activities. It is stressed that any donation is purely voluntary.

The School does not engage in direct fundraising other than approaching parents for voluntary contributions as described above; it is not registered with the Fundraising Regulator. The Trust does not employ the services of professional fundraisers. Gift aid is claimed on all eligible donations. Details of donations are held independently of any other personal data collected in respect of a student's admission and the names of a donor (who may not be a person with parental responsibility) cannot be linked directly to a student. The Trust is unable to identify any specific costs associated with donation requests.

The Trust undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2022-2023 the Trust received no complaints about its fundraising activities.

Plans for future periods

The Board has agreed that the School will remain in a single academy trust (SAT) with selective admissions. The Board believes that this is the best way to maintain the School's reputation for academic performance and excellent pastoral care. It therefore views with concern the Government's aim for all schools to be part of a multi academy trust (MAT).

Running a relatively small secondary school in a SAT requires strict financial discipline. There is continued uncertainty in the level of public funding and as stated earlier the Trust will continue to seek donations to support the School.

There is limited capacity to expand the sixth form as nearly all the School's year 11 students' return to Year 12.

The regular recruitment of female students is seen by the Sixth Form Leaders as being very beneficial to the overall sixth form experience. The Trust is conscious that it needs to further enhance facilities for its female students.

Some of the newer buildings, built within strict funding limits, are in need of significant maintenance. Every opportunity is taken for the premises staff to carry out a programme of works which would otherwise have required contractors.

In order to comply with its duties under the Equality Act 2010 disability access needs to be provided to the upper floors of the main building. There are continuing issues facing the security of the Trust's premises in an urban environment.

The Trust reviewed its plans to improve playing and changing facilities at the Walch Memorial Sports Grounds. Designs are being prepared to meet the requirements of the local authority (Epsom and Ewell) planners. The pavilion project will require a grant from the DfE and possibly support by other funding bodies if the desired facilities are to be achieved.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21/12/2023..... and signed on its behalf by:

R Murrill

R Murrill (Dec 21, 2023 09:37 GMT)

Mr R W Murrill

Chairman

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Sutton Grammar School Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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


Benjamin Cloves (Dec 21, 2023 09:44 GMT)

Mr B A Cloves
Accounting Officer

21/12/2023
.....

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headmaster, 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 Sutton Grammar School Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board has acknowledged that some Trustees have responsibilities elsewhere which mean they cannot always attend meetings in person, with this in mind the Trust also has links so that Trustees can attend by Zoom. Some decisions were reached by e-mail correspondence. These decisions were recorded as minutes to provide full transparency of the decisions.

Due to internal issues the Board only held four meetings. Other decisions were taken by email and confirmed at the meetings.

Trustees	Meetings attended	Out of possible
Mr R W Murrill (Chair)	4	4
Mr B A Cloves (Accounting Officer and Headmaster)	4	4
Ms F H E Alexander	4	4
Mr D G Hobbs	3	4
Mr T G Kohler	4	4
Mr J R Edwards	4	4
Ms N Prasad	2	4
Mr A M Melbourne	4	4
Mr S Etienne	3	4
Mr P A J Brione (Appointed 1 February 2023)	0	0
Dr L Holt (Resigned 20 September 2022)	0	0
Mr P J Ritson (Resigned 20 September 2022)	0	0
Mr W D Humphries (Resigned 27 September 2022)	1	1
Mr A J Marsh (Resigned 24 June 2023)	2	4
Mr G W Jones (Resigned 24 June 2023)	4	4

The Deputy Head, Mrs Kate Ross, attended the four meetings of the Board. She is a member of the Admissions Committee. Mr J Costello Assistant Head attended three meetings of the Curriculum Committee.

The Curriculum Committee met three times; the Audit and Risk Committee met twice; and FGPC as an audit committee once.

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Board has a dedicated Finance and General Purposes Committee (FGPC). Its principle function is to maintain effective oversight over the Trust's finances by performing the following duties:

- considering the indicative funding from the ESFA and the implications for the ensuing financial year.
- recommends the annual budget,
- monitors cash flow,
- monitors approved expenditure,
- approves any adjustments to budgets to meet changing priorities,
- reviews, approves and monitors the implementation of the financial procedures,
- approves the insurance arrangements,
- approves tenders for capital expenditure. and
- sets pay scales, (but not individual salaries) for teaching and support staff.

The Committee held six meetings.

The Audit and Risk Committee met to consider the draft Annual Report and Accounts and the Auditor's Management Letter for the period ended 31 August 2023.

The Remuneration Committee (Mr Edwards, Mr Alexander, and Mr Murrill) met twice.

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Review of value for money

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

The Accounting Officer has provided good value for money by meeting the Board's objectives.

The Board agrees performance aims for the educational performance of the School. It receives through the Curriculum Committee detailed analyses on academic performance. Board members are encouraged to attend faculty meetings to promote effective communication of educational developments. This assists the Board in setting and monitoring the targets for academic performance.

The Deputy Head as the Designated Safeguarding Lead (DSL) provides the Board with reports on the management of the pastoral systems which work to support students' academic development.

The Board is committed to appointing well-qualified specialist staff across the curriculum. The Headmaster has given careful consideration to the level of staff resources needed to meet the Trust's educational objectives and has recruited staff with the appropriate levels of qualification and experience to meet the challenging educational environment of the School.

The Headmaster supports the Remuneration Committee of the Board in determining the salaries of staff by providing evidence from staff appraisals and assessments including bench marking using appropriate job evaluations provided by external consultants. The Remuneration Committee uses appropriate performance measures and external bench marks in setting the remuneration of the Headmaster. For the avoidance of doubt, the Headmaster is not present during the Committee's consideration of his remuneration.

The DFO provides monthly management accounts and financial commentaries to the Finance and General Purposes Committee (FGPC). All Board members have access to this information. This allows all trustees to engage and challenge.

The DFO regularly reviews the performance of contractors providing services such as cleaning, catering, grounds maintenance, utilities, and security. New contracts for these services are tendered in accordance with the Trust's tender procedures which require that purchases of goods and services for over £20,000 must be tendered. Where it is considered appropriate, purchases below £20,000 are also tendered.

The Trust employs specialist advisers to assist with tenders for major contracts and capital projects. The advisers are themselves appointed by competitive processes. The FGPC considered all tender recommendations and approved the successful bidders during the period.

The Accounting Officer ensures that all purchasing decisions are made on the basis of value for money. The Trust does not generally participate in purchasing consortia as in many areas, e.g. the purchase of photocopying paper and similar stationery requisites; it finds that best value for money can be obtained by open market purchases. The Trust expects that at least three quotations will be obtained for smaller purchases of goods and services.

The Trust participates in the IT network arrangements provided through the London Grid for Learning.

The Trust purchases insurance from the London Borough of Sutton's Academies Insurance Scheme which provides insurance for most aspects of the Trust's activities at a competitive price. Other insurance is purchased on the advice of the Trust's broker regarding the current market for the cover required.

The Trust cooperates with other local academies and maintained schools and members of staff meet regularly to exchange experience. The School is a member of the Boys Academically Selective Schools (BASS) and the Headmaster is a member of the Grammar Schools Heads Association. This allows the exchange of data with schools of broadly similar function and size. This provides measures of relative performance and bench marks on academic performance and other operational aspects.

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The School collaborates with five Sutton schools with selective admissions on the testing of candidates for selective places for entry to year 7. This has the benefit of reducing the testing burden on the children concerned and reducing costs to the participating schools.

The School benefits considerably from voluntary help. Volunteers include parents, staff, pupils, and friends of the School, especially the SGSPTA. This voluntary support is vital in enabling the School to maintain its broad curriculum, a wide variety of educational trips and a broad range of extra-curricular activities.

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 the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Trust's system of internal control has been in place throughout the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. During the year, the FGPC reviewed and approved the Trust's Commercial and Business Procedures.

Capacity to handle risk

The Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is an on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

The risk and control framework

The 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;
- regular reviews by the FGPC of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and identification and management of risks.

External Audit

The Trust values the role of independent assurance provision.

In accordance with the requirements of the Academy Trust Handbook the Trust commissioned an internal scrutiny review from an independent firm of auditors. This review showed no major areas of concern. It made a few minor recommendations which are being implemented.

Review of effectiveness

The Headmaster, as Accounting Officer, has the responsibility for reviewing the effectiveness of the system of internal control. During the year in question his review has been informed by:

- the work of the DFO, who has responsibility for the development and maintenance of the internal control framework;
- the monthly management accounts;
- the regular meetings of the FGPC;
- the internal reassurance work;
- the work of the external auditor;
- the work of the internal auditor;
- the financial management and governance self-assessment process and
- the work of the dedicated Audit and Risk Committee

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Approved by order of the board of trustees on 21/12/2023 and signed on its behalf by:

R Murrill
R Murrill (Dec 21, 2023 09:37 GMT)

Mr R W Murrill
Chairman

Benjamin Cloves
Benjamin Cloves (Dec 21, 2023 09:44 GMT)

Mr B A Cloves
Accounting Officer and Headmaster

SUTTON GRAMMAR SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON GRAMMAR SCHOOL TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Sutton Grammar School Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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.

SUTTON GRAMMAR SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON GRAMMAR SCHOOL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

SUTTON GRAMMAR SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON GRAMMAR SCHOOL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Extent to which the audit was capable of detecting irregularities, including fraud

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Trust Handbook 2022, the Academies Accounts Direction 2022 to 2023, safeguarding prevent/protect, Ofsted, taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

Audit response to risks identified

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Board of trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the ESFA and HMRC.

SUTTON GRAMMAR SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON GRAMMAR SCHOOL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Alliotts LLP

21/12/2023
.....

Chartered Accountants
Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Sutton Grammar School Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 21/12/2023 and signed on its behalf by:


R Murrill (Dec 21, 2023 09:37 GMT)

Mr R W Murrill
Chairman

SUTTON GRAMMAR SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 4 February 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sutton Grammar School Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

Approach

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

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

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

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

SUTTON GRAMMAR SCHOOL TRUST

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

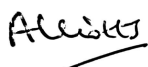
FOR THE YEAR ENDED 31 AUGUST 2023

The work undertaken to draw to our conclusion includes:

- analytical review of the academy trust's general activities to ensure that they are within the academy trust's framework of authority;
- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- review of the general control environment for the academy trust on financial statements and on regularity;
- sample testing of expenditure transactions to ensure the activity is permissible within the academy trust's framework of authority;
- confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities, including disclosing all non-compliance with laws and regulations specific to the authorising framework;
- confirmation that any extra-contractual payments such as severance and compensation payments have been appropriately authorised;
- review of credit card expenditure for any indication of personal use by staff, Headmaster or Trustees;
- review of specific terms of grant funding within the funding agreement;
- review of related party transactions for connections with the Headmaster or Trustees;
- review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

Conclusion

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



Reporting Accountant
Alliotts LLP

Dated: 21/12/2023

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and capital grants	5	227,194	129,502	209,874	566,570	1,019,581
Charitable activities:						
- Funding for educational operations	6	-	6,311,412	-	6,311,412	5,964,479
Other trading activities	7	253,178	375,558	-	628,736	577,825
Investments	8	56,039	-	-	56,039	4,137
Total		<u>536,411</u>	<u>6,816,472</u>	<u>209,874</u>	<u>7,562,757</u>	<u>7,566,022</u>
Expenditure on:						
Raising funds	9	426,667	-	-	426,667	412,135
Charitable activities:						
- Educational operations	10	-	7,271,829	500,528	7,772,357	7,162,262
Total	9	<u>426,667</u>	<u>7,271,829</u>	<u>500,528</u>	<u>8,199,024</u>	<u>7,574,397</u>
Net income/(expenditure)		109,744	(455,357)	(290,654)	(636,267)	(8,375)
Transfers between funds	19	(332,600)	325,357	7,243	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	925,000	-	925,000	1,912,000
Net movement in funds		<u>(222,856)</u>	<u>795,000</u>	<u>(283,411)</u>	<u>288,733</u>	<u>1,903,625</u>
Reconciliation of funds						
Total funds brought forward		938,089	(1,138,000)	16,121,773	15,921,862	14,018,237
Total funds carried forward		<u>715,233</u>	<u>(343,000)</u>	<u>15,838,362</u>	<u>16,210,595</u>	<u>15,921,862</u>

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2022 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	5	252,298	139,710	627,573	1,019,581
Charitable activities:					
- Funding for educational operations	6	-	5,964,479	-	5,964,479
Other trading activities	7	247,577	330,248	-	577,825
Investments	8	4,137	-	-	4,137
Total		<u>504,012</u>	<u>6,434,437</u>	<u>627,573</u>	<u>7,566,022</u>
Expenditure on:					
Raising funds	9	412,135	-	-	412,135
Charitable activities:					
- Educational operations	10	-	6,635,150	527,112	7,162,262
Total	9	<u>412,135</u>	<u>6,635,150</u>	<u>527,112</u>	<u>7,574,397</u>
Net income/(expenditure)		91,877	(200,713)	100,461	(8,375)
Transfers between funds	19	151,044	(158,287)	7,243	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	1,912,000	-	1,912,000
Net movement in funds		242,921	1,553,000	107,704	1,903,625
Reconciliation of funds					
Total funds brought forward		695,168	(2,691,000)	16,014,069	14,018,237
Total funds carried forward		<u>938,089</u>	<u>(1,138,000)</u>	<u>16,121,773</u>	<u>15,921,862</u>

SUTTON GRAMMAR SCHOOL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	14		15,728,298		15,691,248
Current assets					
Debtors	15	387,722		566,791	
Cash at bank and in hand		1,134,138		1,394,746	
		<u>1,521,860</u>		<u>1,961,537</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(696,563)		(589,301)	
		<u></u>		<u></u>	
Net current assets			825,297		1,372,236
Total assets less current liabilities			16,553,595		17,063,484
Creditors: amounts falling due after more than one year	17		-		(3,622)
			<u></u>		<u></u>
Net assets excluding pension liability			16,553,595		17,059,862
Defined benefit pension scheme liability	21		(343,000)		(1,138,000)
			<u></u>		<u></u>
Total net assets			16,210,595		15,921,862
			<u></u>		<u></u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			15,838,362		16,121,773
- Pension reserve			(343,000)		(1,138,000)
			<u></u>		<u></u>
Total restricted funds			15,495,362		14,983,773
Unrestricted income funds	19		715,233		938,089
			<u></u>		<u></u>
Total funds			16,210,595		15,921,862
			<u></u>		<u></u>

The accounts on pages 28 to 51 were approved by the trustees and authorised for issue on 21/12/2023 and are signed on their behalf by:


R Murrill (Dec 21, 2023 09:37 GMT)

Mr R W Murrill
Chair

Company registration number 07633715 (England and Wales)

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	22		(235,941)		291,416
Cash flows from investing activities					
Dividends, interest and rents from investments		56,039		4,137	
Capital grants from DfE Group		464,115		252,360	
Purchase of tangible fixed assets		(537,578)		(248,849)	
Net cash (used in)/provided by investing activities			(17,424)		7,648
Cash flows from financing activities					
Repayment of long term bank loan		(7,243)		(7,243)	
Net cash used in financing activities			(7,243)		(7,243)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(260,608)		291,821
Cash and cash equivalents at beginning of the year			1,394,746		1,102,925
Cash and cash equivalents at end of the year			1,134,138		1,394,746
Relating to:					
Bank and cash balances			934,138		1,394,746
Short term deposits			200,000		-

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

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

2.1 Basis of preparation

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

2.2 Going concern

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

2.3 Income

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

Grants

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

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

Capital grants are recognised 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.

Sponsorship income

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

Donations

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

Other income

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

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

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

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

2.5 Tangible fixed assets and depreciation

Individual assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets costing less than £5,000 individually but forming a project purchase of greater than £25,000 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 that require 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.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

(Continued)

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

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 - 15 years
Motor vehicles	5 years

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

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

2.6 Liabilities

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

2.7 Leased assets

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

2.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

(Continued)

2.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

2.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

3 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Critical accounting estimates and areas of judgement (Continued)

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 the financial statements, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation.

4 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2023 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2023.

5 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	209,874	209,874	627,573
Other donations	227,194	129,502	356,696	392,008
	<u>227,194</u>	<u>339,376</u>	<u>566,570</u>	<u>1,019,581</u>

6 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	5,993,608	5,993,608	5,621,524
Other DfE/ESFA grants:				
- Pupil premium	-	21,118	21,118	23,923
- Others	-	242,452	242,452	255,913
	<u>-</u>	<u>6,257,178</u>	<u>6,257,178</u>	<u>5,901,360</u>
Other government grants				
Local authority grants	-	54,234	54,234	63,119
	<u>-</u>	<u>54,234</u>	<u>54,234</u>	<u>63,119</u>
Total funding	<u>-</u>	<u>6,311,412</u>	<u>6,311,412</u>	<u>5,964,479</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Lettings income	158,851	-	158,851	171,019
Trip income	-	368,838	368,838	320,029
Other income	94,327	6,720	101,047	86,777
	<u>253,178</u>	<u>375,558</u>	<u>628,736</u>	<u>577,825</u>

8 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	56,039	-	56,039	4,137
	<u>56,039</u>	<u>-</u>	<u>56,039</u>	<u>4,137</u>

9 Expenditure

	Staff costs £	Non-pay expenditure		Total 2023 £	Total 2022 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	57,190	-	369,477	426,667	412,135
Academy's educational operations					
- Direct costs	4,963,321	-	538,011	5,501,332	4,942,090
- Allocated support costs	893,507	1,029,152	348,366	2,271,025	2,220,172
	<u>5,914,018</u>	<u>1,029,152</u>	<u>1,255,854</u>	<u>8,199,024</u>	<u>7,574,397</u>

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	500,528	527,112
Fees payable to auditor for:		
- Audit	11,135	10,120
- Other services	4,660	4,235
Net interest on defined benefit pension liability	50,000	47,000
	<u>570,323</u>	<u>588,567</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Charitable activities

	2023	2022
	£	£
All from restricted funds:		
Direct costs		
Educational operations	5,501,332	4,942,090
Support costs		
Educational operations	2,271,025	2,220,172
	<u>7,772,357</u>	<u>7,162,262</u>

	2023	2022
	£	£
Analysis of support costs		
Support staff costs	837,716	867,243
Depreciation	500,528	527,112
Technology costs	3,411	43,183
Premises costs	528,624	474,215
Legal costs	17,076	16,427
Other support costs	307,534	227,208
Governance costs	76,136	64,784
	<u>2,271,025</u>	<u>2,220,172</u>

11 Staff

Staff costs

Staff costs during the year were:

	2023	2022
	£	£
Wages and salaries	4,255,649	3,875,597
Social security costs	468,176	403,467
Pension costs	1,033,345	1,152,646
Staff costs - employees	<u>5,757,170</u>	<u>5,431,710</u>
Agency staff costs	146,848	26,551
Staff restructuring costs	10,000	-
Total staff expenditure	<u>5,914,018</u>	<u>5,458,261</u>

Staff restructuring costs comprise:

Severance payments	<u>10,000</u>	<u>-</u>
--------------------	---------------	----------

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

11 Staff

(Continued)

Severance payments

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

£0 - £25,000	1
--------------	---

Staff numbers

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

	2023 Number	2022 Number
Teachers	67	66
Administration and support	49	42
Management	6	5
	<u>122</u>	<u>113</u>

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>7</u>	<u>5</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £707,259 (2022: £667,994).

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Trustees' remuneration and expenses

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

The value of trustees' remuneration and other benefits was as follows:

B Cloves (Headmaster)	
Remuneration	£110,000 - £115,000 (2022: £100,000 - £105,000)
Employer's pension contribution	£25,000 - £30,000 (2022: £20,000 - £25,000)
A Marsh	
Remuneration	£40,000 - £45,000 (2022: £50,000 - £55,000)
Employer's pension contribution	£10,000 - £15,000 (2022: £10,000 - £15,000)
W Humphries	
Remuneration	£0- £5,000 (2022: £45,000 - £50,000)
Employer's pension contribution	£0- £5,000 (2022: £10,000 - £15,000)

During the year, no travel and subsistence expenses were reimbursed to trustees (2022: nil) .

Other related party transactions are set out within the related parties note.

13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2023 was £196 (2022: £196). The cost of this insurance is included in the total insurance cost.

14 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2022	19,767,995	106,455	204,636	550,191	60,975	20,690,252
Additions	255,466	191,346	17,905	72,861	-	537,578
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	20,023,461	297,801	222,541	623,052	60,975	21,227,830
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 1 September 2022	4,379,905	-	154,467	406,357	58,275	4,999,004
Charge for the year	455,728	-	29,552	12,548	2,700	500,528
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	4,835,633	-	184,019	418,905	60,975	5,499,532
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value						
At 31 August 2023	15,187,828	297,801	38,522	204,147	-	15,728,298
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	15,388,090	106,455	50,169	143,834	2,700	15,691,248
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Debtors

	2023	2022
	£	£
Trade debtors	30,866	53,805
VAT recoverable	32,364	76,376
Other debtors	31,065	-
Prepayments and accrued income	293,427	436,610
	<u>387,722</u>	<u>566,791</u>

16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Government loans	3,622	7,243
Trade creditors	112,016	168,863
Other taxation and social security	120,346	100,611
Other creditors	119,624	111,412
Accruals and deferred income	340,955	201,172
	<u>696,563</u>	<u>589,301</u>

Included in the current loan balance is £3,622 (2022: £7,243) in relation to loans from Salix Finance as part of the Condition Improvement Fund. The original amounts borrowed were £57,944 in relation to the boiler replacement and £10,000 in respect of the flat roof replacement. The former was repayable over eight years in annual instalments of £7,244, beginning in the year ended 31 August 2016. The latter is repayable over five years, beginning in the year ending 31 August 2020. The loan for the boiler replacement is interest free whilst the loan for the flat roof replacement incurs interest charges at the rate of 1.55%.

17 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Government loans	-	3,622
	<u>-</u>	<u>3,622</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Creditors: amounts falling due after more than one year	(Continued)	
Analysis of loans	2023 £	2022 £
Wholly repayable within five years	3,622	10,865
Less: included in current liabilities	(3,622)	(7,243)
	<u> </u>	<u> </u>
Amounts included above	-	3,622
	<u> </u>	<u> </u>
Loan maturity		
Debt due in one year or less	-	7,243
Due in more than one year but not more than two years	-	3,622
	<u> </u>	<u> </u>
	-	10,865
	<u> </u>	<u> </u>

Included in the non-current loan balance is £nil (2022: £3,622) in relation to loans from Salix Finance as Part of the Condition Improvement Fund (as described above).

18 Deferred income	2023 £	2022 £
Deferred income is included within:		
Creditors due within one year	287,567	152,123
	<u> </u>	<u> </u>
Deferred income at 1 September 2022	152,123	170,267
Released from previous years	(152,123)	(170,267)
Resources deferred in the year	287,567	152,123
	<u> </u>	<u> </u>
Deferred income at 31 August 2023	287,567	152,123
	<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding funds received in advance for a Parent Teacher Association contribution for IT equipment expenditure, forthcoming trips and other events.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	-	5,993,608	(7,141,829)	1,148,221	-
Pupil premium	-	21,118	-	(21,118)	-
Other DfE/ESFA grants	-	242,452	-	(242,452)	-
Other government grants	-	54,234	-	(54,234)	-
Other restricted funds	-	505,060	-	(505,060)	-
Pension reserve	(1,138,000)	-	(130,000)	925,000	(343,000)
	<u>(1,138,000)</u>	<u>6,816,472</u>	<u>(7,271,829)</u>	<u>1,250,357</u>	<u>(343,000)</u>
Restricted fixed asset funds					
Inherited on conversion	10,720,420	-	(274,860)	-	10,445,560
DfE group capital grants	5,357,968	209,874	(198,237)	-	5,369,605
Capital expenditure from GAG	43,385	-	(27,431)	7,243	23,197
	<u>16,121,773</u>	<u>209,874</u>	<u>(500,528)</u>	<u>7,243</u>	<u>15,838,362</u>
Total restricted funds	<u>14,983,773</u>	<u>7,026,346</u>	<u>(7,772,357)</u>	<u>1,257,600</u>	<u>15,495,362</u>
Unrestricted funds					
General funds	938,089	536,411	(426,667)	(332,600)	715,233
	<u>938,089</u>	<u>536,411</u>	<u>(426,667)</u>	<u>(332,600)</u>	<u>715,233</u>
Total funds	<u>15,921,862</u>	<u>7,562,757</u>	<u>(8,199,024)</u>	<u>925,000</u>	<u>16,210,595</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

(Continued)

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

General Annual Grant: This fund is for the purpose of running the Academy in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook.

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2023 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

Other DfE/ESFA grants: This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the Academy's activities that are not funded through the General Annual Grant.

Other government grants: This fund has also arisen from funding received for the furtherance of the Academy's activities that are not funded through the General Annual Grant.

Other restricted fund: This restricted fund has arisen from other income that the Academy has received. The monies have to be used for the benefit of the Academy but there are no restrictions on when these monies can be spent.

Pension reserve: This liability has arisen from the Local Government Pension Scheme, which was inherited by the Academy on conversion. See note 21 for further details on this liability.

Restricted fixed asset funds: These funds have arisen from fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the Academy. All assets held are specifically for the use of the Academy.

Unrestricted funds: These have arisen from activities carried out by the Academy for raising funds and are unrelated to any form of government assistance and therefore the Academy can choose to spend it however it chooses.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	5,621,524	(6,276,150)	654,626	-
Pupil premium	-	23,923	-	(23,923)	-
Other DfE/ESFA grants	-	255,913	-	(255,913)	-
Other government grants	-	63,119	-	(63,119)	-
Other restricted funds	-	469,958	-	(469,958)	-
Pension reserve	(2,691,000)	-	(359,000)	1,912,000	(1,138,000)
	<u>(2,691,000)</u>	<u>6,434,437</u>	<u>(6,635,150)</u>	<u>1,753,713</u>	<u>(1,138,000)</u>
Restricted fixed asset funds					
Inherited on conversion	10,995,280	-	(274,860)	-	10,720,420
DfE group capital grants	4,955,216	627,573	(224,821)	-	5,357,968
Capital expenditure from GAG	63,573	-	(27,431)	7,243	43,385
	<u>16,014,069</u>	<u>627,573</u>	<u>(527,112)</u>	<u>7,243</u>	<u>16,121,773</u>
Total restricted funds	<u>13,323,069</u>	<u>7,062,010</u>	<u>(7,162,262)</u>	<u>1,760,956</u>	<u>14,983,773</u>
Unrestricted funds					
General funds	695,168	504,012	(412,135)	151,044	938,089
	<u>695,168</u>	<u>504,012</u>	<u>(412,135)</u>	<u>151,044</u>	<u>938,089</u>
Total funds	<u>14,018,237</u>	<u>7,566,022</u>	<u>(7,574,397)</u>	<u>1,912,000</u>	<u>15,921,862</u>

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	15,728,298	15,728,298
Current assets	715,233	692,941	113,686	1,521,860
Current liabilities	-	(692,941)	(3,622)	(696,563)
Pension scheme liability	-	(343,000)	-	(343,000)
Total net assets	<u>715,233</u>	<u>(343,000)</u>	<u>15,838,362</u>	<u>16,210,595</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	15,691,248	15,691,248
Current assets	938,089	582,058	441,390	1,961,537
Current liabilities	-	(582,058)	(7,243)	(589,301)
Non-current liabilities	-	-	(3,622)	(3,622)
Pension scheme liability	-	(1,138,000)	-	(1,138,000)
Total net assets	938,089	(1,138,000)	16,121,773	15,921,862

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £115,586 were payable to the schemes at 31 August 2023 (2022: £102,359) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions 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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

21 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £687,898 (2022: £651,623).

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 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 contributions are as noted below. The agreed contribution rates for future years are 22% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2023	2022
	£	£
Employer's contributions	215,000	185,000
Employees' contributions	67,000	55,000
	<hr/>	<hr/>
Total contributions	282,000	240,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2023	2022
	%	%
Rate of increase in salaries	3.00	4.20
Rate of increase for pensions in payment/inflation	3.00	3.20
Discount rate for scheme liabilities	5.20	4.25
	<hr/> <hr/>	<hr/> <hr/>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Pension and similar obligations

(Continued)

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

	2023	2022
	Years	Years
Retiring today		
- Males	22.1	21.4
- Females	24.8	24.1
Retiring in 20 years		
- Males	23.0	22.9
- Females	26.0	25.8

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023	2022
	£'000	£'000
Discount rate + 0.1%	(74,000)	(79,000)
Discount rate - 0.1%	74,000	79,000
Mortality assumption + 1 year	154,000	178,000
Mortality assumption - 1 year	(154,000)	(178,000)
CPI rate + 0.1%	69,000	71,000
CPI rate - 0.1%	(69,000)	(71,000)

Defined benefit pension scheme net liability

	2023	2022
	£	£
Scheme assets	3,511,000	3,318,000
Scheme obligations	(3,854,000)	(4,456,000)
Net liability	(343,000)	(1,138,000)

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

	2023	2022
	Fair value	Fair value
	£	£
Equities	1,931,000	2,024,000
Bonds	702,000	763,000
Cash	527,000	133,000
Property	351,000	398,000
Total market value of assets	3,511,000	3,318,000

The actual return on scheme assets was £1,000 (2022: £(318,000)).

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

21 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	295,000	497,000
Interest income	(145,000)	(59,000)
Interest cost	195,000	106,000
Total operating charge	345,000	544,000
Changes in the present value of defined benefit obligations	2023 £	2022 £
At 1 September 2022	4,456,000	6,174,000
Current service cost	295,000	497,000
Interest cost	195,000	106,000
Employee contributions	67,000	55,000
Actuarial gain	(1,069,000)	(2,289,000)
Benefits paid	(90,000)	(87,000)
At 31 August 2023	3,854,000	4,456,000
Changes in the fair value of the academy trust's share of scheme assets	2023 £	2022 £
At 1 September 2022	3,318,000	3,483,000
Interest income	145,000	59,000
Actuarial loss	(144,000)	(377,000)
Employer contributions	215,000	185,000
Employee contributions	67,000	55,000
Benefits paid	(90,000)	(87,000)
At 31 August 2023	3,511,000	3,318,000

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £	2022 £
Net expenditure for the reporting period (as per the statement of financial activities)		(636,267)	(8,375)
Adjusted for:			
Capital grants from DfE and other capital income		(209,874)	(627,573)
Investment income receivable	8	(56,039)	(4,137)
Defined benefit pension costs less contributions payable	21	80,000	312,000
Defined benefit pension scheme finance cost	21	50,000	47,000
Depreciation of tangible fixed assets		500,528	527,112
(Increase) in debtors		(75,172)	(34,935)
Increase in creditors		110,883	80,324
Net cash (used in)/provided by operating activities		<u>(235,941)</u>	<u>291,416</u>

23 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	1,394,746	(460,608)	934,138
Cash equivalents	-	200,000	200,000
	<u>1,394,746</u>	<u>(260,608)</u>	<u>1,134,138</u>
Loans falling due within one year	(7,243)	3,621	(3,622)
Loans falling due after more than one year	(3,622)	3,622	-
	<u>1,383,881</u>	<u>(253,365)</u>	<u>1,130,516</u>

24 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.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

25 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	5,258	12,728
Amounts due in two and five years	-	5,258
	<u>5,258</u>	<u>17,986</u>

26 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

27 Agency arrangements

The Trust manages the DfE's 16-19 Bursary Fund. In the year ended 31 August 2023 the Trust received £6,286 (2022 - £5,614) and distributed £5,587 (2023 - £5,614) of this to vulnerable and discretionary applicants. At 31 August 2023, £699 remained to be distributed to students.