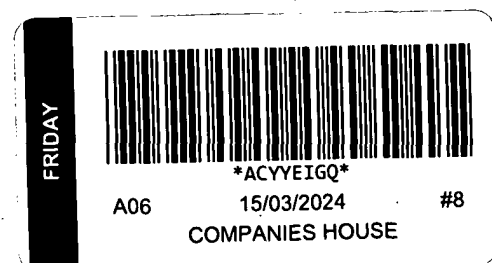


Company Registration Number: 07844587 (England & Wales)

Townley Grammar School Trust (Formerly Odyssey Trust for Education)
(A company limited by guarantee)

Annual report and financial statements

for the year ended 31 August 2023



Townley Grammar School Trust
(A company limited by guarantee)

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Townley Grammar School Trust
(A company limited by guarantee)

Reference and administrative details

Members	John Paterson Carol Strevens Andrew Threadgould (appointed 10 July 2023) Pradeep Thatai (appointed 28 September 2023) Shelley Ogilvie (resigned 19 July 2023) Banji Adewumi (resigned 31 May 2023)
Trustees	O F Squire, Chair of Trustees (from 22 September 2022 to 23 November 2022) D Rouse, Chair of Trustees (from 24 November 2022) (appointed 1 October 2022) M Hancock-Jones (appointed 11 November 2022) R Wijesena (appointed 11 November 2022) J Takpimivbiomo (appointed 24 November 2022) K Maxwell (appointed 24 November 2022) A Hunter-Wainwright (appointed 24 November 2022) C Halai (appointed 18 December 2022) A Addo (appointed 18 December 2022) A Brako Raja (appointed 19 December 2022) N Pandya, Head Teacher (appointed 20 April 2023) P Thatai, Chair of Trustees (appointed 23 March 2023) C Heard (appointed 19 December 2022, resigned 18 May 2023) L Mason-Ellis, Chief Executive Officer (resigned 22 September 2022) T Singh (resigned 24 November 2022) D Moss (resigned 30 November 2022) D Deehan, Chief Executive Officer (resigned 31 December 2022) J Kandasamy (appointed 17 July 2023)
Company number	registered 07844587
Company name	Townley Grammar School Trust
Principal and registered office	Townley Grammar School Trust Townley Road Bexleyheath Kent DA6 7AB
Chief executive officer	N Pandya
Executive Team	N Pandya, Chief Executive Officer L Rackstraw, Finance Officer (appointed 17 April 2023) L Burgess, Chief Finance Officer (resigned 30 June 2023)
Independent auditor	Kreston Reeves LLP Chartered Accountants Statutory Auditor Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU

Townley Grammar School Trust
(A company limited by guarantee)

Reference and administrative details (continued)
for the year ended 31 August 2023

Bankers

Lloyds TSB
Stratford Westfield Branch
PO Box 1000
BX1 1LT

NatWest
1 Townley Road
Bexleyheath
Outer London
DA6 7JG

Solicitors

Lee Bolton Monier-Williams Solicitors
1 The Sanctuary
Westminster
London
SW1P 3JT

Stone King LLP
Boundary House
91 Charterhouse
Barbican
London
EC1M 6HR

Browne Jacobson
15th Floor
6 Bevis Marks
London
EC3A 7BA

Townley Grammar School Trust
(A company limited by guarantee)

Trustees' report
for the year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year-end 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Townley Grammar School Trust (TGST) was renamed in June 2023 (formerly Odyssey Trust for Education) following the transfer of King Henry School to Leigh Academies Trust on 1st June 2023. TGST now operates just one single academy, Townley Grammar School, a high performing selective girls grammar school in Bexleyheath with a total roll of 1576 in the 2022 census.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Townley Grammar School Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Townley Grammar School Trust.

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

b. Members' liability

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

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006, the Academy Trust maintains Trustees and Officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in connection with their acting in capacity as trustees of the Academy Trust.

Townley Grammar School Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Master Funding Agreement with the Secretary of State states that the academy trust must appoint charity trustees to a Board of Charity Trustees and, whereas it must have Articles of Association, the MFA states that articles may not be amended or removed without the Secretary of State's consent. The Articles of Association set out the rules of the company and are those adopted by trustees on 2 May 2018. These do not deviate from the model published by the Department for Education at the time of adoption. The Articles of Association state the objects of the academy trust. Under these documents, the governance of the academy trust rests with the trustees.

The Articles of Association state that there must be a minimum of five members. Members may make such appointments by special resolution. Following two resignations during the financial year 2022 - 2023, and two new appointments, the number of members remains four, however, the Trust is in the final stages of recruiting a fifth member. The names of members in office (all of whom were entitled to vote to nominate or to appoint people as trustees) during the year is below.

Banji Adewumi (resigned 31 May 2023)
Carol Strevens
John Paterson
Shelly Ogilvie (resigned 19 July 2023)
Andrew Threadgould (appointed 10 July 2023)
Pradeep Kumar Thatai (appointed 28 September 2023)

The members may appoint up to eight people by ordinary resolution to be trustees and those trustees who are not co-opted trustees may co-opt any number of people to be co-opted trustees. The term of office for all trustees except the Headteacher is four years. The Headteacher became a trustee on 20 April 2023 and her term of office aligns with her appointment as Headteacher. There may not be fewer than three trustees and the quorum for a meeting is four of them.

During the year, the trustees had in place several committees for Education, Curriculum and Standards; Finance, Audit and Risk; Pay Progression; and a Local Governing Body (LGB) specifically for King Henry School. The LGB for Townley Grammar School was merged into the Trust Board once a decision had been made to transfer King Henry School away from the Trust. Local Governors of the Townley LGB became trustees, thus fulfilling the requirement under the Articles to have two parent trustees. Members have appointed two staff members as a Trustee.

The academy trust's approach to recruiting members, trustees and those local governors who are not elected is to advertise through a range of websites, inviting applications. For elected positions, nominations are first sought from the parent or staff body, as appropriate. Interest is then assessed by all members for member appointments, by a panel of trustees who then make recommendations to members. At all stages for trusteeships, consideration is given to how far applicants meet needs, including the competency framework for governance published by the Department for Education.

Since the beginning of the academic year, the number of trustees has increased from four to thirteen, following the merging of the Board of Trustees and the Townley Grammar School LGB, as well as a recruitment drive during the year.

Townley Grammar School Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2023

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees and Governors will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters.

All new Trustees and Governors are given a tour of the Trust and the chance to meet with staff and students. All Trustees/Governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the trust.

f. Organisational structure

The Trust consists of the Members, the Board of Trustees, and the Headteacher and her Senior Leadership Team. The Trust Board has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the school and monitor its progress towards these objectives. The Trust Board has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, financial matrix and terms of reference. The Headteacher is directly responsible for the day-to-day operation of the academy, assisted by a senior leadership team.

Trustees are responsible for the strategic vision, agreeing an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the Trust, including capital expenditure and senior staff appointments.

The Headteacher assumes the accounting officer role.

The year has been incredibly turbulent, particularly at the board level with significant changes in the Trustees and Members. Odyssey Trust for Education moved from a multi academy trust to a single academy trust in June, when the planned move of King Henry, to The Leigh Academy, completed. In July, Odyssey changed its name to Townley Grammar School Trust and the Trust navigated its new path, identity and structure and key trustees were required to take leading roles. As an experienced Trustee, D Rouse was appointed Chair of Trustees in November 2022 providing stability, continuity, direction, commitment and knowledge. In April 2023, Dan became an employee of TGS, so stepped down as The Chair, but continued temporarily as a Trustee to support the Board and Team whilst they embedded and re-established itself."

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

Executive pay is based on improving the educational and financial performance of the Trust. This is reviewed annually in line with performance review and meeting of set objectives. The Trust consults with Browne Jacobson in determining the appropriate pay range for the Headteacher.

Townley Grammar School Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

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

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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i. Engagement with employees (including disabled persons)

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, memoranda and staff meetings. At each of the schools, information is channeled via the SLT meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and student progress and attainment statistics when they are made available.

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

j. Engagement with suppliers, customers and others in a business relationship with the academy trust

Our suppliers are important to the trust to ensure continuity of the trust operational line through the provision of supplies need to support education deliver and operational needs. The Board's approach includes ensuring that all supply and procurement process were fair, transparent and in line with statutory provisions. This allows for suppliers to be dealt with evenly through the development of policy and processes which facilitates this approach.

Townley Grammar School Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2023

Structure, governance and management (continued)

k. Regulators

Regulators ensure the trust is operating within the confines of the law in the delivery of its educational provision. The Board's approach is that the Accounting Officer and designated staff retain direct operational responsibility for ensuring compliance and effective communication with the trust regulators.

Objectives and activities

Objectives, strategies and activities

The principal object and activity of Townley Grammar School Trust is to provide a broad and balanced education for pupils of all abilities. The Trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trust.

In accordance with the articles of association, the trust has adopted a "Scheme of Government" approved by the Secretary of State. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements'. The Scheme of Government specifies, amongst other things, that the Academy will be at the heart of its community, promoting community cohesion and sharing facilities, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; and the basis for charging pupils.

Strategic aims 2023-2024

The school's long term strategic aims are continuing to innovate, with a clear purpose to ensure our current, future students and stakeholders are part of an exceptional school with exceptional outcomes inside and outside of the classroom. Our vision for education is not transactional, but transformational. It focuses on continuous, positive connections, meaningful relationships and intellectual excellence. It has been an organisationally difficult time for the school and our transition from Odyssey to the Townley Grammar School Trust is one that has been smooth and successful, despite several significant challenges.

The specific improvement projects for the academic year 2023-2024 are:

- Successfully develop, implement and review the Consciousness Curriculum, and assess its initial impact
- Embed Artificial Intelligence tools and techniques across all Teaching & Learning, and design and implement an AI curriculum across all Key Stages
- Develop and implement a broad, enhanced KS4 curriculum offer incorporating the KS5 elective model; linking to a newly developed 'Townley Baccalaureate' at Key Stage 3
- Implement and review Events, Trips & Visits protocols across school community to ensure an exceptional standard
- To consider SEND provision as central to the school's commitment to equity
- Priority Departments – MFL, Art & DT at KS4 and KS5
- To improve outcomes at KS5 for A/A* grades
- To improve outcomes at KS4 at Grade 9
- Develop, codify and implement a culture of oracy across the school
- Embed Student Leadership structure, including Scholars and Societies across the school

Townley Grammar School Trust
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Trustees' report (continued)
for the year ended 31 August 2023

Objectives and activities (continued)

- Develop and improve positive mental health and wellbeing, ensuring appropriate strategies are used to support young people with SEMH
- Successfully develop and implement a range of engaging and innovative Action Research Projects - led by staff across all departments
- Embed an exceptional quality of pastoral provision for all students
- Ensure an effective and robust use of data driven practices are embedded and used to drive school improvement and shape departmental strategies for monitoring and intervention
- Develop a research driven, evidence informed strategy for a hybrid KS5 curriculum offer
- Embed a high-quality appraisal system for Academic and Associate staff
- Enhance and develop EDI policies and practices, ensuring positive impact on whole school culture and particularly on student/staff relationships
- Develop and embed a strategic approach to stakeholder engagement with a particular focus on fundraising

Public benefit

The Trustees confirm that they have complied with the duty set out in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Townley Grammar School Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2023

Strategic report

Achievements and performance

In March 2023, Townley Grammar School was subject to a Section 5 Ofsted inspection. This was a very successful inspection which resulted in an "Outstanding judgement" across all areas. The inspectorate was glowing in their report, with no specific areas of enhancement highlighted. The school's success is testament to the dedication, excellence and care my fellow senior leaders and school staff have shown throughout, often in the face of adversity.

It was extremely pleasing to receive glowing feedback in relation to the specific areas outlined for potential improvement during the November 2021 Section 8 inspection; student – staff relationships, as well as staff wellbeing and workload.

The enhancements made in a short space of time that included organisational turmoil caused by the previous Trust were very impressive. Over six months on from the successful Ofsted inspection, the school community is renewed in confidence and focusing on the next stages of Townley's growth.

Please see below a range of direct quotations from the full report that give a sense of our school:

- Pupils are enormously proud of their school. They feel highly valued and know that their voices are heard.
- Leaders and staff are incredibly ambitious for pupils.
- Pupils' behaviour is exemplary. They take responsibility for their own behaviour, and staff rarely need to correct it.
- Pupils thrive in this environment of high academic challenge and comprehensive pastoral care.
- Leaders have designed a curriculum that is academically ambitious.
- Subject leaders think in depth about the key knowledge pupils need to know and remember in their subject.
- They (teachers) plan for pupils to build this knowledge step by step over time so that they are ready to study more complex ideas in the future.

Townley Grammar School Trust
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Trustees' report (continued)
for the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

	2017	2018	2019	2020	2021	2022	2023
Cohort	209	209	210	209	220	223	222
Attainment 8 Score	73.99	73.67	73.20	75.90	78.20	76.75	75.38
Progress 8 Score	0.81	0.81	0.84	1.10	0.75	0.62	0.41
% of Cohort							
9-4 English	99.52	100	99.52	100	100	100	100
9-4 Maths	100	99.52	99.05	100	100	100	100
9-5 English		98.09	99.05	100	100	99.55	97.75
9-5 Maths		98.09	93.33	98.56	99.55	98.21	98.65
9-7 English		89.47	86.67	93.84	97.73	87.44	73.87
9-7 Maths		61.72	59.52	72.25	73.64	67.26	77.03
9-4 English & Maths	99.52	100	99	99	100	100	100
9-5 English & Maths		96	93	98	99.55	97.76	98.2
5 Grade 5+	100	98.09	96.67	98.58	99.55	100	100
5 Grade 5+ Inc Eng & Maths	99.52	95.69	92.86	97.16	99.09	97.76	100
APS	568.25	6.85	6.74	7.01	7.61	7.11	6.96
Ebacc Entry	88.04	83.25	77.14	83.47	82.73	77.58	75.68
Ebacc Standards Pass	52.78	79.9	70.48	82.46	82.27	73.54	70.27
Ebacc Strong Pass	80.86	70.33	61.43	76.78	77.73	65.02	61.26
9 - 8	33.68	38.8	42.37	48.04	59.04	52.83	45.21
9 - 7	69.18	63.99	63.55	72.94	82.46	74	68.35
9 - 4	98.83	94.86	97.71	99.82	99.79	98.73	98.59

Townley Grammar School Trust
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Trustees' report (continued)
for the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

A Level							
	2017	2018	2019	2020	2021	2022	2023
Cohort	218	250	208	284	243	251	243
Female	187	199	164	223	202	199	193
Male	29	51	44	61	41	52	50
Total No. of Entries	643	652	533	861	759	793	773
Total Pass	643	643	527	861	758	785	768
% Pass	100	98.62	98.87	100	99.87	98.99	99.35
A Level APS	40.28	37.71	40.19	44.18	47.92	42.24	39.14
A*/A Grades	209	202	203	440	501	361	273
A*/A %	32.5	31.03	38.09	51.1	66.01	45.52	36.99
A* - B Grades	438	391	363	686	666	579	476
A* - B %	68.11	60.06	68.11	79.67	87.75	73.01	64.5
A* - C Grades	579	546	470	816	731	701	631
A* - C %	90.04	83.87	88.18	94.77	96.31	88.4	85.5
Cohort Score		32.68	33.91	44.05	47.12	41.37	38.63
		C+	C+	B+	A-	B	B

Leigh Academies Trust continued to support the trust in the day to day operation of King Henry School since the start of the academic year. In December 2022, King Henry School received a monitoring visit from Ofsted, in which the progress made by leaders was acknowledged and safeguarding was judged as effective. Work with Leigh Academies Trust continued during the year, and a permanent transfer took place on 1st June 2023. The school has been renamed Leigh Academy Bexley.

a. Going concern

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

Townley Grammar School Trust
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Trustees' report (continued)
for the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

b. Promoting the success of the Trust

Townley Grammar School Trust is governed by its charitable objects as set out in its Articles of Association; these also set the purpose of the trust.

All decisions and activities of the trust take into account how we best deliver our long-term goals and are driven by our strategic aims. All decisions we make as a trust, from our operational teams through to the Trust Board, are made in the best interests of our pupils who are our main beneficiaries, and in the knowledge, we are accountable to them, their parents, regulators and our staff.

The Board considers that they have adhered to the requirements of section 172 of the Companies Act 2006 (the "Act") and have, in good faith, acted in a way that they consider would be most likely to promote the success of the trust for the benefit of its key stakeholders and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making.

The Board have approved a number of policies that help to ensure the safety of our pupils and staff, as well as those that ensure the integrity of our business conduct.

Upon appointment, trustees are briefed on their duties and responsibilities under the Companies Act and the trust's Articles of Association and Scheme of Delegation. The Trust Board is entitled to request from the Headteacher all such information it may reasonably require in order to be able to perform its duties. On-going training is available to trustees, as required, to ensure that their knowledge remains up to date and they continue to be able to discharge their duties.

For all decision making at Board level, discussion takes place around employee impact and impact on other stakeholders, such as pupils, parents and the local community. The relevance of each stakeholder group may vary by reference to the issue in question, so the Board seeks to understand the needs of each stakeholder group and any potential conflicts as part of its decision-making. The Headteacher and Senior Leaders ensure the Trust Board is fully focused on the impacts to each stakeholder group.

Financial review

Results for the year

The majority of the Academy Trusts income arises in the form of recurrent grants from the ESFA. The use of this income is restricted to the particular purpose of the grant. The grants received from the ESFA in the year to 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial

Activities

During the year total income was £19,934,203 of which £1,013,343 was unrestricted income. Total expenditure excluding the transfer out of King Henry School was £19,540,763, of which:

- Staff employment costs of £13,554,632 which represented 69% of total expenditure
- Premises related costs of £1,963,667 which represented 10% of total expenditure
- Energy related costs of £523,196 which represented 3% of total expenditure

The operating deficit, excluding the pension reserves adjustments and the transfer out of King Henry School, for the year ended 31 August 2023, was £261,589. This includes a depreciation charge for the year of £1,137,721.

The Academy Trust's level of free reserves is £860,778 as at 31 August 2023 which is all unrestricted funds.

The Trustees have monitored the financial position of each school individually in terms of on-going surpluses and future predicted income and expenditure. This enabled a smooth transfer of King Henry School and its surplus to

Townley Grammar School Trust
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Trustees' report (continued)
for the year ended 31 August 2023

Strategic report (continued)

Leigh Academies Trust, along with a proportionate share of unspent central funds, to take place on 1st June 2023.

Trustees review the financial position regularly to ensure that each there is sufficient income to operate on an efficient basis without affecting the quality of teaching and learning.

a. Reserves Policy

A minimum of 3% of recurring government revenue grants, held in total between total unrestricted and restricted revenue funds should be deemed appropriate as minimum level of funds retained for these purposes. The financial position of the trust has continued to improve, with revenue reserves (both restricted and unrestricted) rising from an opening position of £599,189 to a closing position of £860,778 as at 31 August 2023, representing 8.3% of total income.

The Board of Trustees' and Key Management Personnel have continued to manage budgets closely in both schools in order to achieve budget surpluses after a series of deficit years which had depleted the trust's financial reserves. At King Henry School budgets were closely monitored and managed throughout the year in collaboration with Leigh Academies Trust, and its final revenue and capital surpluses as at 31 May 2023 totalling £1,083,640 were passed to Leigh Academies Trust on transfer.

b. Investment policy

The Trust policy is to invest surplus funds in low-risk short term bank deposits with its Bank for example 32-day deposit account and Reserves accounts. This is most prudent and risk averse considering the budget constraints.

c. Principal risks and uncertainties

Principal risks and uncertainties identified that concern the Trust are:

- Governance – new board of trustees and committee structure still in its infancy
- Finance – new finance team in place located at Townley Grammar School following the staff changes which arose from disbanding of the central finance team based at King Henry School
- Key Personnel – the change from Multi Academy Trust (MAT) to a single academy gave rise to a number of support staff vacancies in roles that previously spanned both schools. Posts have been filled but risks due to lack of continuity in key roles
- Risk of employment tribunals
- Health and safety risk
- Risk of data breach
- Risk of cyber attacks
- Inflation risk – increase in costs exceeds increase in funding from government, particularly in relation to staff pay and energy costs

Fundraising

The Trust does not work with the professional fundraiser's or companies who carry out fundraising on its behalf. The Trust has reviewed income generation strategies such as increasing letting's and sports facilities.

Townley Grammar School Trust
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Trustees' report (continued)
for the year ended 31 August 2023

Streamlined energy and carbon reporting

The academy trust's greenhouse gas emissions and energy consumption are as follows:

	2023	2022
Energy consumption used to calculate emissions (kWh)	3,925,405	4,905,133
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	534	685
Owned transport	1	3
Total scope 1	535	688
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	238	221
Total gross emissions (in tonnes of CO2 equivalent):	773	909
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.25	0.29

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2023 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Townley Grammar School Trust
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Trustees' report (continued)
for the year ended 31 August 2023

Plans for future periods

We are conscious of the competitive and somewhat turbulent educational landscape nationally and seek to maintain and grow additional financial streams of income through expanding 6th form student numbers, developing global partnerships and harnessing the power of parent/carers fundraising.

Our staff and student body are the beating heart of our community and are our greatest strength, so we commit to ensuring the wellbeing of both groups- inextricably linked - are of the highest standards.

- To create an organizational structure that is able to fulfil its mission in changing contexts
- Achieve the best possible outcomes for all our young people and the local, national and global communities we serve
- Further grow financial strength and stability
- Innovate in the curriculum to ensure students are equipped expertly for the world of opportunity that awaits them
- Lead by example nationally in pastoral and behaviour approaches
- Promote exceptional staff and student wellbeing
- Harness the power of technology such as AI strategically to streamline work streams

Long term 2022-2026 Priorities

- To Facilitate Exceptional Experiences in and Beyond the Classroom
- To Embed a Culture Empowering Students to Become Effective Change Makers in our Communities
- To Sustain Exceptional Professional Standards in Support of our Vision & Values
- To develop innovative, agile and distributed Leadership and Management structures

Our long-term priorities are translated to specific improvement projects across the school.

Funds held as custodian on behalf of others

No funds were held as Custodian Trustee on behalf of others.

Political donations

No political donations were made by the Trust.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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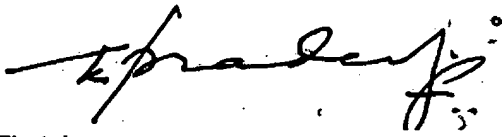
Trustees' report (continued)
for the year ended 31 August 2023

Disclosure of information to auditor (continued)

Auditor

The auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P Thatai', with a stylized flourish at the end.

P Thatai
Chair of Trustees

Townley Grammar School Trust
(A company limited by guarantee)

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Townley 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.

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

The board of Trustees has delegated the day to day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Townley Grammar School Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Townley Grammar School Trust
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Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
D Rouse, Chair of Trustees (from 24 November 2022)	4	4
P Thatai, Chair of Trustees	2	2
N Pandya, Head Teacher	2	2
A Addo	2	3
A Brako Raja	1	3
A Hunter-Wainwright	4	4
C Halai	2	3
J Takpimivbiomo	4	4
K Maxwell	4	4
M Hancock-Jones	4	4
R Wijesena	3	4
O F Squire, Chair of Trustees (from 22 September 2022 to 23 November 2022)	2	4
T Singh	0	1
L Mason-Ellis, Chief Executive Officer	0	1
D Moss	0	1
D Deehan, Chief Executive Officer	0	2
C Heard	1	1
J Kandasamy	0	0

Conflicts of interest

We maintain an up-to-date and complete register of interests and trustees make a declaration at the beginning of every meeting which is recorded on Governor Hub. Before entering a contract with new suppliers, they declare any connections with stakeholders at Townley Grammar School. This is recorded and kept on the New Supplier file.

Governance reviews

During the year, significant changes were made to the Board of Trustees following the change in Trust leadership from July 2022. Three committees were formed as sub-committees to the Board: Education, Curriculum and Standards; Finance, Audit and Risk; and Pay Committee.

The Audit, Finance and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor and have oversight of responsibility for all financial matters and procedures within the Trust. Its wider remit is set out in its Term of Reference.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
A Brako Raja (appointed December 2022)	0	2
C Halai (appointed December 2022)	0	2
M Hancock-Jones (appointed October 2022)	1	2
N Pandya (appointed April 2023)	2	2
D Rouse (appointed October 2022, Chair from November to March 2023)	2	2
J Takpimivbiomo (appointed November 2022)	2	2

Townley Grammar School Trust
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Governance Statement (continued)

Governance (continued)

F Squire (Chair until November 2022)	1	2
P Thatai (appointed March 2023, Chair from April 2023)	1	2

The Education Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor and have oversight of responsibility for educational standards and progress across the Trust. Its wider remit is set out in its Term of Reference.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
A Addo (appointed December 2022)	1	1
A Brako Raja (appointed December 2022)	0	1
A Hunter-Wainwright (appointed November 2022)	0	1
K Maxwell (appointed November 2022)	1	1
N Pandya (appointed April 2023)	1	1
D Rouse (appointed October 2022, Chair from November to March 2023)	1	1
R Wijesena (appointed November 2022)	0	1
A Addo (appointed December 2022)	1	1

The Pay Committee is also a sub-committee of the main Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Halai (appointed December 2022)	1	1
A Hunter-Wainwright (appointed November 2022)	1	1
K Maxwell (appointed November 2022)	1	1
N Pandya (appointed April 2023)	1	1
D Rouse (appointed October 2022, Chair from November to March 2023)	1	1
J Takpimivbiomo (appointed November 2022)	0	1
F Squire (Chair until November 2022)	0	1

Review of value for money

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

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

- The trust operates robust financial controls with a clear scheme of delegation, requiring orders over £5000 to be supported by three competitive quotes and Headteacher approval. Higher value orders require approval from the CFO, or Trust Board in the case of large value contracts which are competitively tendered.

Townley Grammar School Trust
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Governance Statement (continued)

Review of value for money (continued)

- The trust has moved all gas and electricity contracts to Crown Commercial Service purchasing consortium. CCS are approved by the Cabinet Office and National Audit Office and endorsed by Department for Education, and this energy purchasing route is only available to public sector organisations.
- Financial procedures have remained consistent following the dismantling of the Odyssey Trust central finance team, and there has been a period of handover to ensure continuity.
- The trust benefits from funding received from lettings and participation in a global integration programme which involves hosting international students within the Trust day for a fixed number of days.

Value for money is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge. The accounting officer, ensures that Townley Grammar School Trust is accountable for 'taxpayers' money and achieves 'value for money' by:

- Avoiding waste and extravagance.
- Ensuring the organisation is carefully structured.
- Ensuring the organisation has sound systems of financial governance.
- Ensuring that there are sound financial controls in place for income and expenditure and that all goods and services are procured in an open and transparent way.
- Ensuring that financial records are up to date and that management accounts are prepared on a regularly basis.
- Ensuring that Trustees receive management accounts regularly
- Ensuring that there are robust controls for payroll arrangements and segregation of duties for all involved in the process.
- Ensuring that segregation of duties applies within the finance department.
- Ensuring that all financial transactions represent value for money and procurement procedures are followed with particular attention paid to areas of large spending and capital projects.
- Ensuring that we have arrangements for internal audit to carry out a service that further safeguards the trustees.
- Ensuring that our building is let to the local community and raises additional funds in support of the development of the Trust

The accounting officer, has ensured that the Trust's finances have been managed in a transparent and effective way and that financial records have been monitored, evaluated, reviewed and audited by our internal and external auditors.

Townley Grammar School Trust
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Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Townley Grammar School Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Audit, Finance and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Bishop Fleming LLP as internal auditor.

The scope of the internal review includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems as follows:

- review of purchase system
- review of accounting system controls
- review of payroll system
- review of income system
- review of bank and other control account reconciliations

On an annual basis, the internal auditor reports to the Board of Trustees, through Finance, Audit & Risk Committee on the operation of the systems & controls, the discharge of the Board's financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Townley Grammar School Trust
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Governance Statement (continued)

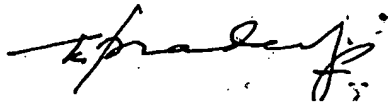
Review of effectiveness

As accounting officer, Nevita Pandya has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 18 December 2023 and signed on their behalf by:



P Thatai
Chair of Trustees



Nevita Pandya
Accounting Officer

Townley Grammar School Trust
(A company limited by guarantee)

Statement of Regularity, Propriety and Compliance

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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

During the 2022-2023 academic year the Members identified a failure in the oversight and management of the Academy Trust and the robustness of the processes in place to manage risk, which led to a Termination Warning Notice from the ESFA and the transfer of King Henry School from Odyssey Trust for Education to Leigh Academies Trust from 01 June 2023. The following issues were identified:

- The Trust failed to ensure oversight and management of financial and educational decisions
- The Trust failed to produce monthly management accounts for the period June - August 2023
- The Trust failed to have robust processes in place to manage risk
- The Trust failed to include all mandatory information on the Trust's website
- The Trust have experienced continued levels of poor attendance at committee meetings
- The Trust have incurred a parking fine in the year which was paid through the use of public funds

The following corrective actions have been undertaken:

- Recruited new Trustees to support the Trust and work towards compliance with the Academy Trust Handbook
- Made changes to the Trust leadership
- Worked with Leigh Academies Trust to minimise the disruption at King Henry School following the Ofsted judgement
- The Trust have had an Ofsted inspection at the beginning of March 2023 receiving an 'Outstanding' rating.



Nevita Pandya
Accounting Officer
Date: 18 December 2023

Townley Grammar School Trust
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Statement of Trustees' responsibilities
for the year ended 31 August 2023

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

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

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

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

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

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

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



P Thatai
Chair of Trustees
Date: 18 December 2023

Townley Grammar School Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Townley Grammar School Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Townley Grammar School Trust
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Independent auditor's Report on the financial statements to the Members of Townley Grammar School Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Townley Grammar School Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Townley Grammar School Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and non-compliance with financial management and governance requirements which are consistent with the obligations of public funded bodies. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with and regulations (including child protection and safeguarding, health and safety and employment law) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and

Townley Grammar School Trust
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Independent auditor's Report on the financial statements to the Members of Townley Grammar School Trust (continued)

- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of corporate governance arrangements; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Townley Grammar School Trust
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Independent auditor's Report on the financial statements to the Members of Townley Grammar School Trust (continued)

Use of our report

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

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Chatham Maritime

20 December 2023

Townley Grammar School Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Townley Grammar School Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 September 2023 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 Townley Grammar School Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Townley 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 Townley 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 Townley Grammar School Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Townley Grammar School Trust's funding agreement with the Secretary of State for Education dated 3 March 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Townley Grammar School Trust
(A company limited by guarantee)

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

Townley Grammar School Trust
(A company limited by guarantee)

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

The work undertaken to draw to our conclusions includes:

Conclusion

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

During the 2022-2023 academic year the Members identified a failure in the oversight and management of the Academy Trust and the robustness of the processes in place to manage risk, which led to a Termination Warning Notice from the ESFA and the transfer of King Henry School from Odyssey Trust for Education to Leigh Academies Trust from 01 June 2023. The following issues were identified:

- The Trust failed to ensure oversight and management of financial and educational decisions
- The Trust failed to produce monthly management accounts for the period June - August 2023
- The Trust failed to have robust processes in place to manage risk
- The Trust failed to include all mandatory information on the Trust's website
- The Trust have experienced continued levels of poor attendance at committee meetings
- The Trust have incurred a parking fine in the year which was paid through the use of public funds

The following corrective actions have been undertaken:

- Recruited new Trustees to support the Trust and work towards compliance with the Academy Trust Handbook
- Made changes to the Trust leadership
- Worked with Leigh Academies Trust to minimise the disruption at King Henry School following the Ofsted judgement
- The Trust have had an Ofsted inspection at the beginning of March 2023 receiving an 'Outstanding' rating.

Kreston Reeves LLP

Kreston Reeves LLP
Chartered Accountants
Reporting Accountant

Date: 20 December 2023

Townley Grammar School Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	4	22,451	-	114,344	136,795	782,639
Other trading activities		987,223	-	-	987,223	790,097
Investments	7	41	-	-	41	1,140
Charitable activities		-	18,806,516	-	18,806,516	20,522,912
Other income	8	3,628	-	-	3,628	8,955
Total income		1,013,343	18,806,516	114,344	19,934,203	22,105,743
Expenditure on:						
Charitable activities		493,357	17,909,685	1,137,721	19,540,763	22,748,020
Transfer of existing academy out of trust	10	-	517,908	23,779,440	24,297,348	-
Total expenditure		493,357	18,427,593	24,917,161	43,838,111	22,748,020
Net income/ (expenditure)		519,986	378,923	(24,802,817)	(23,903,908)	(642,277)
Transfers between funds	22	(193,493)	421,173	(227,680)	-	-
Net movement in funds before other recognised gains/(losses)		326,493	800,096	(25,030,497)	(23,903,908)	(642,277)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	29	-	739,000	-	739,000	6,748,000
Net movement in funds		326,493	1,539,096	(25,030,497)	(23,164,908)	6,105,723
Reconciliation of funds:						
Total funds brought forward		534,285	(1,588,096)	48,027,234	46,973,423	40,867,700
Net movement in funds		326,493	1,539,096	(25,030,497)	(23,164,908)	6,105,723
Total funds carried forward		860,778	(49,000)	22,996,737	23,808,515	46,973,423

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 36 to 66 form part of these financial statements.

Townley Grammar School Trust
(A company limited by guarantee)
Registered number: 07844587

Balance sheet
as at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	17	22,933,279	47,542,101
Current assets			
Stocks	18	1,784	2,216
Debtors	19	473,450	1,342,103
Cash at bank and in hand		1,451,560	1,453,264
		<u>1,926,794</u>	<u>2,797,583</u>
Creditors: amounts falling due within one year	20	(1,002,558)	(1,660,014)
Net current assets		<u>924,236</u>	<u>1,137,569</u>
Total assets less current liabilities		<u>23,857,515</u>	<u>48,679,670</u>
Creditors: amounts falling due after more than one year	21	-	(53,247)
Net assets excluding pension liability		<u>23,857,515</u>	<u>48,626,423</u>
Defined benefit pension scheme liability	29	(49,000)	(1,653,000)
Total net assets		<u><u>23,808,515</u></u>	<u><u>46,973,423</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	22	22,996,737	48,027,234
Restricted income funds	22	-	64,904
		<u>22,996,737</u>	<u>48,092,138</u>
Restricted funds excluding pension asset	22	22,996,737	48,092,138
Pension reserve	22	(49,000)	(1,653,000)
Total restricted funds	22	<u>22,947,737</u>	<u>46,439,138</u>
Unrestricted income funds	22	<u>860,778</u>	<u>534,285</u>
Total funds		<u><u>23,808,515</u></u>	<u><u>46,973,423</u></u>

The financial statements on pages 33 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Pradeep Thatai
 (Chair of Trustees)
 Date: 18 December 2023


Nevita Pandya
 (Accounting officer)

The notes on pages 36 to 66 form part of these financial statements.

Townley Grammar School Trust
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	24	529,775	682,375
Cash flows from investing activities	26	(466,997)	(148,290)
Cash flows from financing activities	25	(64,482)	(11,235)
Change in cash and cash equivalents in the year		(1,704)	522,850
Cash and cash equivalents at the beginning of the year		1,453,264	930,414
Cash and cash equivalents at the end of the year	27, 28	1,451,560	1,453,264

The notes on pages 36 to 66 form part of these financial statements

Townley Grammar School Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

1. General information

Odyssey Trust for Education is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Townley Grammar School, Townley Road, Bexleyheath, DA6 7AB. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

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 of financial statements

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

Odyssey Trust for Education meets the definition of a public benefit entity under FRS 102.

The presentation currency is £ sterling. The figures in the financial statements have been rounded to the nearest £1.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the financial statements.

During the year the Trust received a Termination Warning Notice from the ESFA following a Ofsted visit at King Henry School which resulted in a 'requires improvement' rating and King Henry School transferred to Leigh Academies Trust in early 2023

The Trustees have engaged with the ESFA during the year to resolve the issues identified and Townley Grammar will remain as part of Odyssey Trust for Education for the foreseeable future.

2.3 Fund accounting

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

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

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

Townley Grammar School Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

2. Accounting policies (continued)

2.4 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

2.5 Expenditure

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

• **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

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

Townley Grammar School Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

2. Accounting policies (continued)

2.7 Taxation

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

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

2.8 Tangible fixed assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	- 8 - 50 years straight line basis
Leasehold land and buildings	- 15 - 125 years straight line basis
Furniture and equipment	- 4 - 10 years straight line basis
Computer equipment	- 3 years straight line basis

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.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Operating leases

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

Townley Grammar School Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

2. Accounting policies (continued)

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 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.

2.14 Provisions

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

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

2.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments.

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. 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.

Townley Grammar School Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

2. Accounting policies (continued)

2.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

2.17 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments are received from the ESFA and subsequent disbursements to students are not excluded from the Statement of financial activities as the Academy Trust has control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administrative costs and this is recognised in the Statement of financial activities.

Townley Grammar School Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Multi-employer benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £22,933,279 at the reporting date (see note 17). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trusts' forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgement:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Townley Grammar School Trust
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Notes to the financial statements
for the year ended 31 August 2023

3. Critical accounting estimates and areas of judgement (continued)

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts. In the judgement of the Trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 25 for further details.

Transfer of Academy out of Trust

King Henry School transferred out of the Trust at its estimated value being the net book value as of the 1 June 2023. See note 35 for further details.

4. Donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	22,451	-	22,451	36,279
Capital Grants	-	114,344	114,344	746,360
	<u>22,451</u>	<u>114,344</u>	<u>136,795</u>	<u>782,639</u>
Total 2022	<u>36,279</u>	<u>746,360</u>	<u>782,639</u>	

Townley Grammar School Trust
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Notes to the financial statements
for the year ended 31 August 2023

5. Funding for the academy trust's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE/ESFA grants			
General Annual Grant	16,875,537	16,875,537	18,882,278
Other DfE/ESFA grants			
Other DfE/ESFA grants	1,233,669	1,233,669	599,284
Pupil premium	541,506	541,506	785,132
	<u>18,650,712</u>	<u>18,650,712</u>	<u>20,266,694</u>
Other Government grants			
Local authority grants	155,804	155,804	256,218
	<u>18,806,516</u>	<u>18,806,516</u>	<u>20,522,912</u>
Total 2022	<u>20,522,912</u>	<u>20,522,912</u>	

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of facilities	301,067	301,067	350,360
Trip income	322,084	322,084	177,885
Other income	364,072	364,072	261,852
	<u>987,223</u>	<u>987,223</u>	<u>790,097</u>
Total 2022	<u>790,097</u>	<u>790,097</u>	

7. Investment income

Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
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Townley Grammar School Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

7. Investment income (continued)

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest receivable	41	41	1,140
	<u> </u>	<u> </u>	<u> </u>
Total 2022	1,140	1,140	
	<u> </u>	<u> </u>	

8. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from Insurance claims	3,628	3,628	8,955
	<u> </u>	<u> </u>	<u> </u>

9. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Direct costs	11,130,290	-	1,333,166	12,463,456	15,307,204
Allocated support costs	2,424,342	1,963,667	2,689,298	7,077,307	7,440,816
Other expenditure	-	23,980,930	316,418	24,297,348	-
	<u>13,554,632</u>	<u>25,944,597</u>	<u>4,338,882</u>	<u>43,838,111</u>	<u>22,748,020</u>
Total 2022	17,406,172	2,826,929	2,514,919	22,748,020	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	

Townley Grammar School Trust
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Notes to the financial statements
for the year ended 31 August 2023

10. Other expenditure

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Transfer of academy out of trust	24,297,348	24,297,348	-

11. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations	12,463,456	7,077,307	19,540,763	22,748,020
Total 2022	15,307,204	7,440,816	22,748,020	

Analysis of direct costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	11,130,290	11,130,290	14,367,504
Depreciation	10,959	10,959	7,016
Educational supplies	248,525	248,525	317,071
Technology costs	159,822	159,822	94,801
Examination fees	390,189	390,189	300,909
Educational consultancy	523,671	523,671	219,903
	12,463,456	12,463,456	15,307,204
Total 2022	15,307,204	15,307,204	

Townley Grammar School Trust
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Notes to the financial statements
for the year ended 31 August 2023

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Pension interest cost	26,000	26,000	127,000
Staff costs	2,424,342	2,424,342	3,038,668
Depreciation	1,126,762	1,126,762	1,309,869
Staff development and recruitment costs	215,951	215,951	169,576
Building maintenance	453,335	453,335	391,188
Rent and rates	149,096	149,096	153,860
Light and heat	523,196	523,196	449,583
Cleaning costs	539,038	539,038	613,506
Catering costs	183,452	183,452	156,827
Computer costs	526,263	526,263	430,972
Other occupancy costs	35,094	35,094	25,548
Security and travel costs	12,638	12,638	13,643
Legal and professional fees	244,589	244,589	130,754
Insurance	64,595	64,595	72,692
Other support costs	552,956	552,956	357,130
	7,077,307	7,077,307	7,440,816
Total 2022	7,440,816	7,440,816	

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	31,792	32,414
Depreciation of tangible fixed assets	366,416	1,316,884
Fees paid to auditor for:		
- audit	23,745	23,495
- other services	2,570	3,350

Townley Grammar School Trust
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Notes to the financial statements
for the year ended 31 August 2023

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	9,816,177	12,115,811
Social security costs	1,049,843	1,304,406
Pension costs	2,158,603	3,178,588
	13,024,623	16,598,805
Agency staff costs	414,874	718,031
Staff restructuring costs	115,135	89,336
	13,554,632	17,406,172

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	108,532	52,331
Severance payments	6,604	37,005
	115,136	89,336

b. Severance payments

The academy trust paid 3 severance payments in the year (2022 - 3), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	3	3

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,604 (2022: £37,005). Individually the payments were £6,602, £1 and £1 (2022: £10,348, £12,784 and £13,872).

Townley Grammar School Trust
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Notes to the financial statements
for the year ended 31 August 2023

13. Staff (continued)

d. Staff numbers

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

	2023	2022
	No.	No.
Teachers	155	204
Administration and support	103	137
Management	4	5
	262	346

The average headcount expressed as full-time equivalents was:

	2023	2022
	No.	No.
Teachers	95	196
Administration and support	119	97
Management and support	7	5
	221	298

e. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	9	12
In the band £70,001 - £80,000	-	6
In the band £80,001 - £90,000	2	3
In the band £100,001 - £110,000	-	1
In the band £120,001 - £130,000	2	-
In the band £130,001 - £140,000	-	1

f. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £343,355 (2022 - £700,472).

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for the year ended 31 August 2023

14. Trustees' remuneration and expenses

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

		2023	2022
		£	£
Desmond Deehan, (Chief Executive Officer resigned July 2022, Trustee resigned 31 December 2022)	Remuneration	45,000 -	135,000 -
		50,000	140,000
	Pension contributions paid	5,000 -	30,000 -
Navita Pandya (CEO, Trustee from 20 April 2023)		10,000	35,000
	Remuneration	50,000 -	
		55,000	
Daniel Rouse (Staff Trustee)	Pension contributions paid	10,000 -	
		15,000	
	Remuneration	20,000 -	
		25,000	
	Pension contributions paid	5,000 -	
		10,000	

During the year, retirement benefits were accruing to 2 Trustees (2022 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2023, expenses totalling £1,850 were reimbursed or paid directly to 1 Trustee (2022 - £339 to one Trustee), for expenditure incurred for his role as CEO.

15. Trustees' and Officers' insurance

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

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Notes to the financial statements
for the year ended 31 August 2023

16. Central services

The academy trust has provided the following central services to its academies during the year:

- Executive service (Headteacher role)
- Management and consultancy
- Finance services
- HR services (internal and external)
- School improvement monitoring
- Premises services
- Legal advice
- CPD
- Website (via interactive schools)
- GDPR

The academy trust charges for these services on the following basis:

- 5% of General Annual Grant funding for each academic year from each school in the academy trust

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Townley Grammar School	488,164	457,332
King Henry School	442,530	559,344
Total	930,694	1,016,676

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Notes to the financial statements
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17. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2022	34,498,123	25,253,826	1,109,997	819,572	63,770	61,745,288
Additions	293,973	208,347	32,363	46,699	-	581,382
Transfer out of academies leaving the academy trust	(34,792,096)	-	(365,390)	(450,305)	(35,000)	(35,642,791)
At 31 August 2023	-	25,462,173	776,970	415,966	28,770	26,683,879
Depreciation						
At 1 September 2022	10,093,152	2,331,560	1,032,136	682,569	63,770	14,203,187
Charge for the year	718,014	299,002	41,094	79,611	-	1,137,721
Transfer out of academies leaving the academy trust	(10,811,166)	-	(324,542)	(419,600)	(35,000)	(11,590,308)
At 31 August 2023	-	2,630,562	748,688	342,580	28,770	3,750,600
Net book value						
At 31 August 2023	-	22,831,611	28,282	73,386	-	22,933,279
At 31 August 2022	24,404,971	22,922,266	77,861	137,003	-	47,542,101

Included within leasehold land and buildings is land at a value of £6,728,000 (2022: £6,728,000)

Leasehold land and buildings comprise land and buildings occupied on a 125 year lease granted from the London Borough of Bexley.

18. Stocks

	2023 £	2022 £
Finished goods and goods for resale	1,784	2,216

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Notes to the financial statements
for the year ended 31 August 2023

19. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	5,989	35,739
Other debtors	48,963	339,932
Prepayments and accrued income	418,498	966,432
	<u>473,450</u>	<u>1,342,103</u>

20. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	-	11,235
Trade creditors	155,512	188,922
Other taxation and social security	154,725	312,780
Other creditors	452,395	556,806
Accruals and deferred income	239,926	590,271
	<u>1,002,558</u>	<u>1,660,014</u>

	2023 £	2022 £
Deferred income at 1 September 2022	71,113	184,982
Resources deferred during the year	31,712	71,113
Amounts released from previous periods	(71,113)	(184,982)
	<u>31,712</u>	<u>71,113</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips, LCEP Grant Funding, Duke of Edinburgh Award and other income.

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

	2023 £	2022 £
Other loans	-	53,247
	<u>-</u>	<u>53,247</u>

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Notes to the financial statements
for the year ended 31 August 2023

21. Creditors: Amounts falling due after more than one year (continued)

	2023	2022
	£	£
Included within other loans for the prior year are:		
• £20,000 interest free Salix loan with £17,500		
• £27,123 interest free Salix loan with £13,560		
• £50,000 CIF loan with interest at 1.26% with £44,657		

These were transferred out as part of the King Henry School transfer to Leigh Academies Trust

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Notes to the financial statements
for the year ended 31 August 2023

22. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	534,285	1,013,343	(493,357)	(193,493)	-	860,778
Restricted funds						
General Annual Grant	64,904	13,169,301	(12,240,470)	(993,735)	-	-
Pupil Premium	-	541,506	(541,506)	-	-	-
Bursary fund	-	36,011	(36,011)	-	-	-
Other DfE/EFSA Grants	-	1,197,658	(1,197,658)	-	-	-
Other Government Grants	-	155,804	(155,804)	-	-	-
16-19 Allocation	-	3,706,236	(3,706,236)	-	-	-
Transfer out of academy trust	-	-	(517,908)	517,908	-	-
Pension reserve	(1,653,000)	-	(32,000)	897,000	739,000	(49,000)
	<u>(1,588,096)</u>	<u>18,806,516</u>	<u>(18,427,593)</u>	<u>421,173</u>	<u>739,000</u>	<u>(49,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	47,542,101	-	(1,137,721)	(23,471,101)	-	22,933,279
Transfer out of academy trust	-	-	(23,779,440)	23,779,440	-	-
Other capital	485,133	114,344	-	(536,019)	-	63,458
	<u>48,027,234</u>	<u>114,344</u>	<u>(24,917,161)</u>	<u>(227,680)</u>	<u>-</u>	<u>22,996,737</u>
Total Restricted funds	<u>46,439,138</u>	<u>18,920,860</u>	<u>(43,344,754)</u>	<u>193,493</u>	<u>739,000</u>	<u>22,947,737</u>
Total funds	<u>46,973,423</u>	<u>19,934,203</u>	<u>(43,838,111)</u>	<u>-</u>	<u>739,000</u>	<u>23,808,515</u>

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

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Notes to the financial statements
for the year ended 31 August 2023

22. Statement of funds (continued)

Pupil premium funding is provided in order to be used to support disadvantaged pupils and to assist them in decreasing the attainment gap between those pupils and their peers.

UIFSM supports schools in delivering the legal requirement to offer free school meals to all reception, year 1 and year 2 pupils.

The Mainstream school additional grant is a one off grant for the period 2023 - 2024, and is additional funding to schools allocations through the school national funding formula schools through the cost of living crisis.

Teachers' pay and pension grants are to provide support to schools in respect of the teachers' pay awards.

Other DfE/ESFA grants represents grants provided for specific purposes, such as rates relief.

Other government grants represent those grants provided for specific purposes to provide additional support to the pupils where required.

The Restricted Fixed Asset Fund represents the net book value of tangible fixed assets. Transfers within this section were made to ensure the analysis correctly reflected tangible fixed assets and capital grants available to spend.

The DfE/ESFA capital grants fund is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

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

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Notes to the financial statements
for the year ended 31 August 2023

22. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	218,990	836,471	(292,391)	(228,785)	-	534,285
Restricted general funds						
General Annual Grant	-	18,909,681	(18,933,554)	88,777	-	64,904
Pupil Premium	-	785,132	(785,132)	-	-	-
Other DfE/EFSA Grants	-	571,881	(571,881)	-	-	-
Other Government Grants	-	256,218	(256,218)	-	-	-
Pension reserve	(7,802,000)	-	(599,000)	-	6,748,000	(1,653,000)
	(7,802,000)	20,522,912	(21,145,785)	88,777	6,748,000	(1,588,096)
Restricted fixed asset funds						
Restricted fixed asset fund	48,450,710	-	(1,316,885)	408,276	-	47,542,101
DfE/ESFA capital grant	-	65,392	-	(65,392)	-	-
Other capital	-	680,968	7,041	(202,876)	-	485,133
	48,450,710	746,360	(1,309,844)	140,008	-	48,027,234
Total Restricted funds	40,648,710	21,269,272	(22,455,629)	228,785	6,748,000	46,439,138
Total funds	40,867,700	22,105,743	(22,748,020)	-	6,748,000	46,973,423

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Notes to the financial statements
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22. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Townley Grammar school Trust	860,778	44,875
Townley Grammar School	-	489,898
King Henry School	-	64,416
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	860,778	599,189
Restricted fixed asset fund	22,996,737	48,027,234
Pension reserve	(49,000)	(1,653,000)
	<hr/>	<hr/>
Total	23,808,515	46,973,423
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Townley Grammar school Trust	-	-	-	228,718	228,718	988,844
Townley Grammar School	6,659,796	956,279	507,950	1,432,344	9,556,369	9,263,785
King Henry School	4,407,090	2,262,143	814,615	25,431,455	32,915,303	11,178,506
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy trust	11,066,886	3,218,422	1,322,565	27,092,517	42,700,390	21,431,135
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes to the financial statements
for the year ended 31 August 2023

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	22,933,279	22,933,279
Current assets	1,281,741	581,595	63,458	1,926,794
Creditors due within one year	(420,963)	(581,595)	-	(1,002,558)
Provisions for liabilities and charges	-	(49,000)	-	(49,000)
Total	860,778	(49,000)	22,996,737	23,808,515

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	47,542,101	47,542,101
Current assets	534,285	1,778,165	485,133	2,797,583
Creditors due within one year	-	(1,660,014)	-	(1,660,014)
Creditors due in more than one year	-	(53,247)	-	(53,247)
Provisions for liabilities and charges	-	(1,653,000)	-	(1,653,000)
Total	534,285	(1,588,096)	48,027,234	46,973,423

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Notes to the financial statements
for the year ended 31 August 2023

24. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per statement of financial activities)	(23,903,908)	(642,277)
Adjustments for:		
Depreciation	1,137,721	1,316,884
Capital grants from DfE and other capital income	(114,344)	(258,845)
Interest receivable	(41)	(1,140)
Defined benefit pension scheme cost less contributions payable	6,000	472,000
Defined benefit pension scheme finance cost	26,000	127,000
Decrease/(increase) in stocks	432	(2,216)
Decrease/(increase) in debtors	868,653	(488,706)
(Decrease)/increase in creditors	(646,221)	159,675
Transfer of fixed assets from existing academy out of trust	24,052,483	-
Transfer of LGPS pension obligation from existing academy out of trust	(897,000)	-
Net cash provided by operating activities	529,775	682,375

25. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(64,482)	(11,235)
Net cash used in financing activities	(64,482)	(11,235)

26. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	41	1,140
Purchase of tangible fixed assets	(581,382)	(408,275)
Capital grants from DfE Group	114,344	258,845
Net cash used in investing activities	(466,997)	(148,290)

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Notes to the financial statements
for the year ended 31 August 2023

27. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	1,451,560	1,453,264
Total cash and cash equivalents	1,451,560	1,453,264

28. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,453,264	(1,704)	1,451,560
Debt due within 1 year	(11,235)	11,235	-
Debt due after 1 year	(53,247)	53,247	-
	1,388,782	62,778	1,451,560

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29. Pension commitments

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

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

Contributions amounting to £144,421 were payable to the schemes at 31 August 2023 (2022 - £282,144) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

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

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

The employer's pension costs paid to TPS in the year amounted to £1,709,181 (2022 - £2,204,948).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

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29. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £397,000 (2022 - £772,000), of which employer's contributions totalled £308,000 (2022 - £623,000) and employees' contributions totalled £ 89,000 (2022 - £149,000). The agreed contribution rates for future years are 22.3 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4.3	4.4
Rate of increase for pensions in payment/inflation	2.9	3.0
Discount rate for scheme liabilities	5.4	4.3
Inflation assumption (CPI)	2.8	2.9

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	21.4	22.3
Females	23.6	25.1
Retiring in 20 years		
Males	22.3	23.9
Females	25.4	27.1

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29. Pension commitments (continued)

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(83,000)	(301,000)
Discount rate -0.1%	84,000	307,000
Mortality assumption - 1 year increase	116,000	349,000
Mortality assumption - 1 year decrease	(114,000)	(341,000)
CPI rate +0.1%	85,000	306,000
CPI rate -0.1%	(83,000)	(300,000)

Share of scheme assets

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

	At 31	At 31 August
	August 2023	2022
	£	£
Equities	1,810,000	5,213,000
Other bonds	542,000	1,912,000
Government bonds	711,000	1,763,000
Property	760,000	2,419,000
Cash and other liquid assets	104,000	1,000,000
Other assets	1,543,000	2,629,000
Total market value of assets	5,470,000	14,936,000

The actual return on scheme assets was £423,000 (2022 - £826,000).

The amounts recognised in the Statement of financial activities are as follows:

	2023	2022
	£	£
Current service cost	298,000	980,000
Interest income	(227,000)	(271,000)
Interest cost	253,000	398,000
Administrative expenses	16,000	24,000
Total amount recognised in the Statement of financial activities	340,000	1,131,000

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29. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September 2022	16,589,000	23,793,000
Transferred out on existing academies leaving the trust	(10,664,000)	-
Interest cost	253,000	398,000
Employee contributions	89,000	149,000
Actuarial gains	(873,000)	(7,844,000)
Benefits paid	(173,000)	(978,000)
Current service cost	298,000	980,000
Plan introductions, benefit changes, curtailments and settlements	-	91,000
At 31 August 2023	5,519,000	16,589,000

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

	2023 £	2022 £
At 1 September 2022	14,936,000	15,991,000
Transferred out on existing academies leaving the trust	(9,767,000)	-
Interest income	227,000	271,000
Actuarial losses	(134,000)	(1,096,000)
Employer contributions	308,000	623,000
Employee contributions	89,000	149,000
Benefits paid	(173,000)	(978,000)
Administrative expenses	(16,000)	(24,000)
At 31 August 2023	5,470,000	14,936,000

30. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	25,794	7,268
Later than 1 year and not later than 5 years	21,078	3,768
	46,872	11,036

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Notes to the financial statements
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31. Members' liability

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

32. Related party transactions

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

During the year Mrs J Deehan, the wife of Mr D Deehan (a Director) was employed at Odyssey Trust for Education. J Deehan's appointment was made in open competition and D Deehan was not involved in the decision-making process regarding appointment. J Deehan is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

During the year Mr R Hancock Jones, the Husband of Mr M Handcock Jones (a Trustee) was employed at Townley Grammar School Trust for Education. Mr R Hancosk Jones was employed by the Trust prior to Mr M Hancocks appointment. R Hancock Jones is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

33. Agency arrangements

The Academy Trust distributes 16-19 bursary funds as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £41,212 (2022: £50,389) and disbursed £19,070 (2022: £25,947) from the fund and £150,813 was transferred out of the Trust. An amount of £42,444 (2022: £151,385) is included in other creditors. Any remaining undistributed funds at the end of the following year will be repayable to ESFA.

34. Controlling party

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.

35. Transfer out on academies leaving the academy trust

King Henry School

	Transfer out on academy leaving the trust £
Tangible fixed assets	
Freehold property	23,980,930
Furniture and equipment	40,848

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(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

35. Transfer out on academies leaving the academy trust (continued)

	Transfer out on academy leaving the trust £
Computer equipment	30,705
Current assets	
Debtors due within one year	159,665
Cash at bank and in hand	(58,225)
Liabilities	
Creditors due within one year	1,036,784
Creditors due after one year	(54,584)
Pensions	
Pensions - pension scheme assets	9,767,000
Pensions - pension scheme liabilities	(10,664,000)
Net assets	<u><u>24,239,123</u></u>