

Company Registration Number: 07695796 (England & Wales)

MOUNT GRACE SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



MOUNT GRACE SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 18
Statement of regularity, propriety and compliance	19
Statement of trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28 - 29
Statement of cash flows	30
Notes to the financial statements	31 - 60

MOUNT GRACE SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

C. Daniel, Chair of Trustees^{1,2,3,4,5,6}
P. Harding, Vice Chair of Trustees^{1,3,4,6}
C. Cardell-Williams (appointed 17 January 2022)^{4,6}
J. Couzens^{1,2,3,5}
H. Frost^{2,5}
P. Pytches^{1,3,4,5,6}
A. Ali (resigned 8 July 2023)^{1,2}
V. Horn²
M. King²
I. Goldsworthy^{2,3,5}
P. Baker (appointed 1 September 2021)
G. Patel, Acting Headteacher (appointed 8 July 2023)

- ¹ Member of Finance Committee
- ² Member of Pupil Achievement Committee
- ³ Member of Human Resources Committee
- ⁴ Member of Facilities Committee
- ⁵ Member of the Discipline Committee
- ⁶ Member of the Admissions & Marketing Committee

Company registered number

07695796

Company name

Mount Grace School

Principal and registered office

Mount Grace School
Church Road
Potters Bar
Hertfordshire
EN6 1EZ

MOUNT GRACE SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Company secretary

D. Brown

Senior Leadership team

A. Ali, Headteacher (resigned 8 July 2023)
N. Simpson, Headteacher (resigned 19 April 2022)
G. Patel, Acting Headteacher
A. Say, Assistant Headteacher
P. Grenyer, Assistant Headteacher
B. Indra, Assistant Headteacher
L. Daniels, Finance & Resource Manager (resigned 30 January 2022)

Independent auditors

Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Bankers

Lloyds Bank PLC
49 Howardsgate
Welwyn Garden City
AL8 6BA

Solicitors

Stone King LLP
Boundary House
91 Charterhouse St
Clerkenwell
London
EC1M 6HR

MOUNT GRACE SCHOOL
(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 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 18 serving a catchment area of Potters Bar and the surrounding areas of South Herts and North London. It has pupil capacity of 1074 and had a roll of 518 in the school census dated October 2022.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing document of the Academy.

The Trustees of Mount Grace School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Mount Grace School.

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

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000.

d. Method of recruitment and appointment or election of Trustees

The Staff Trustees' are appointed by the staff members of the Academy. The Parent Trustees' must be a parent of a pupil at the Academy at the time when they are elected and are appointed by the parents. All other Trustees are appointed by the Members.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

MOUNT GRACE SCHOOL
(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 will depend upon their existing experience. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. It is expected that all Trustees take advantage of specific courses offered by the Local Authority and other bodies.

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

Mount Grace School sets pay and remuneration in consultation with the Teachers pay conditions. This is set in line with the STRB School Teachers Review Body who make recommendations to the DfE.

Non-teaching staff salaries are set in line with Hertfordshire County Council Pay scales which are in turn set by the National Joint Council.

No trustees received paid work unless employed by Mount Grace School in a teaching or non-teaching capacity.

Objectives and activities

a. Objects and aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum for pupils of different abilities, with a strong emphasis on English, Maths, Science and vocational subjects.

The aims of the Academy during the year ended 31 August 2023 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop students as more effective learners.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to improve the number of students who make better than expected progress in English, Maths, Science and other subjects taken at GCSE.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

MOUNT GRACE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

b. Objectives, strategies and activities

Key priorities for the year are contained in our School Improvement Plan (SIP).

The achievement of students

- Continue to address gaps and weaknesses in learning to 'recover' students to reach individual target grades (including the impact of Covid-19).
- Raise attainment and progress against national performance measures for all students, particularly disadvantaged students, those with SEND, boys and with mid on entry
- Ensure attendance for all groups of students meets and exceeds national figures (target 95%)
- Ensure all subjects are supported to raise standards to meet the agreed benchmarks for progress to at least match the national average by August 2023.

The quality of education

- Monitor and develop the quality of teaching to support better learning and outcomes
- Review the implementation of the highly effective knowledge-engaged curriculum, consistently driven by the explicit teaching of vocabulary and informed by educational research into how children acquire and retain knowledge.
- Ensure teaching is adaptive, so that it addresses misconceptions and engages and meets the needs of all students.
- Further develop a whole school reading curriculum that exposes students to wide vocabulary and cultural capital, supports teacher explanations and develops confidence.
- Promote a strategy for homework so that it is intrinsically valued and supports students' ability to fill gaps and retain knowledge in long term memory.
- Quality assure highly effective assessment systems that accurately assess student retention of the taught curriculum, informs teaching, motivates students and leads to regular informative and useful reports for Parents and Carers.
- Ensure that all teachers use assessment effectively to check what pupils know, and then provide the appropriate support where there are gaps in pupils' understanding or knowledge. (Ofsted 2022)
- Ensure that all teachers consistently adopt the identified strategies to support pupils with SEND so that they get a consistent level of support from teachers. (Ofsted 2022)

Behaviour and attitudes

- Further improve the behaviour and attitudes of students so that learning is never disrupted and there are high standards of student conduct and courtesy around the school and in the wider community
- Further embed a reward system that encourages all students to meet and exceed school expectations for conduct and engagement in lessons

Personal development

- Continue to drive Mount Grace School forwards as a 'School of character'
- Further develop support for students' mental health via the Citizenship curriculum, Pastoral programme and engagement with external agencies
- Broaden the experiences and interests of all pupils through wider curricular and extra-curricular opportunities
- Equip pupils to take the next step in their educational journey and be successful

Leadership & management

- Continue to develop staff so that CPD is bespoke to improve the quality of education and outcomes in all subjects and year groups
- Ensure effective financial management and long-term sustainability through joining a Multi-Academy Trust (MAT) and reducing the carbon footprint
- Enhance work with the community to increase student numbers and grow the size of the school

MOUNT GRACE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

- Develop and embed the whole school Quality Assurance Plan (QAP) to provide better consistency for procedures, setting of higher standards and outcomes for all.
- Ensure robust quality assurance processes are in place so all leaders including governors are assured that statutory duties/policies are met (Ofsted 2022).

c. Public benefit

The Academy has complied with its duty to have due regard to the guidance on public benefit as per Appendices GL49 of the Charities SORP.

'Public benefit entities are reporting entities whose primary objective is to provide goods or services for the general public or social benefit and where any equity has been provided with a view to supporting that primary objective rather than with a view to providing financial return to shareholders.'

This is continually monitored by the Board of Trustees through its delegated committees.

Strategic report

a. Key performance indicators

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2022/23 were 518 at the time of the October Census which was a fall from the previous year by 5 pupils attributed to smaller numbers in the sixth form. Another key financial performance indicator is staffing costs as a percentage of GAG for the current year of 84.1% compared to the previous year of 102.8%.

b. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate access to resources to continue in operational existence for the next two years. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The Academy has a financial recovery plan that has been agreed with the ESFA and is in receipt of cashflow support to ensure the continuation of its operation. This additional support has started to be repaid. The pupil intake is expected to increase, leading to a higher level of income in future. The Academy is in the process of joining a multi-academy trust.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

c. Achievements and performance

Outcomes for students August 2023:

The Mount Grace School Examination results are on an upward trajectory. Leaders have been keen to look at sustainable and embedded improvements where students develop positive learning and study habits from year 7 rather than default to an intervention culture in year 11. Our 2023 Year 11 examination results now place us in the progress banding of AVERAGE which as confirmed on the compare school performance gov.uk website means that: "Pupils here achieve a similar grade in each qualification on average, compared to similar pupils across the country."

To ensure that standards are improved the Academy, the Governing Body and the Senior Leadership Group:

- Has taken steps to improve the leadership capacity and expertise by internally appointing two lead teachers to focus on improvements to the Quality of Education.
- Has secured a full time Assistant Headteacher to lead on sixth form and careers.
- Has invested in careers programmes and Walk-Thru T&L programmes.
- Undertakes a rigorous self-evaluation of attainment using the IDSR (from OfSTED), Fischer Family Trust (FFT) and Oxford Analytics (KS5), which provide school and individual level performance data. The school has now enlisted the support of a specialist data manager, Esin de Silva.
- Undertakes a rigorous self-review of standards using the stakeholder surveys.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

d. Overview

The Academy is about to enter into its twelfth year of operation.

The school's quality assurance processes are improving and senior leaders aim to bring consistency of performance and monitoring across all services in the school. Senior leaders feel self-evaluation of all school provisions are accurate which enables scarce resources to be targeted more accurately.

The impact of school closure on some pupil groups was profound and has been long-lasting. A significant proportion of pupils did not fully engage with remote learning during the period of school closures, despite the best efforts of the school. There are still current implications for teaching and learning to 'catch-up' academic performance, re-establish relationships and behaviour expectations and re-engage pupils to address low attendance. The school has acted efficiently to support pupils and families with mental health issues and their well-being. Additional expenditure on support in classrooms and tutoring utilising catch-up premium funding has been used well to address the issues presented by the pandemic.

The catch-up funding allocated to the school in 2021/22 has supported the school's tutoring programme to boost knowledge and motivation of pupils in need of 'catch-up' support. The tutoring programme in 2021/22, focused on Maths and English utilising two Academic Mentors, and one external maths tutor. Academic Mentoring was 95% DfE funded, 5% recovery premium, and School Led tutoring used the SLT grant and recovery/PP funding.

Tutoring this year continued to take place in 12 to 15-hour blocks through small group tuition and some 1:1 during timetabled lesson times or after school, so there was no disruption to other subjects. Maths tutors followed faculty schemes of work with a focus on addressing numeracy skills and subject knowledge gaps identified by the maths team. KS3 English tuition focused on developing reading fluency and vocabulary, through participation in the HFL reading fluency project. KS4 English tuition was via supervised HFL webinars for GCSE English.

The school continues to support pupils by impacted by the diagnosis of gaps in specific subject and with improving pupils' exam techniques in Maths. Student survey data is positive, with all feeling that tutoring had a beneficial impact on them in class as they felt they increased their knowledge and received more help in a small group setting.

In English, pupil survey data highlights increasing confidence with reading and responding to questions in class. As seen in maths, further work is needed to diagnose and address specific KS3 subject knowledge gaps and improve pupils' exam techniques, in order to support higher levels of attainment. The 16-19 Funding was used to provide Maths tuition for pupils who did not achieve Grade 4 Maths GCSE, additional support for extra music tuition for A level students, and A level History pupils.

In September 2022, funding for the National Tutoring Programme decreased to 60% for all routes. The balance of 40% comes from Recovery Premium / Pupil Premium funding. Tutoring continued with two academic mentors, one Maths, one English, and one external maths tutor.

The school has admitted three Ukrainian students (Y7 & Y8) and has acted to improve their confidence and improvement in forming sentences and reading aloud. Anecdotal notes about tutoring continue to show positive verbal feedback from class teachers and students on how some students' attitudes in class towards learning have changed for the better as a result of tutoring, as confidence improves.

Due to the use of CAGs/TAGs in 2020 & 2021, there are no validated published performance measures for any school for those years. The school has validated results for the summer of 2022 (please see below). Only having the 2022 set of results may have implications for the school in terms of any future OFSTED inspection

MOUNT GRACE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

and the ability to validate the impact of school improvement activities. To counteract this, senior leaders and governors have opted to gain support from external audits from Ashmole Trust and HFL to validate school improvement initiatives and act on any advice gained, to continue the process of school improvement.

The loss of income from lettings has greatly impacted the school since the onset of the pandemic; both regular and one-off lets were suspended during this period. The new Operations Manager (March 2022), has had a real focus on increasing lettings and this is growing strongly. With the completion and handover of the new sports hall (September 2022), we would expect the income from lettings to increase significantly in the next year. Funding available to the school via the PTFA has also been impacted as support for this group has been limited since the pandemic. The Headteacher has begun fund raising through Amazon Smile for the PTFA. All stakeholders have been notified of this strategy.

Numbers on roll have declined in recent years, reducing the income for the school. However, improved and targeted marketing has increased pupil numbers in the current year 7 (September 2022).

Financial review

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

The Academy also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2023, total expenditure of £4,330,275 was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,756,766. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £426,491.

The land, buildings and other assets were transferred to the Academy upon conversion. The land was professionally valued by the EFA at £1,662,826 and the buildings were professionally valued by RD Consultancy at £10,239,273. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

a. Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

At the Finance Committee, Trustees will determine the appropriate level of free cash reserves to be held. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Provision should also be made to sustain staffing levels in the event of falling pupil numbers. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is -£34,853, of which -£18,226 is free reserves.

The Trustees will also review the future plans of the Academy and set designated reserves for future projects.

b. Investment policy

At this point no authorisation has been given for investment of surplus funds.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities, other operational areas and its finances.

Currently pupil numbers year on year are below the expected levels, so the risks to revenue funding are increasing. The freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs further increases this risk and budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every month, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governing Body and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a material effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised. The Governing Body agreed to enter Mount Grace School into the Hertfordshire County Council's pooled pension arrangement spreading the pension risk over a minimum of 450 schools.

Other principal risks and uncertainties are as follows:

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - the Academy has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. The programme of audits for 2022/23 was completed successfully.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community. The school is working towards joining a Multi Academy Trust during the academic year 2023/24.

Full details of our plans for the future are given in our School Improvement Plan.

Funds held as custodian on behalf of others

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

Disclosure of information to auditors

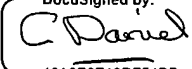
Insofar as the Trustees are aware:

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

Auditors

The auditors, Hillier Hopkins LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on
21-12-2023 | 15:41 GMT and signed on its behalf by:

DocuSigned by:

48A6E0E19DF549B:.....
C. Daniel
(Chair of Trustees)

MOUNT GRACE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Mount Grace School and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

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

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

Trustee	Meetings attended	Out of a possible
A Ali, Head Teacher	4	5
C. Daniel, Chair of Trustees	6	6
P. Harding, Vice Chair of Trustees	6	6
J. Couzens	6	6
I. Goldsworthy	6	6
M. King	3	6
P. Pytches	6	6
V. Horn	3	6
S.Way	0	1
D. Backhouse	0	1
M Miller	0	1
G. Patel, Acting Headteacher	0	0

The Trustees review their effectiveness on an ongoing basis and in so doing, identify and address aspects of governance that can be improved and training needs. Trustees have attended training events throughout the year, including induction for new governors, and some events have been hosted at Mount Grace.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A. Ali, Headteacher	3	6
C. Daniel, Chair of Trustees	6	6
P. Harding, Vice Chair of Trustees	6	6
J. Couzens	6	6
P. Pytches	5	5

MOUNT GRACE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Headteacher has responsibility and accountability for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer is aware of the Guide to Academy Value for Money Statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer sets out below how she has ensured that the Academy Trust's use of its resources has provided good value for money during the academic year to 31st August 2023.

Improving educational results for our students remains our key priority. The Academy has taken the following steps to support school improvement for our students and to raise their attainment and aspirations. The Academy is committed to supporting our students in reaching their full potential through academic achievement, extra-curricular opportunities and extended learning to develop the whole person to help prepare them for their next stage of education.

Targeted improvement: The Academy has a robust tracking system for monitoring achievement and is continually looking at how data can inform staff in order for them to support and extend the learning of the students. We have employed skilled staff to support our school improvement agenda and to deliver a broad and challenging curriculum.

Focus on individual students: The Academy offers students a student support service and specialist learning provision in the form of the "Oasis". Students benefit from mentoring, outreach work, small group work and holiday revision classes. The school also provides dedicated Teaching Assistants. The Academy rewards excellence and encourages positive behaviour. We celebrate achievement and encourage students to try new activities to develop their confidence and leadership skills via the Thrive programme. The school uses a merit system to motivate students. As an Academy we provide the full range of National Curriculum subjects for Key Stage 3 and Key Stage 4.

Collaboration: The Academy works closely with Chancellors School who are part of a consortium arrangement. The headteachers and staff of each school meet regularly to share ideas, good practice and discuss issues. The school is working towards joining a Multi Academy Trust in 2023/24.

Quantifying improvements: The Governors' Pupil Achievement Committee meets six times a year to ensure that the quality of provision for students at the Academy is at least good and is clearly addressing improvement plan issues so that the Academy is evidently moving towards delivering outstanding quality in all areas of provision.

Financial governance and oversight: The Academy's Board of Trustees has a strong oversight of the financial management of the budget. The Academy's Finance Committee meets regularly to review the financial position, to receive reports and to challenge decisions. Our external auditors review our financial processes and have previously undertaken the role of Responsible Officer to test our internal controls. The levels of delegation on spending proposals ensure we take the necessary steps to achieve best value. The full Board of Trustees approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy remains a 'going concern'. The Board of Trustees also receives and approves the Annual Accounts and External Auditor's Management Report.

Better purchasing: The Finance office is always striving to find Best Value in purchasing and use a number of established suppliers i.e. Crescent Purchasing, Herts Supplies and the Consortium for supply of quotes and goods. Most of the building projects are put through specialised Building Surveyors who in turn apply Best Value principles within a safe and legal framework.

Fitness for purpose: The Academy has a cycle of review for its on-going services from external organisations

MOUNT GRACE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

to ensure those services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money. The Academy works closely with Herts for Learning to achieve best value for its main service contracts such as Grounds, Catering and Cleaning. Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

Reviewing Controls and Managing Risk: Regular budget monitoring reports are produced by the Finance Manager. These reports are distributed to the Headteacher and Finance & Resource Manager and any remedial action taken to address any significant variances that may have an impact on the budget out-turn. The reports are shared with the Finance Committee to inform their decision making. The Finance Team are investigating the best options for investing surplus cash balances in interest bearing accounts to maximise interest earning potential.

Reviewing operation to maximise use of resources: The Headteacher and Finance & Resource Manager review expenditure and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer, and any new strategies identified in the Academy Development Plan. This is reviewed by the Senior Leadership Team and also the Finance Committee.

Lessons learned: The Academy has reached the end of its eleventh year of operations. Our continued curriculum development to support high student achievement remains our top priority. We will be focusing on how best to resource our Development Plan.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Internal controls are reviewed by our appointed internal auditor who undertakes a programme of visits and reviews during the year.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial

MOUNT GRACE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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 buy-in an internal audit service from Rashdown & Company Limited

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. The checks carried out during 2022/23 included procurement; monthly financial closedown; payroll and HR; efficiency, funding and budgets; fraud, theft and bribery; safeguarding and whistleblowing; management information and reports; data and IT; premises issues; governance structure.

On a termly basis, the internal auditor reports to the Board through the Finance Committee on the operation of the systems of control and annually prepares a 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.

The areas identified as requiring improvement were HR/payroll, purchase/payment, lettings, health and safety, single central record, risk register and website. Recommendations were made to make improvements in these areas and all have been accepted by the school's leadership. Many of the recommendations are due for completion within the first term of 2023/24.

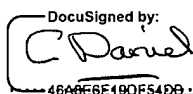
Review of effectiveness

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

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

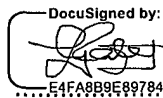
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

DocuSigned by:

.....46A0E6E190F54DB.....

C.Daniel
Chair of Trustees

Date: 21-12-2023 | 15:41 GMT

DocuSigned by:

.....E4FA8B9E897842A.....

G.Patel
Accounting Officer

22-12-2023 | 11:06 GMT

MOUNT GRACE SCHOOL
(A company limited by guarantee)

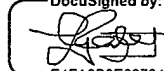
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Mount Grace School I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2022.

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

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

DocuSigned by:



E4FA8B9E897842A.....

G. Patel
Accounting Officer

Date: 22-12-2023 | 11:06 GMT

MOUNT GRACE SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

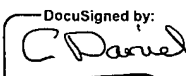
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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

DocuSigned by:

46A8E6E19DF54DB...

C. Daniel

Chair of Trustees

Date: 21-12-2023 | 15:41 GMT

MOUNT GRACE SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOUNT GRACE SCHOOL**

Opinion

We have audited the financial statements of Mount Grace School (the 'academy') 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's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the reserves are in a deficit position at the year end. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOUNT GRACE SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

MOUNT GRACE SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOUNT GRACE SCHOOL (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the academy trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction and relevant tax legislation.

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

MOUNT GRACE SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOUNT GRACE SCHOOL (CONTINUED)**

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

Use of our report

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

DocuSigned by:

Alex M Bottom

67743488C7B6469...

Alexander Bottom (ACA) (Senior Statutory Auditor)
for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 22-12-2023 | 11:21 GMT

MOUNT GRACE SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MOUNT GRACE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 November 2015 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 Mount Grace School 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 Mount Grace School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mount Grace School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mount Grace School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mount Grace School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mount Grace School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime;
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MOUNT GRACE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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

DocuSigned by:

Alex M Bottom

6774348BC7B6469...

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 22-12-2023 | 11:21 GMT

MOUNT GRACE SCHOOL
(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	2,980	-	771,579	774,559	1,450,727
Other trading activities		31,914	-	-	31,914	20,582
Investments	7	87	-	-	87	65
Charitable activities		214,449	3,735,758	-	3,950,207	4,021,939
Total income		249,430	3,735,758	771,579	4,756,767	5,493,313
Expenditure on:						
Charitable activities		243,174	3,772,901	314,200	4,330,275	4,179,711
Total expenditure		243,174	3,772,901	314,200	4,330,275	4,179,711
Net movement in funds before other recognised gains		6,256	(37,143)	457,379	426,492	1,313,602
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	111,000	-	111,000	2,412,000
Net movement in funds		6,256	73,857	457,379	537,492	3,725,602
Reconciliation of funds:						
Total funds brought forward		(25,715)	(107,479)	14,330,467	14,197,273	10,471,671
Net movement in funds		6,256	73,857	457,379	537,492	3,725,602
Total funds carried forward		(19,459)	(33,622)	14,787,846	14,734,765	14,197,273

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

The notes on pages 31 to 60 form part of these financial statements.

MOUNT GRACE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07695796

BALANCE SHEET
AS AT 31 AUGUST 2023

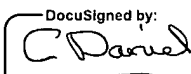
	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	14,170,618	13,562,413
Current assets			
Debtors	15	980,286	1,441,288
Cash at bank and in hand		568,369	655,424
		<u>1,548,655</u>	<u>2,096,712</u>
Creditors: amounts falling due within one year	16	(862,384)	(1,200,852)
Net current assets		<u>686,271</u>	<u>895,860</u>
Total assets less current liabilities		<u>14,856,889</u>	<u>14,458,273</u>
Creditors: amounts falling due after more than one year	17	(122,123)	(198,000)
Net assets excluding pension asset / liability		<u>14,734,766</u>	<u>14,260,273</u>
Defined benefit pension scheme asset / liability	26	-	(63,000)
Total net assets		<u><u>14,734,766</u></u>	<u><u>14,197,273</u></u>

MOUNT GRACE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07695796

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	14,787,846	14,330,467
Restricted income funds	18	(33,622)	(44,479)
Restricted funds excluding pension asset	18	14,754,224	14,285,988
Pension reserve	18	-	(63,000)
Total restricted funds	18	14,754,224	14,222,988
Unrestricted income funds	18	(19,458)	(25,715)
Total funds		14,734,766	14,197,273

The financial statements on pages 27 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

DocuSigned by:

 46A8E6E19DF54DB...

C. Daniel
 Chair of Trustees
 Date: 21-12-2023 | 15:41 GMT

The notes on pages 31 to 60 form part of these financial statements.

MOUNT GRACE SCHOOL
(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	20	105,421	370,937
Cash flows from investing activities	22	(150,739)	44,301
Cash flows from financing activities	21	(41,737)	(26,027)
Change in cash and cash equivalents in the year		(87,055)	389,211
Cash and cash equivalents at the beginning of the year		655,424	266,213
Cash and cash equivalents at the end of the year	23, 24	568,369	655,424

The notes on pages 31 to 60 form part of these financial statements

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

1. General information

Mount Grace School is a private company limited by guarantee and incorporated in England and Wales. The registered office is Mount Grace School, Church Road, Potters Bar, Hertfordshire, EN6 1EZ.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, 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.

Mount Grace School meets the definition of a public benefit entity under FRS 102.

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 to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the immediate future. The academy is in a deficit position at the year end although financial assistance, in the form of a loan from the ESFA, has been received (to date totalling £273,000 of which £75,000 had been repaid at the year end) to assist in the interim.

To improve the situation a revised recovery plan has been put in place using the recommendations for cost savings made by the School Resource Management Advisers during the year which forecasts an in-year surplus for the financial year ending 31st August 2026.

The Board of Trustees also remain committed to joining a Multi-Academy Trust when it becomes possible which would assist in reducing costs further through economies of scale.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

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

2.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following basis:

Freehold property	-	2%
Furniture and equipment	-	20%
Computer equipment	-	33%
Motor vehicles	-	25%

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

2.8 Debtors

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

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.9 Cash at bank and in hand

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

2.10 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

2.12 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Academy. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.13 Operating leases

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

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary 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 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.

2.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to the students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 30.

The academy trust acts as an agent in distributing Family support worker funds from the Hertsmere Partnership. Payments received and subsequent disbursements are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 30.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.16 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Critical areas of judgment:

Valuation of tangible fixed assets:

Trustees have considered the value of tangible fixed assets. Changes in the circumstances of expectations of future performance of an individual asset may be an indicator that the asset is impaired, which would require the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired requires a significant degree of judgment and may to a large extent depend on the assumptions made in its evaluation. The trustees have concluded that the valuation of tangible fixed assets at the year end are appropriate.

Depreciation and residual values:

The trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	2,980	-	2,980
Government grants	-	771,579	771,579
	<u>2,980</u>	<u>771,579</u>	<u>774,559</u>

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	1,446	17,417	18,863
Government grants	-	1,431,864	1,431,864
	<u>1,446</u>	<u>1,449,281</u>	<u>1,450,727</u>

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

5. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Educational activities			
DfE/ESFA grants			
General Annual Grant (GAG)	-	3,261,796	3,261,796
Other DfE/ESFA grants			
Pupil Premium	-	128,956	128,956
Rates relief	-	19,985	19,985
Teacher's pay and pension grants	-	81,682	81,682
Other ESFA grants	-	133,398	133,398
	-	3,625,817	3,625,817
Other Government grants			
SEN funding grants	-	86,024	86,024
	-	86,024	86,024
Other income from the Academy's educational activities	214,449	23,917	238,366
Total Educational activities	214,449	3,735,758	3,950,207
	214,449	3,735,758	3,950,207

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

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

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Educational activities			
DfE/ESFA grants			
General Annual Grant (GAG)	-	3,483,500	3,483,500
Other DfE/ESFA grants			
Pupil Premium	-	135,067	135,067
Rates relief	-	19,558	19,558
Teachers pay and pension grants	-	61,261	61,261
Other ESFA grants	-	12,557	12,557
	-	3,711,943	3,711,943
Other Government grants			
SEN funding grants	-	67,588	67,588
	-	67,588	67,588
Other income from the Academy's educational activities	173,196	35,129	208,325
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	20,663	20,663
Mass testing grants	-	13,420	13,420
	-	34,083	34,083
	173,196	3,848,743	4,021,939
	173,196	3,848,743	4,021,939

6. Income from other trading activities

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Hire of facilities	31,914	31,914

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Hire of facilities	20,582	20,582

7. Investment income

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Investment income	87	87

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income	65	65

8. Expenditure

	<i>Staff Costs 2023 £</i>	<i>Other costs 2023 £</i>	<i>Total 2023 £</i>
Educational activities:			
Direct costs	2,430,211	426,753	2,856,964
Allocated support costs	439,663	1,033,648	1,473,311
	<u>2,869,874</u>	<u>1,460,401</u>	<u>4,330,275</u>

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

8. Expenditure (continued)

	<i>Staff Costs 2022 £</i>	<i>Premises 2022 £</i>	<i>Other 2022 £</i>	<i>Total 2022 £</i>
Educational activities:				
Direct costs	2,312,044	-	387,557	2,699,601
Allocated support costs	543,414	604,305	332,391	1,480,110
	<u>2,855,458</u>	<u>604,305</u>	<u>719,948</u>	<u>4,179,711</u>

9. Analysis of expenditure by activities

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Educational activities	2,856,964	1,473,311	4,330,275

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Educational activities	2,699,601	1,480,110	4,179,711

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2023 £	Total funds 2023 £
Pension finance costs	3,000	3,000
Staff costs	439,663	439,663
Depreciation	314,200	314,200
Technology costs	70,717	70,717
Premises costs	360,915	360,915
Other support costs	265,341	265,341
Governance costs	19,475	19,475
Total 2023	1,473,311	1,473,311
	<i>Educational activities 2022 £</i>	<i>Total funds 2022 £</i>
Pension finance costs	38,000	38,000
Staff costs	543,414	543,414
Depreciation	261,089	261,089
Technology costs	67,264	67,264
Premises costs	343,217	343,217
Other support costs	223,026	223,026
Governance costs	4,100	4,100
Total 2022	1,480,110	1,480,110

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023	2022
	£	£
Operating lease rentals	5,075	12,529
Depreciation of tangible fixed assets	314,200	261,089
Fees paid to auditors for:		
- audit	9,750	8,850
- other services	3,825	2,775
	<u>327,850</u>	<u>284,143</u>

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	2,147,576	2,030,605
Social security costs	225,975	206,261
Pension costs	496,323	618,592
	<u>2,869,874</u>	<u>2,855,458</u>
Agency staff costs	60,500	70,790
	<u>2,930,374</u>	<u>2,926,248</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teaching	27	27
Support/Administration	5	7
Management	39	35
	<u>71</u>	<u>69</u>

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

11. Staff (continued)

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2023, employer pension contributions amounted to £76,695 (2022 - £33,164).

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £544,458 (2022 - £655,605).

12. Trustees' remuneration and expenses

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

		2023 £	2022 £
N. Simpson, Headteacher	Remuneration		50,000 - 55,000
	Pension contributions paid		10,000 - 15,000
A. Ali, Head Teacher	Remuneration	45,000 - 50,000	25,000 - 30,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
G. Patel, Acting Headteacher (appointed 8 July 2023)	Remuneration	80,000 - 85,000	
	Pension contributions paid	15,000 - 20,000	
V Horn, Staff Trustee	Remuneration		40,000 - 45,000
	Pension contributions paid		0 - 5,000

During the year, retirement benefits were accruing to 2 Trustees (2022 - 3) in respect of defined contribution pension schemes.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

12. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was £2,500 (2022 - £1,360). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	16,064,804	249,265	97,280	32,160	16,443,509
Additions	920,175	-	2,230	-	922,405
At 31 August 2023	16,984,979	249,265	99,510	32,160	17,365,914
Depreciation					
At 1 September 2022	2,524,317	227,339	97,280	32,160	2,881,096
Charge for the year	305,079	8,379	742	-	314,200
At 31 August 2023	2,829,396	235,718	98,022	32,160	3,195,296
Net book value					
At 31 August 2023	14,155,583	13,547	1,488	-	14,170,618
At 31 August 2022	13,540,487	21,926	-	-	13,562,413

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2023 £	2022 £
Freehold land	1,662,826	1,662,826

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	47,190	37,190
Other debtors	50,101	126,630
Prepayments and accrued income	882,995	1,277,468
	<u>980,286</u>	<u>1,441,288</u>

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	82,860	56,160
Trade creditors	334,785	688,841
Other taxation and social security	55,172	49,224
Obligations under finance lease and hire purchase contracts	-	7,440
Other creditors	230,229	252,491
Accruals and deferred income	159,338	146,696
	<u>862,384</u>	<u>1,200,852</u>

	2023 £	2022 £
Deferred income at 1 September 2022	46,950	13,363
Resources deferred during the year	34,435	46,950
Amounts released from previous periods	(46,950)	(13,363)
	<u>34,435</u>	<u>46,950</u>

At the balance sheet date the Academy Trust was holding funds received in advance for other income relating to the school year 2023/24.

Included within other loans is a salix loan of £7,860 and the part of the ESFA loan which is repayable within 1 year totalling £75,000.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

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

	2023 £	2022 £
Other loans	122,123	198,000

The total loan due to the ESFA as part of the Long Term advance as at the 31 August 2023 is £197,223
Of this amount, £75,000 is due within 1 year with the remainder being paid in bi-annual installments until January 2025.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
General Funds	(25,715)	249,431	(243,174)	-	(19,458)
Restricted general funds					
GAG	(44,479)	3,261,796	(3,250,939)	-	(33,622)
Pupil Premium	-	128,956	(128,956)	-	-
Other ESFA grants	-	215,080	(215,080)	-	-
Rates Relief	-	19,985	(19,985)	-	-
Other government grants	-	86,024	(86,024)	-	-
Other restricted income	-	23,917	(23,917)	-	-
Pension reserve	(63,000)	-	(48,000)	111,000	-
	(107,479)	3,735,758	(3,772,901)	111,000	(33,622)
Restricted fixed asset funds					
Restricted fixed asset fund	14,330,467	771,579	(314,200)	-	14,787,846
Total Restricted funds	14,222,988	4,507,337	(4,087,101)	111,000	14,754,224
Total funds	14,197,273	4,756,768	(4,330,275)	111,000	14,734,766

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

18. Statement of funds (continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Skills and Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other material restricted funds represent incoming resources for the following specific purposes:

- a) ESFA capital grant to maintain and improve school buildings.
- b) Pupil premium grant allocated to schools with pupils that are known to be eligible for free school meals to raise attainment for pupils from low income families.

School fund income is derived largely from contributions from parents for school trips and also funds raised from charity events at the school.

The pension reserve represents the net deficit on the Local Government Pension Scheme (LGPS) defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and future GAG funding agreed by the Education Skills and Funding Agency is expected to be sufficient to take the fund back into surplus.

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

The Academy is carrying a net deficit of £0 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

The deficit that has arisen over the last few years is due to the reduction in pupil numbers. This is having a significant impact on the level of income that can be received in the school in order to provide the educational services.

The Academy is taking the following action to return these funds to surplus:

The Academy have continued to revise their financial recovery plan following the recommendations made by the School Resource Management Advisors. The recovery plan focuses on continuing to reduce costs where possible.

The Board of Trustees remain committed to joining a Multi-Academy Trust when the opportunity arises in order to assist in reducing costs further through economies of scale.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

18. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	-	195,289	(221,004)	-	-	(25,715)
Restricted general funds						
GAG	(385,968)	3,483,500	(3,097,375)	(44,636)	-	(44,479)
Pupil Premium	-	135,067	(135,067)	-	-	-
Other ESFA grants	-	87,238	(87,238)	-	-	-
Rates Relief	-	19,558	(19,558)	-	-	-
Other government grants	-	67,588	(67,588)	-	-	-
Other restricted income	-	35,129	(35,129)	-	-	-
Catch-up Premium	-	20,663	(20,663)	-	-	-
Pension reserve	(2,240,000)	-	(235,000)	-	2,412,000	(63,000)
	<u>(2,625,968)</u>	<u>3,848,743</u>	<u>(3,697,618)</u>	<u>(44,636)</u>	<u>2,412,000</u>	<u>(107,479)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	13,097,639	1,449,281	(261,089)	44,636	-	14,330,467
Total Restricted funds	<u>10,471,671</u>	<u>5,298,024</u>	<u>(3,958,707)</u>	<u>-</u>	<u>2,412,000</u>	<u>14,222,988</u>
Total funds	<u>10,471,671</u>	<u>5,493,313</u>	<u>(4,179,711)</u>	<u>-</u>	<u>2,412,000</u>	<u>14,197,273</u>

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

18. Statement of funds (continued)

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	14,170,618	14,170,618
Current assets	259,665	671,762	617,228	1,548,655
Creditors due within one year	-	(862,384)	-	(862,384)
Creditors due in more than one year	(122,123)	-	-	(122,123)
Provisions for liabilities and charges	(157,000)	157,000	-	-
Total	(19,458)	(33,622)	14,787,846	14,734,766

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	-	-	13,562,413	13,562,413
Current assets	51,040	1,277,618	768,054	2,096,712
Creditors due within one year	(125,878)	(1,074,974)	-	(1,200,852)
Creditors due in more than one year	49,123	(247,123)	-	(198,000)
Provisions for liabilities and charges	-	(63,000)	-	(63,000)
Total	(25,715)	(107,479)	14,330,467	14,197,273

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

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

	2023 £	2022 £
Net income for the year (as per statement of financial activities)	426,492	1,313,602
Adjustments for:		
Depreciation	314,200	261,088
Capital grants from DfE and other capital income	(771,579)	(1,431,864)
Interest receivable	(87)	(65)
Defined benefit pension scheme cost less contributions payable	45,000	197,000
Defined benefit pension scheme finance cost	3,000	38,000
Decrease/(increase) in debtors	461,001	(378,576)
(Decrease)/increase in creditors	(372,606)	371,752
Net cash provided by operating activities	105,421	370,937

21. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	(49,177)	(25,877)
Repayments of finance leases	7,440	(150)
Net cash used in financing activities	(41,737)	(26,027)

22. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	87	65
Purchase of tangible fixed assets	(922,405)	(1,387,628)
Capital grants from DfE Group	771,579	1,431,864
Net cash (used in)/provided by investing activities	(150,739)	44,301

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	<u>568,369</u>	<u>655,424</u>

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	655,424	(87,055)	568,369
Debt due within 1 year	(56,160)	(26,700)	(82,860)
Debt due after 1 year	(198,000)	75,877	(122,123)
Finance leases	(7,440)	7,440	-
	<u>393,824</u>	<u>(30,438)</u>	<u>363,386</u>

25. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>-</u>	<u>529,245</u>

26. Pension commitments

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

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

Contributions amounting to £31,662 were payable to the schemes at 31 August 2023 (2022 - £34,085) and are included within creditors.

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

26. Pension commitments (continued)

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 latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 21.00% 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 £262,000million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of 222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.74% above the rate of CPI.

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

The employer's pension costs paid to TPS in the year amounted to £297,420 (2022 - £302,796).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/1004/valuation-result.aspx>).

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

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

26. 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 £220,000 (2022 - £177,000), of which employer's contributions totalled £173,000 (2022 - £140,000) and employees' contributions totalled £47,000 (2022 - £37,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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
	%	%
Discount rate for schemes liabilities	5.20	4.25
Rate of increase in salaries	3.50	3.45
Rate of increase for pensions in payment/inflation	3.0	3.05

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
<i>Retiring today</i>		
Males	20.4	21.9
Females	24.7	24.4
<i>Retiring in 20 years</i>		
Males	20.9	22.9
Females	25.9	26.0

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

26. Pension commitments (continued)

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate -0.1%	68	84
CPI rate +0.1%	67	77
Salary rate +0.1%	3	7

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	1,946,500	1,948,000
Corporate bonds	895,390	896,080
Property	583,950	584,400
Cash and other liquid assets	467,160	467,520
Total market value of assets	3,893,000	3,896,000

The actual return on scheme assets was £153,000 (2022 - £261,000).

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

	2023 £	2022 £
Current service cost	(218,000)	(337,000)
Interest income	169,000	68,000
Interest cost	(172,000)	(106,000)
Total amount recognised in the Statement of financial activities	(221,000)	(375,000)

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

26. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	3,959,000	6,279,000
Current service cost	218,000	337,000
Interest cost	172,000	106,000
Employee contributions	47,000	37,000
Actuarial gains	(439,000)	(2,741,000)
Benefits paid	(70,000)	(59,000)
Asset cap	(151,000)	-
At 31 August	3,736,000	3,959,000

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

	2023 £	2022 £
At 1 September	3,896,000	4,039,000
Interest income	169,000	68,000
Actuarial losses	(328,000)	(329,000)
Employer contributions	173,000	140,000
Employee contributions	47,000	37,000
Benefits paid	(70,000)	(59,000)
Asset cap	(151,000)	-
At 31 August	3,736,000	3,896,000

27. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	-	12,529

MOUNT GRACE SCHOOL
(A company limited by guarantee)

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

28. Members' liability

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

29. Related party transactions

Owing to the nature of the Academy 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's financial regulations and normal procurement procedures relating to connected and related party transactions.

	2022 £	2022 £
Purchases from Fusion Electrical Limited	-	918
	<u>-</u>	<u>918</u>

30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the trust received £2,187 (2022: £5,288) and disbursed £2,187 (2022: £7,421) from the fund. An amount of £29,647 (2022: £28,421) is included in other creditors relating to undistributed funds that is potentially repayable to ESFA.

The Academy Trust receives income on behalf of Hertsmere Partnership to provide family support workers to all schools within the partnership. In the accounting period ending 31 August 2022 the trust received £170,789 (2022: £204,710) and disbursed £170,789 (2022: £131,762) from the fund. An amount of £148,847 (2022: £174,232) is included in other creditors relating to undistributed funds that is potentially repayable to the funders.