

Company Registration Number: 09250153 (England & Wales)

THE ROYAL SCHOOL, WOLVERHAMPTON

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Hill M R White K Bradshaw R K Mann N Lloyd
Governors	N Lloyd S Hawke T Macdonald (appointed 1 September 2024) L Lang C Reynolds S Bunn J Eagle R Morgan-Guthrie (resigned 12 February 2025) B Kumar (resigned 31 July 2025) A Hall O Ejohwomu M Williams (appointed 10 September 2025) N Sharma (appointed 4 November 2024, resigned 8 September 2025) S Obeng-Asare (appointed 10 September 2025) C Coyle (appointed 22 October 2025)
Company registered number	09250153
Company name	The Royal School, Wolverhampton
Principal and registered office	Penn Road Wolverhampton West Midlands United Kingdom WV3 0EG
Senior management team	T Macdonald, CEO (appointed 1 September 2024) J Phillips, Director of Finance/CFO (resigned 16 February 2025) L Jones-Moore, Director of Finance/CFO (appointed 17 February 2025) J Crook, Vice Principal C Howells, Assistant Principal I Estelle, Head of Sixth Form A Large, Head of Boarding (resigned 31 August 2025) K Davies, Head of Boarding (appointed 1 September 2025) J Whitehead, Associate Assistant Principal K Jefferson, Head of Primary L Hale, Vice Principal, Curriculum, Learning & Teaching K Jones, Assistant Principal/SENCO (appointed 1 September 2024) H Green, Deputy Primary Headteacher A Morgan, Assistant Headteacher (appointed 1 September 2024) S Holdsworth, Assistant Headteacher E Smith, Head of Inclusion

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Independent auditor	Cooper Parry Group Limited Statutory Auditor Cubo Birmingham Two Chamberlain Square Birmingham B3 3AX
Bankers	Barclays Bank PLC Wolverhampton West Midlands WV1 1DS
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2024 to 31 August 2025. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Royal School, Wolverhampton operates a Free School for pupils aged 4 to 19. It is an all-through, non-selective, non-denominational day and state boarding school. It is situated on a campus of approximately 25 acres, separated by two roads, just outside Wolverhampton city centre.

The school serves a catchment area of the whole of Wolverhampton for Primary School children and an even wider area for Senior School pupils across Wolverhampton and surrounding districts for day students, and both national and international boarders. At the October 2025 census, the Trust had 1,482 pupils on roll.

The Royal School Wolverhampton (RSW) converted from an independent school in September 2016. Guided by its vision to 'Be Extraordinary', the Trust seeks to discover and develop the unique brilliance within each individual - combining academic ambition, personal character, and community spirit within a values-driven environment.

Structure, governance and management

a. Constitution

The Free School is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Free School.

The Trustees (also known in the school as 'Governors' and interchangeably referred to as such) are also the Directors of the charitable company for the purposes of company law. The charitable company operates as The Royal School, Wolverhampton. Details of the Trustees who served throughout the year and to the date the approval of this report and the financial statements are included in the Reference and Administrative Details on page 1.

The school has a commercial subsidiary on one part of the campus, Royal Wolverhampton School Enterprises Limited, which operates a sports facility, primarily a swimming pool with one of the largest 'community' Learn to Swim programmes in the country and an astroturf pitch. Both serve the school and the local community through a 'lettings enterprise' arm of the school.

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

The Free School has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members and Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Free School business. The scheme provides cover up to £10,000,000.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

Members may appoint up to 6 Governors and as at 31 August 2025 there were 5 Appointed Governors, with 1 resigning on that date and 2 further appointed in September 2025. The Members may appoint staff governors through such process that they determine. The total number of Governors who are employees of the school, must not exceed one third of the total number of Governors.

Additionally, a minimum of 2 Parent Governors must be elected by parents of the school. A Parent Governor must be the parent of a pupil registered at the school at the time of their election. Both Parent Governors have been appointed and inducted as at 31 August 2025. At this date one Parent governor resigned and an election for a further parent governor has been held, and a new parent governor was appointed as at 22 October 2025.

The Governors may appoint up to a permitted maximum of 4 Co-opted Governors. As at 31 August 2025, 3 have been appointed.

The Principal may be a Governor, providing he/she wishes to be and the appointment is approved by an ordinary resolution of the Members. This has been done and the Principal is a Governor. When the Principal attends a Governor meeting for agenda items in his/her role as Accounting Officer he/she is not permitted to vote as a Governor on those items.

e. Policies adopted for the induction and training of Trustees

All Governors are formally inducted into the work of the Board through a structured programme coordinated by the Governance Professional (SIPS Education). Each new Trustee receives an induction pack containing key governance documents including the Articles of Association, Scheme of Delegation, Funding Agreement, and the most recent School Improvement Plan and Trustees' Report.

Newly appointed Governors are offered a comprehensive induction meeting with the Chair of Governors and Principal/CEO, covering the Trust's strategic priorities, governance structure, financial responsibilities, and safeguarding duties. A mentoring or "buddy" arrangement pairs new Governors with an experienced member of the Board during their first year of service.

All Governors have automatic membership of the National Governance Association (NGA) and are provided access to GovernorHub and The Key for School Governors for policy updates, briefings and national training modules. The Trust also subscribes to SIPS Governor Support, which provides an annual training programme, webinars and legal compliance briefings.

During 2024–25, Governors undertook development sessions on areas including:

- Interpreting and evaluating educational performance data;
- Financial oversight and the Financial Recovery Plan;
- Safeguarding, equality and inclusion;
- Risk management and internal scrutiny.

Updates on governance and statutory compliance are provided each term by the Governance Professional, and all Governors complete annual safeguarding refresher training. A joint Governance and Leadership Development Day is held annually with the Senior Leadership Team to align strategy and performance priorities. Online training is also provided to the Governors via Governorhub and/or TES develop.

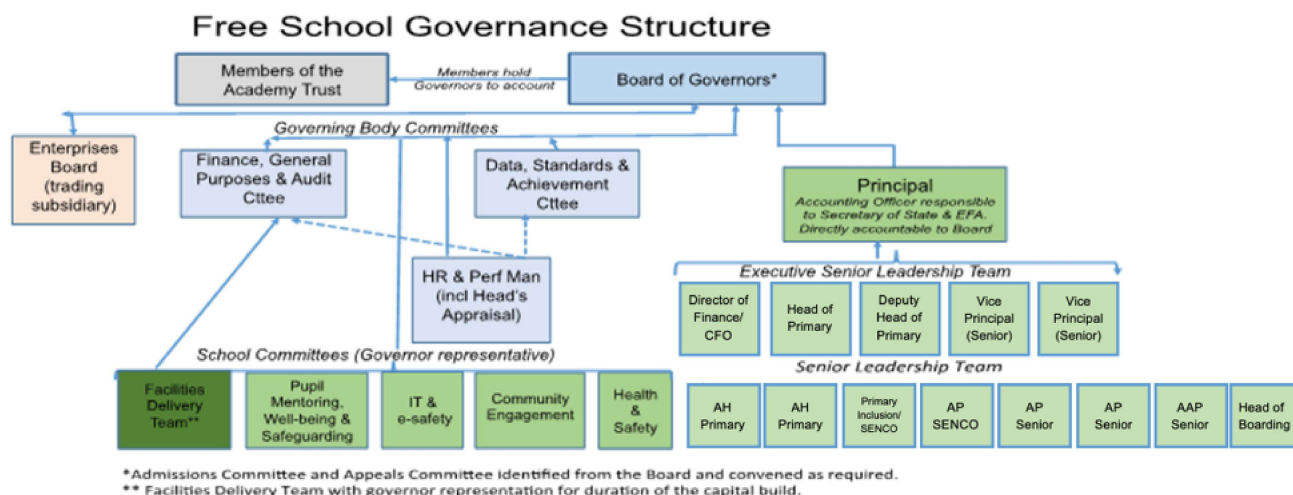
The Board maintains a training log to monitor participation and identify future development needs, ensuring all Trustees remain compliant with their statutory and fiduciary responsibilities.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management (continued)

f. Organisational structure



The Governors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet seven times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 3 standing Committees of the Board of Trustees as follows:

- Finance, Audit and Risk (FAR) Committee – oversees financial management, audit, risk, and internal controls;
- Data, Standards and Achievement (DSA) Committee – monitors pupil progress, educational standards, safeguarding, and personal development;
- HR and Performance Management Sub-Committee – reviews pay, staffing and leadership appraisal.

Admissions and Appeals Committees – are convened as required under the Trust's Admissions Policy.

All of these committees are clerked by the Governance Professional (SIPS Education). Each of these Committees has its own terms of reference detailing the responsibilities discharged to it.

There are, additionally, school committees attended by governors that are clerked by the school.

Committee minutes and key recommendations are reported to the full Board for approval or noting as appropriate.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and

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GOVERNORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

- to appoint and / or consider the performance management of the Principal.

The day-to-day management of the Trust is delegated to the Principal, who also serves as the Chief Executive Officer (CEO) and Accounting Officer (AO) and has overall responsibility for the day-to-day financial management of the Academy Trust. The Principal is supported by the Chief Financial Officer (CFO) and the Senior Leadership Team (SLT), who are responsible for implementing the Trust's strategy, managing resources, and ensuring that pupils receive the highest standards of education and care.

The Senior Leadership Team consists of the Principal, Chief Financial Officer, Vice Principals, Assistant Principals, Associate Assistant Principal, Head of Primary, and Deputy and Assistant Heads of Primary. Together, they oversee all aspects of the Trust's educational, financial, operational and boarding provision, ensuring that leadership is cohesive and aligned with the Trust's vision and values. The SLT implements the policies laid down by the Trustees and reports back to them on these and the Academy Trust's overall performance.

The Academy Trust owns 100% of the issued share capital of The Royal Wolverhampton School Enterprises Limited, a company incorporated in England and Wales (company number 04059224). The primary function of the company is the operation and management of lettings of the Academy Trust's sports facilities. Any profits generated by the company from activities undertaken each year are donated by way of gift aid donations to the Academy Trust each year. The total gift aided donations received by the Academy Trust from the company during the year ended 31 August 2025 was £nil.

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

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day-to-day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 10 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Human Resources and Performance Management Committee (HRPM) in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff and by reference to available information on similar roles in other similar sized Academy Trusts.

The Principal, (or the Chair of Governors if the post to be filled is the Principal) in consultation with the HRPM (and FAR when appointing the Principal) determines the pay range for a vacant post, in line with the School's staffing structure and budget, prior to advertising the position. An appropriate offer will be made to the successful applicant which may take into account all or any of the following factors at the School's discretion:

- The employee's current pay grade;
- The nature of the post;
- The level of qualifications, skills and experience required;
- Market conditions;
- The School's development plan;
- The wider school context, and
- The School's budget, from time to time.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management (continued)

h. Trade union facility time

The Royal School, Wolverhampton meets the threshold of 49 full time equivalent employees during the academic year 2024-25; however there were no relevant union officials during the academic year 2024-25 to report.

i. Related parties and other connected charities and organisations

The Royal Wolverhampton School Foundation, which is a separate registered charity in which Peter Hill (Member) is a Trustee. The charity makes donations and contributions to support particular projects and facilities of the Academy Trust and its pupils.

The Academy Trust's Trustees do not consider the charity to be a connected charity as the Trustees of the charity are not appointed by the Academy Trust or the Academy Trustees, are not directed by or accountable to the Trustees of the Academy Trust and as the charity's objects differ to and are wider than those of the Academy Trust.

As detailed above, the Academy Trust also owns 100% of the issued share capital of The Royal Wolverhampton School Enterprises Limited, a company incorporated in England and Wales (company number 04059224). The primary function of the company is the operation and management of lettings of the Academy Trust's sports facilities. Any profits generated by the company from activities undertaken each year are donated by way of gift aid donations to the Academy Trust each year.

j. Engagement with employees (including disabled persons)

The Academy Trust's policy is to consult and discuss with employees, through surveys, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance. During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The School has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the School's equal opportunities policy, it has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the School's offices.

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GOVERNORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

k. Engagement with suppliers, customers and others in a business relationship with the Free School

The Trust is not a 'Large Company', however it recognises that maintaining positive and transparent relationships with suppliers, contractors, parents, students, and the wider community is essential to the delivery of its educational and charitable objectives.

The Trust aims to conduct all business relationships with integrity, fairness and professionalism. Procurement processes are carried out in accordance with the Academies Trust Handbook, ensuring value for money, ethical practice, and timely payment of suppliers in line with agreed terms. Major contracts and service agreements are reviewed annually by the Finance, Audit and Risk Committee, with oversight from the Chief Financial Officer.

Engagement with parents, students and staff is achieved through regular communication, consultation, and feedback mechanisms, including parent and student surveys, parent forums, the school website, and the use of digital communication platforms. Boarding parents and agents receive specific engagement opportunities through termly updates, surveys, and feedback meetings with the Head of Boarding.

The Trust also works closely with the Department for Education, Wolverhampton Local Authority, and other key partners to secure the best outcomes for pupils. Through its wholly owned subsidiary, RWS Enterprises Limited, the Trust engages with community users and local organisations in the management of lettings and sports facilities, ensuring that community use complements the educational mission of the Trust.

The Trustees value open, collaborative and responsible relationships with all stakeholders and remain committed to acting in a way that promotes the long-term success and sustainability of the Trust for the benefit of its students and community.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities

a. Objects and aims

The principal objectives of the Academy Trust, as set out in its Articles of Association, are:

- i. To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- ii. To promote, for the benefit of the inhabitants of Wolverhampton and the surrounding area, the provision of facilities for recreation or other leisure time, occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large, in the interests of social welfare and with the objectives of improving the condition and life of the said inhabitants.

Within this charitable purpose, the Trust operates an all-through, non-selective, non-denominational day and state boarding school for pupils aged 4 to 19 years, combining academic excellence with character development and community service. The Trust's vision, Be Extraordinary, expresses its commitment to helping every student and member of staff discover and develop their unique potential through ambition, character and community.

The Trust also owns a wholly owned subsidiary company, RWS Enterprises Limited, whose principal object is:

"To carry on business as a general commercial company to support the charitable activities of The Royal School, Wolverhampton Academy Trust, including through the management of community use of facilities, lettings and trading activities, and to donate profits to the Academy Trust to further its charitable purposes."

All profits from RWS Enterprises Limited are gift-aided to the Trust to support its educational mission.

The Trust's broader aims are defined through its Five Extraordinaries, which guide all aspects of leadership, teaching and governance:

1. Extraordinary Students – empowering every pupil to achieve academic excellence, personal confidence and moral integrity, so that they leave equipped to thrive and contribute positively to society.
2. Extraordinary Staff – valuing, developing and inspiring a professional workforce whose expertise, creativity and care drive continual improvement and model the Trust's values in action.
3. Extraordinary Experiences – providing a rich and ambitious curriculum enhanced by opportunities in sport, culture, leadership and service that nurture curiosity, resilience and joy in learning.
4. Extraordinary Communities – building a strong, inclusive and compassionate community grounded in respect and belonging, where diversity is celebrated and service to others is encouraged.
5. Extraordinary Leadership – ensuring that leadership at every level is values-driven, accountable and outward-looking, securing excellence, stewardship and sustainability for future generations.

These Five Extraordinaries form the foundation for all Trust strategies and improvement plans, ensuring that the Academy's educational, operational and financial activities serve its enduring charitable purpose: to advance education for the public benefit.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trustees have set clear objectives for the Academy Trust in pursuit of its charitable purpose to advance education for the public benefit. The Trust's work during the year ended 31 August 2025 was guided by its vision, Be Extraordinary, which underpins all aspects of the school's culture, curriculum and leadership. This vision reflects the Trust's commitment to helping every pupil and member of staff discover and develop their unique potential through ambition, character, and community.

The strategic objectives of the Academy Trust during the year were to:

1. Deliver sustained financial recovery and organisational stability

To implement a Financial Recovery Plan, ensuring compliance with the Notice to Improve and the Academies Trust Handbook. The Trust aimed to meet budget forecast for the year, rebuild reserves, and establish sustainable resource management while protecting the quality of education and student experience. Robust internal controls, monthly management accounts, and oversight by the Finance, Audit and Risk Committee provide assurance that recovery is effective and aligned with long-term sustainability. This is tracked and measured through clear financial targets set against our budgets.

2. Strengthen leadership at all levels

To ensure leadership across all phases is strong, proactive, and clearly focused on impact. Leaders operate within a high-expectations framework set by the Principal and demonstrate the confidence and skill to drive rapid and sustainable improvement. Middle and senior leaders are increasingly accountable for outcomes within their areas, and improvement work is characterised by pace, consistency, and clear evidence of impact. This is measured in line with Ofsted inspection criteria and evaluation of the impact of initiatives enacted.

3. Embed a coherent and research-informed programme of professional development

To ensure Continuing Professional Development (CPD) is purposeful, evidence-based and aligned with both whole-school priorities and individual needs. Instructional coaching through Steplab is now an established feature of professional learning, valued by staff and demonstrably improving classroom practice. Subject and aspect leaders lead high-quality development sessions, and research-informed collaboration and shared practice are embedded in the professional culture of the school. The impact of this is measured through staff feedback and judgements of the quality of teaching and learning

4. Deepen student engagement and positive behaviour for learning

To maintain and strengthen a culture of high expectations and self-discipline across the Trust. Behaviour expectations are clear, consistent, and understood by everyone. Staff identify emerging issues early and address them effectively, creating calm, purposeful environments in which students are curious, motivated, and resilient. Pupils demonstrate growing independence and pride in their learning, and attendance and punctuality are sustained above national benchmarks. Student voice, attendance records and behaviour records are all used as metrics to identify and measure success in this objective.

5. Improve teacher effectiveness and classroom consistency

To ensure the quality of teaching is consistently effective across all subjects and phases, with increasing examples of excellence. Teachers demonstrate high expectations of all pupils and use The Royal Teaching and Learning Model consistently to plan, deliver, and assess learning. Assessment is accurate and timely, feedback is purposeful, and the impact of professional development is visible in classroom practice and pupil outcomes.

6. Develop learner effectiveness and the application of Royal learner behaviours

To ensure pupils understand and demonstrate the Royal Learner Behaviours - resilience, curiosity, collaboration, and reflection - and can articulate how these virtues contribute to their success. Pupils know their strengths and areas for improvement, show pride in their achievements, and increasingly apply these behaviours independently across their learning and wider school life.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

These objectives are delivered through the Trust's School Improvement Plans, Professional Development Strategy, and Financial Recovery Plan, all monitored rigorously by the Data, Standards and Achievement (DSA) and Finance, Audit and Risk (FAR) Committees.

Through these strategies, the Trust continues to provide an ambitious, inclusive and values-driven education that promotes academic excellence, personal growth and community engagement, in line with its charitable object to advance education for the public benefit.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in Wolverhampton and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interests of improving the life of that community. The details of the particular activities of the Academy Trust during the year and how these have provided public benefit are detailed in the Achievements and Performance section below.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report

Achievements and performance

The year ended 31 August 2025 marked a period of meaningful progress and stabilisation for The Royal School Wolverhampton Academy Trust, reflecting sustained improvement across educational, financial and cultural dimensions. The Trust continued to embed its vision, Be Extraordinary, through focused delivery of its Strategic Objectives, all underpinned by the framework of the Five Extraordinaries.

Extraordinary Students – Learner Effectiveness and Engagement

The Trust has strengthened pupils' engagement, motivation and readiness to learn. Attendance remained significantly above national averages (top 10% of secondary schools; top 25% of primary schools), including for pupils with special educational needs, and behaviour improved significantly through consistent application of the Trust's restorative and relational approach. Persistent absence continued to fall, and incidents of high-tariff behaviour declined. Pupils increasingly demonstrate the Royal Learner Behaviours - resilience, curiosity, collaboration and reflection - and can articulate how these support their success.

Primary outcomes show strong early-reading foundations, with 81 per cent of pupils meeting the expected phonics standard in Year 1 and 89 per cent in Year 2. Multiplication-check outcomes rose sharply, from 5 per cent to 74 percent through the year, evidencing rapid improvement in fluency through the revised teaching sequence. In Early Years, the proportion achieving a Good Level of Development again exceeded the national figure.

In the Senior Phase, pupils have benefited from more consistent expectations and targeted interventions in English, mathematics and science. Although overall GCSE attainment fell in line with national trends and prior attainment of the cohort, we estimate progress from starting points (measured via CATs) remained broadly consistent with previous years. Pupils show growing confidence and independence in their learning, supported by improved feedback and assessment practice.

Inspectors recognised this culture of engagement, commenting that:

"Pupils take significant pride in the diversity of the school community. They understand the school's expectations for how they should behave and treat each other," and that pupils, "relish challenges and are eager to know how to improve their learning."

Extraordinary Staff – Leadership and Professional Development

Leadership at all levels demonstrated increased visibility, coherence and impact. The Royal Leadership Standards and a re-designed Quality Assurance framework established clear accountability and a shared professional language across both phases. Middle leaders are empowered and proactive in driving improvement, and communication between phases is strong.

Professional Development is a major strength. The instructional-coaching model, delivered through Steplab, is becoming embedded with all staff, with participation extended to teaching assistants and support colleagues in 2025-26. The Royal Way - the Trust's model for teaching and learning - has become the unifying thread linking pedagogy, CPD and evaluation. Lesson visits confirm higher levels of consistency, deliberate practice and ambition. Staff morale remains positive, supported by a consultative and distributive leadership approach.

Inspectors endorsed the ambition and coherence of leadership, noting that:

"Leaders have revised the curriculum extensively. This curriculum design is now in place."

Extraordinary Experiences – Teaching Quality and Curriculum Consistency

Classroom practice has become increasingly effective and reflective. The Royal Teaching and Learning Model - focused on Seriously Strong Starts, Embellished Countdowns, Hinge Questioning and effective lesson endings -

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

is evident in every subject. Internal reviews demonstrate improved planning, questioning and feedback, producing more secure progress for all groups, including disadvantaged and SEND pupils.

Key Stage 2 results reflected challenging starting points, but pupils made clear gains in reading and mathematics, with writing and vocabulary now a core focus for 2025-26. Key Stage 4 performance mirrored the national picture of slight decline, yet the school's progress trend remained stable once contextual factors were considered. In the Sixth Form, value-added performance is estimated to remain among the strongest for large sixth forms in the region at +0.10, confirming sustained excellence in post-16 teaching and guidance. Retention and progression rates remain exceptionally high, with the vast majority of leavers advancing to university, apprenticeships or skilled employment.

Extraordinary Communities – Safeguarding, Boarding and Inclusion

Safeguarding continues to be a cornerstone strength. External reviews and inspections confirmed that statutory requirements are fully met and that safeguarding practice is proactive and embedded. Relationships between staff, pupils and families remain characterised by trust and care, reinforcing the inclusive ethos that defines the school.

The June 2025 Ofsted inspection of the boarding provision judged it Good in all areas, stating:

“The boarding school provides effective services that meet the requirements for good. Boarders say that they feel happy and safe in the boarding houses and talk about the benefits of boarding.”

The subsequent Boarding Action Plan delivered tangible improvements in maintenance, catering, staffing and student voice. The Combined Cadet Force (CCF) expanded rapidly, becoming the third-largest contingent in the West Midlands and achieving national recognition, exemplifying the Trust's commitment to character education and service.

Extraordinary Leadership – Financial Recovery and Organisational Stability

The Trust achieved a major milestone in its financial recovery, moving closer to a balanced in-year position and significantly reducing the forecast in-year deficit. Cost control, improved procurement and timetable reform have delivered sustained efficiencies without undermining educational quality. The Finance, Audit and Risk Committee monitored monthly accounts, ensuring full compliance with the Academies Trust Handbook and the conditions of the Notice to Improve.

Nine of the ten conditions of the NTI have now been met, with the Department for Education confirming confidence in the Trust's governance and control arrangements. The final outstanding element — resolution of the historic LGPS pension liability — is progressing through constructive engagement with HM Treasury. Once resolved, the Trust will transition into a period of sustained financial stability and in year surplus forecasting.

Community and Public Benefit

The Trust continues to make a positive contribution to the local and wider community. Through its subsidiary, RWS Enterprises Limited, community lettings and sports-facility use have grown, with all profits reinvested in educational provision. Pupils engage extensively in charitable fundraising, local volunteering and cultural events, reflecting the values of Extraordinary Communities and the school's inclusive Christian ethos.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report (continued)

Achievements and performance (continued)

Key Stage 2 Performance 2024-25

Measure	RSW	LA Av.	Nat Av.	Commentary / Notes
Pupils meeting expected standard (RWM)	54 %	61 %	60 %	Slightly below national; cohort included a significantly higher proportion of pupils with SEND and lower prior attainment on entry.
Pupils achieving higher standard (RWM)	3 %	7 %	8 %	Below comparator averages, reflecting a complex cohort profile. Targeted stretch activities introduced in 2025–26 to raise greater-depth outcomes.
Average scaled score – Reading	104	105	105	Small improvement from previous year; effective early-reading and phonics strategies consolidating gains.
Average scaled score – Mathematics	103	104	104	Slightly below national; impact of new fluency and retrieval model beginning to show strong mid-year gains.

KS2 Progress figures are not available in 2025

Key Cohorts

- Higher proportion of pupils with SEND and EAL than national; progress from starting points remains secure.
- Gender gap in reading narrowed, with boys showing improved outcomes.
- Mobility and contextual factors affected attainment, but phonics and maths fluency initiatives are having clear impact.

Key Stage 4 Performance 2024–25

Measure	RSW	LA Av.	Nat Av.	Commentary / Notes
Attainment 8	44.8	46.5	45.5	Slightly below local and national averages, reflecting lower prior attainment on entry. Progress from starting points broadly consistent with the school's three-year trend.
Grade 5+ in English & Maths GCSEs	39 %	42 %	45 %	Small decline from 2023–24 in line with national patterns; targeted interventions in English and mathematics now embedded through form-time and Period 6.
EBacc Average Point Score (APS)	4.03	4.11	4.05	Stable performance, sustaining a broad and balanced curriculum offer with 36 % EBacc entry.
Staying in Education or Employment (2023) <i>latest DfE published data</i>	96 %	95 %	94 %	Destination outcomes remain above both local and national averages, evidencing strong careers education and effective post-16 transition.

KS4 Progress figures are not available in 2025

Key Cohorts

- Cohort included increased SEND and disadvantaged representation; progress broadly in line with peers.
- Attendance for SEND pupils remained well above national levels.
- Attainment dipped slightly, reflecting lower prior attainment, but behaviour and engagement improved significantly.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report (continued)

Achievements and performance (continued)

Key Stage 5 Performance 2024–25

Measure	RSW	LA Av.	Nat Av.	Commentary / Notes
A-Level Average Grade	C	C	B–	In line with local averages. Attainment reflects lower prior attainment on entry but strong value-added outcomes.
A-Level Average Points per Entry	30.5	29.4	35.3	Sustained performance; value-added score of +0.10 places RSW among the top-performing large sixth forms in the region.
Vocational Average Grade	Merit	Merit	Merit+	Stable outcomes; strong performance in Health & Social Care and Business qualifications.
Pupils securing first-choice university	84 %	81 %	80 %	Excellent destination data ; the majority progress to university or higher apprenticeships, with 0 % NEET recorded.

Estimated Value Added for 2025 +0.10

Key Cohorts

- Sixth form increasingly diverse, with many first-generation university applicants.
- Value-added outcomes remain strong for disadvantaged and lower prior-attaining students.
- 0% NEET sustained; majority progressed to first-choice destinations.

During 2024–25, The Royal School Wolverhampton consolidated its progress towards long-term excellence:

- Educational outcomes strengthened in key areas of reading, mathematics and post-16 performance.
- Leadership and CPD frameworks embedded a shared culture of high expectations.
- Behaviour, attendance and wellbeing improved significantly.
- Safeguarding and boarding were confirmed as Good by Ofsted.
- Financial governance and accountability reached full maturity, positioning the Trust for sustainable growth.

The Trustees acknowledge the commitment and professionalism of all staff and students in realising the Trust's vision. The school enters 2025–26 with renewed confidence, clear strategic focus and the collective determination to Be Extraordinary in all it does.

a. Key performance indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2025, the balance of the unrestricted and restricted income reserves was (£1,027,867) (2024: (£764,852)), which is after transfers of £Nil to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The pupil numbers at the most recent census were 1,482 which is a decrease of over 1% from the previous census but remains above the school PAN.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the DFE and / or Local Authority) for the year was 90% (2024: 93%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 73% (2024: 71%).

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Strategic report (continued)

Achievements and performance (continued)

b. Going concern

In December 2024, The Royal School Wolverhampton received a Financial Notice to Improve from the Department for Education (DfE). This reflected both the Trust's historic difficulty in setting a balanced budget and the discovery that, since conversion, eligible non-teaching staff had been enrolled into a private pension scheme rather than the Local Government Pension Scheme (LGPS) as required by the Funding Agreement. All eligible non-teaching staff have now been enrolled into the LGPS with effect from January 2025, regularising the position for future service.

The historic error in pension enrolment gives rise to a material past-service pension liability. At the date of approval of these financial statements, the precise value, timing and funding of this historic liability remain uncertain and are the subject of ongoing discussions with the DfE, HMT, the administering authority of the LGPS and the Trust's professional advisers. Until those discussions are concluded and a formal agreement is reached, there remains a material uncertainty in respect of the Trust's future obligations arising from this historic liability.

To support its wider financial recovery, the Trust has already received £499,000 of interest-free financial support from the DfE, with repayments scheduled to commence from September 2026 over a five-year period. In anticipation of further pressure arising from LGPS costs and historic liabilities, the Trustees prepared a draft request for additional short-term financial support from the DfE. However, through rapid action to strengthen financial controls, reduce expenditure, and increase income, the Trust was able to manage its position within existing resources and did not require or draw down any further financial support beyond the initial loan. As a result, the Trust ended the year in a significantly improved position and is now on track to achieve an in-year surplus in the current financial year, supported by a robust, medium to long-term recovery plan to eliminate the cumulative deficit over time.

In forming their judgement on going concern, the Trustees have considered detailed cash flow forecasts, budget projections and downside scenarios covering a period of at least twelve months from the date of approval of these financial statements. These forecasts incorporate the delivery of the Financial Recovery Plan, the continued impact of strengthened financial management and governance arrangements, and the expectation that a funded and affordable solution to the historic LGPS liability will be agreed with the DfE, HMT and the LGPS administering authority.

Whilst the existence of the unresolved historic LGPS liability, and the associated uncertainty over its ultimate quantum and method of funding, represents a material uncertainty, the Trustees have confidence that a practical solution will be achieved through the Trust's continued joint working with the DfE, HMT and the LGPS administering authority.

Therefore, notwithstanding this material uncertainty, the Trustees have concluded that it remains appropriate to prepare the financial statements on a going concern basis. This conclusion reflects the progress already made in stabilising the Trust's finances, the improved in-year position and trajectory towards surplus, the existence of a credible and monitored recovery plan to address the cumulative deficit, and the ongoing engagement with the DfE, HMT and the LGPS administering authority regarding a sustainable resolution of the historic pension liability. The financial statements do not include any adjustments that would result if the Trust were unable to continue as a going concern.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report (continued)

Financial review

For the year ended 31 August 2025, the Academy Trust's total income (excluding capital grants) was £12,849,275 (2024: £12,489,215) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £13,112,290 (2024: £13,165,711), resulting in a net operating deficit for the year of (£263,015) (2024: (£676,496)).

This operating deficit for the year was expected due to rising costs associated with the transfer of staff to the Local Government Pension Scheme on an ongoing basis. However, the deficit was significantly reduced in year following a detailed review of the financial position and achievement of savings in year.

After transfers from reserves to fund capital expenditure in the year, the balance of reserves at 31 August 2025, excluding the restricted fixed asset funds and LGPS liability fund was (£1,027,867).

The net book value of fixed assets at 31 August 2025 were £3,378,823. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme balance of £Nil, which arises from the Local Government Pension Scheme ("LGPS") that is attributable to the Academy Trust. Whilst the actuary's FRS102 valuation report at 31 August 2025 indicated an asset in the scheme of £53,000, there is significant judgment needed by the Trustees in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. In line with the asset ceiling review and calculations provided by the actuary, the pension asset has been reduced to a £Nil balance in the financial statements. Further details regarding the LGPS balance at 31 August 2025 and the basis on which this has been recognised in the financial statements are set out in note 24 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Principal, managers, budget holders and other staff, as well as the delegated authorities for spending.

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GOVERNORS' REPORT (CONTINUED)
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a. Reserves policy

The Trustees have determined that the appropriate level of operating reserves should be approximately 5% of annual income. Operating reserves are considered to be those income reserves that are available to be used by the Academy Trust for its normal operating activities and is generally represented by unrestricted income funds (excluding any designated funds) and restricted income funds that are considered to be available for the general purposes of the Academy Trust (such as GAG funds).

The reason for this reserves policy is to provide sufficient working capital to cover delays between spending and receipts of grant funding, to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc and to provide sufficient financial resilience to offset continued funding pressures in the sector.

The Academy Trust's current level of operating reserves at 31 August 2025 is (£1,027,867) (2024: (£764,852)), which is made up of restricted income funds of (£477,506) (2024: (£209,527)) and unrestricted funds of (£550,361) (2024: (£555,325)).

Although the current level of operating reserves is below the target level identified above, the Trustees continue to look at and evaluate strategies for raising additional income whilst also reviewing key areas of operational expenditure so as to ensure the targeted reserves can be achieved in future years.

The value of the restricted fixed asset fund at 31 August 2025 is £3,395,214 (2024: £3,560,281), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, and the balance of unspent capital grants to be used on future capital expenditure. These funds can only be realised by disposing of the associated tangible fixed assets or by utilising the amounts of unspent capital grants in line with the terms and conditions of those grants.

The LGPS is in an asset position at 31 August 2025 which has not been recognised in the financial statements, due to the asset ceiling calculation.

The pension reserve fund has a balance at 31 August 2025 of £Nil, which represents the balance in the LGPS at the balance sheet date. As detailed earlier in this report, whilst the actuary's FRS102 valuation report at 31 August 2025 indicated an asset in the scheme of £53,000, the pension asset has been reduced to a £Nil balance in the financial statements. The effect of this asset position is that Academy Trust may be required to make reduced pension contributions over the next 3 year funding period with the effect being that the surplus is ultimately repaid over the next 20 year period. These reduced pension contributions will continue to be funded from the Trust's annual recurring income. In the event that the LGPS moves in an overall deficit position in the future, the Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk.

The investment objectives are to:

- Act within their powers to invest as set out in their articles of association.
- Have an investment policy to manage, control and track their financial exposure, and ensure value for money.
- Exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser.
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation.
- Ensure that all investment decisions are in the best interests of the trust and command broad public support.
- Review the trust's investments and investment policy regularly.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of The Royal School, Wolverhampton depends on sustaining the high standards of education confirmed through two successful Ofsted inspections in 2025, which recognised the quality of leadership, safeguarding and curriculum development across the school and boarding provision. The school remains oversubscribed (indeed, at Year 7, the most oversubscribed mainstream secondary school in the country) and the Trust is keen to retain this popularity at all levels. The principal educational risks relate to maintaining improvement momentum; narrowing attainment gaps for disadvantaged and SEND pupils; and ensuring consistency of teaching quality across all phases. To mitigate these risks, the Trust operates a robust quality-assurance framework - underpinned by 'The Royal Way' Teaching and Learning Model, regular assessment reviews, and external moderation - and monitors pupil progress through the Data, Standards and Achievement Committee. Staff development, curriculum review and targeted intervention programmes ensure early identification of underperformance and rapid corrective action. Ongoing stakeholder engagement, strong parental communication and a comprehensive enrichment offer further secure the school's reputation for academic and personal excellence, supporting sustained pupil recruitment and outcomes.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in safeguarding, child protection, and the welfare of pupils across both the day and boarding settings. Safeguarding remains a cornerstone strength of the Trust, recognised in both Ofsted inspections of 2025, which confirmed that children are safe and that safeguarding arrangements are effective. The introduction of revised Behaviour and Attendance Policies and the adoption of a relational, consistency-based behaviour model have significantly improved conduct, reduced incidents of exclusion, and contributed to attendance levels well above national averages. Trustees receive regular assurance through safeguarding reports, termly audit outcomes, and annual external reviews, all monitored through the Data, Standards and Achievement Committee. Designated Safeguarding Leads receive ongoing professional training, and safeguarding compliance forms part of every quality assurance cycle. The Board is satisfied that effective policies, staff training, and a strong safeguarding culture minimise the risk of harm and ensure continuous compliance with statutory guidance, including Keeping Children Safe in Education (2025).

Financial

The Academy Trust remains heavily dependent on funding from the Department for Education (DfE) (and Wolverhampton LA), which together accounted for approximately 84% of total income in 2024–25. Whilst this funding level is expected to continue, Trustees recognise the ongoing uncertainty facing the wider education sector, including the potential impact of inflationary pressures, pay awards, and pension contributions on long-term financial sustainability.

The principal financial risks continue to relate to managing cashflow, maintaining liquidity, and ensuring that the Trust's cost base remains sustainable in the face of nationally increasing operational costs. The Trust has responded to these challenges through careful monitoring of debtors and creditors, prudent cashflow management, and robust monthly forecasting. Active income generation, tight expenditure control, and improved procurement have strengthened resilience and supported in-year stability.

Following a period of significant challenge in the prior year, the Trust has improved its position compared to its

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budget forecast return; has exceeded all financial targets set for 2024–25, demonstrating that its Financial Recovery Plan and Integrated Curriculum and Financial Planning (ICFP) approach are both effective and sustainable; and is expected to deliver an in-year surplus in 2025-26. Savings and efficiency measures were introduced across staffing, estates, and services, without compromising educational quality. Trustees continue to exercise close scrutiny through the Finance, Audit and Risk Committee, receiving detailed management accounts and forecasts each month.

The Trust adopts a prudent forecasting approach, setting reasonable savings and cost-reduction goals in line with future grant expectations. Strengthened internal financial controls, revised authorisation limits, and enhanced reporting processes ensure timely and accurate oversight. The Board benefits from additional Trustee expertise in finance and risk management, providing an added layer of scrutiny and support.

In October 2024, following legal review by King's Counsel, an historic liability was identified relating to contributions to the Local Government Pension Scheme (LGPS) for support staff following academy conversion. The potential extent of this liability is being assessed in consultation with the DfE and HM Treasury. Both bodies remain actively engaged with the Trust to agree a fair and sustainable resolution.

Trustees are satisfied that the measures implemented to improve financial control, strategic forecasting and cost management have significantly reduced risk exposure and positioned the Trust for sustained financial stability in the years ahead.

As detailed earlier in this report, the actuary's FRS102 valuation report at 31 August 2025 indicated an asset in the scheme of £53,000. The Trustees recognise that this position will change from year to year depending on the various assumptions adopted by the actuaries when completing the FRS102 valuation reports. As such, the LGPS could still present a significant potential liability to the Academy Trust in the future. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this potential future liability is considered to be very low. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

Estates

The Trustees recognise that the health, safety and wellbeing of students, staff and visitors are paramount, and that the effective management of the Trust's estate is fundamental to achieving this. Comprehensive Health and Safety Policies are in place, supported by annual staff training (both online and in person), independent audits, and external specialist advice. Oversight of estates management, compliance and capital works is provided through the Finance, Audit and Risk Committee, with operational monitoring through the Health and Safety Committee.

The principal estates risks relate to the historic underinvestment in buildings pending the long-anticipated DfE rebuild and renovation programme, now at the final stage of approval and due to commence in January 2026. The project represents a full-scale redevelopment of significant parts of the site and, once complete, will substantially reduce estates-related risk by addressing long-term condition and compliance issues.

During the transition period, the Trust continues to manage increased running costs and reactive maintenance pressures linked to ageing infrastructure and limited access to additional Condition Improvement Fund (CIF) bids for buildings scheduled for rebuild. The Trustees mitigate these risks through close collaboration with the DfE and the appointed build partners, rigorous health and safety monitoring, and prudent financial planning to manage short-term cost volatility and utility expenditure.

In addition, several listed buildings fall outside the scope of the DfE rebuild programme and require essential remedial work to maintain safety, compliance and preservation standards. Support from insurers and specific financial provisions for these repairs have been included in the Trust's accounts.

Sustainability and energy efficiency remain key priorities, and all estate investment decisions consider the Trust's environmental responsibilities and long-term goal to reduce carbon emissions. The Trustees are satisfied that the current estates risk profile is well understood, appropriately mitigated, and will reduce

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substantially once the DfE rebuild project commences.

Staffing

The success of The Royal School Wolverhampton Academy Trust is founded on the quality, commitment and wellbeing of its staff. Trustees recognise that recruiting, developing and retaining high-calibre colleagues is essential to sustaining educational excellence and operational stability. Workforce planning, professional development and succession management therefore remain key strategic priorities, overseen by the Data, Standards and Achievement Committee and monitored through the Trust's People Strategy.

National and regional teacher-supply shortages have continued to present recruitment challenges, particularly in specialist and leadership roles. The Trust mitigates these risks through early advertising, the development of internal talent pipelines, and strengthened partnerships with local initial-teacher-training providers. Where interim agency staff have been required, they have maintained strong continuity and quality, though associated costs continue to exert financial pressure.

The Principal and Head of Primary take a personal lead in the recruitment and selection of all staff, ensuring alignment with the Trust's values, safeguarding culture and professional standards. All appointments are made through rigorous, values-based processes with trustee and senior leadership oversight.

Investment in staff development remains central to the Trust's improvement strategy. The Royal CPD approach and coaching model provide a coherent framework for professional learning, ensuring that colleagues at all levels receive targeted support and clear progression routes. Wellbeing initiatives, workload review and open communication have further strengthened staff morale and retention.

The Trustees are satisfied that robust monitoring, forward planning and the ongoing implementation of the Trust's Professional Development and Succession Plan provide effective mitigation of workforce-related risks and support the long-term sustainability of staffing across all phases.

Failures in governance and / or management

The Trustees recognise that strong governance and effective management are essential to maintaining compliance, financial integrity and public confidence. Principal risks in this area relate to failures in financial control, compliance with regulation, or submission of statutory returns.

These risks are mitigated through a clear Scheme of Delegation, robust internal scrutiny and external audit, and regular oversight by the Finance, Audit and Risk Committee. Trustees receive ongoing training on their legal and regulatory duties and review governance effectiveness annually through self-evaluation and skills audits.

Enhanced financial reporting systems, strengthened internal controls and updated risk management procedures provide assurance against fraud, mismanagement or regulatory breach. Trustees are satisfied that governance and management arrangements remain effective and proportionate to the Trust's scale and complexity.

Fraud and mismanagement of funds

The Trustees recognise their responsibility to ensure that robust systems of financial management and control are in place to safeguard public funds and protect the Trust against fraud, error and financial mismanagement. The Trust operates comprehensive financial controls and a clear Scheme of Delegation, supported by transparent reporting and effective oversight by the Finance, Audit and Risk Committee.

Independent internal scrutiny is provided by Emma Gray (1st Pillar Limited), appointed by the Trustees to deliver a structured programme of assurance in accordance with the Academies Trust Handbook 2025. The 2024-25 scrutiny work concluded that internal controls were effective, governance was strong, and that there was no evidence of fraud or material weakness. Minor recommendations - covering dual-signatory authorisation, updates to the Financial Procedures Manual, and assurance mapping - have been implemented in full.

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All finance staff receive regular training to maintain awareness of financial standards and fraud prevention. The Trustees are satisfied that the Trust's internal control framework provides sound assurance that funds are managed properly, risks are actively monitored, and any potential irregularity would be swiftly detected and addressed.

Cybercrime & Cyber Security

The Trustees recognise the growing threat that cybercrime poses to educational institutions and have ensured that proportionate technical and organisational controls are in place to protect the Trust's systems, data and reputation. In line with the DfE's Cyber Security Standards for Schools and Colleges (2024), the Trust has implemented multi-factor authentication (MFA) across all administrative accounts, daily off-site backups, restricted administrative access, and regular testing of data recovery procedures.

Cyber risk is specifically considered within the Trust's Risk Register and reviewed by the Finance, Audit and Risk Committee as part of its routine assurance cycle. Staff and governors receive regular cyber-awareness training, supported by simulated phishing exercises and annual refresher activities. Incident management procedures are aligned with the DfE Cyber Incident Management Framework, ensuring that any significant event is escalated and reported appropriately to the DfE and the Information Commissioner's Office.

The Trust continues to enhance its resilience through full encryption of portable devices, improved account management processes for leavers, and planned external cyber-audit work under the DfE Cyber Risk Assurance Framework. Trustees are satisfied that effective systems and oversight are in place to mitigate the risk of cybercrime and ensure compliance with national standards.

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2025.

Any fundraising is carried out by The Royal Wolverhampton School Foundation (formerly known as The Royal Wolverhampton School). The foundation contacts the members of its community, namely alumnae, current and past parents and friends of the schools, regarding fundraising activities. The Foundation does not contact general members of the public who are not identified as a stakeholder group of the school. All fundraising efforts make clear that any donations are voluntary and do not place any undue pressure on an individual. Once subscribed, it is very easy for individuals to unsubscribe and stop receiving any form of communications.

In the last financial year there have not been any breaches or failure to comply with fundraising regulatory standards of any regulatory body governing fundraising policies. There have not been any formal complaints against the Foundation's fundraising procedures.

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GOVERNORS' REPORT (CONTINUED)
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Plans for future periods

The Trustees' plans for future periods are guided by the Trust's vision to Be Extraordinary, supported by the Strategic Planning Group (SPG) established in 2023-24 to provide oversight of long-term development and growth. The SPG has agreed that the Trust will focus on completing the financial recovery plan, ensuring the success of the DfE rebuild and renovation programme, and embedding consistent excellence in teaching and leadership across all phases before considering further expansion of the Trust.

The Trust's plans for future periods are:

- **Completion of Financial Recovery and Sustainability**
 - Deliver the final phase of the Financial Recovery Plan, maintaining prudent forecasting and cost control.
 - Consolidate surpluses and rebuild reserves to ensure long-term financial sustainability.
 - Apply lessons from the 2024-25 financial recovery year, embedding ICFP principles and enhanced forecasting tools across the Trust.
- **Rebuild and Estates Development Programme**
 - Begin the rebuild and renovation programme in 2026, significantly reducing estate and compliance risk.
 - Work closely with the DfE and build partners to ensure that the programme delivers modern, sustainable facilities aligned to the Trust's environmental and accessibility goals.
 - Develop a forward plan for the listed heritage buildings outside the rebuild scope, ensuring ongoing safety and preservation through planned repair projects.
- **School Improvement Priorities 2025-26**
 - Strengthen Leadership through targeted development and mentoring of middle and senior leaders.
 - Embed Instructional Coaching and CPD frameworks to enhance teacher effectiveness and retention.
 - Refine curriculum design and assessment to raise outcomes, particularly for disadvantaged and SEND pupils.
 - Sustain improved behaviour and attendance through consistent application of the relational behaviour model.
 - Expand opportunities for personal development, leadership and enrichment across day and boarding provision.
- **Growth and Strategic Development**
 - Consider the feasibility of a fifth form of entry at Year 7 once the rebuild and recovery plans are complete, to meet ongoing high demand for places.
 - Explore long-term opportunities for specialist provision, including a UTC sleeve, an EAL/LAC support hub, or expanded Post-16 provision, once sufficient capacity and financial headroom are achieved.
 - Ensure all growth decisions are evidence-led, maintaining quality, sustainability and alignment with the Trust's values.

Past experience - particularly the lessons learned through financial recovery, estate management challenges, and the 2025 Ofsted inspections - has shaped a cautious, sustainability-first approach to future planning. The Trustees will continue to prioritise stability, high-quality education, and the welfare of students and staff, ensuring that future growth builds on firm educational and financial foundations.

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the DfE, which are distributed to students as required and in line with the terms and conditions of the funds.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Disclosure of information to auditor

In so far as the Trustees are aware:

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

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 11 December 2025 and signed on its behalf by:

Signed by:



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N Lloyd

Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Royal School, Wolverhampton 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 Academy Trust Governance Guide and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' Responsibilities. The board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
N Lloyd	7	7
S Hawke	4	7
T Macdonald	7	7
L Lang	6	7
C Reynolds	4	7
S Bunn	6	7
J Eagle	7	7
R Morgan-Guthrie	1	4
B Kumar	4	7
A Hall	7	7
O Ejohwomu	4	7
N Sharma	4	7

During the year ended 31 August 2025, the Board of Trustees reviewed the Academy Trust's governance structure in order to evaluate its impact and effectiveness, and this included undertaking a skills audit. While the Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust, the skills audit identified some gaps in specific skills and as a result, additional Trustees were recruited during the year to further add to the effective governance of the Academy Trust.

The Board, and each sub-Committee, receive comprehensive information from the Trust's leadership team prior to each meeting, including key performance indicator monitoring. This enables the Trustees to remain fully appraised of the performance of the Trust in all areas of operations and to 'drill down' into areas of particular interest so that meetings are focused at all times.

The responsibilities of and work undertaken by the sub-Committees are detailed further below. The minutes of these sub-Committee meetings are provided to the full Board of Trustees and the Chairs of these sub-Committees report to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

Trustees have also taken a proactive role in linking with individual academies to develop greater knowledge of the impact of the Trust's strategic direction and work of the central team through informal engagement with school leaders, staff and the wider community.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

A key focus of the Board of Trustees during the year was compliance with all conditions within the Notice to Improve and significant improvement of the Trust's financial position.

Governance Review

The Board of Trustees also commissioned an external review of governance during the year. The review was underpinned by the Academy Trust Governance Guide published by the Department for Education and specifically considered strategic governance, leadership and direction as well as the impact and effectiveness of governance. The review identified a range of strengths in governance at the Academy Trust and recommended some areas for further development which have now been incorporated into an action plan which is being implemented by the Board of Trustees.

Conflict of Interest

The Academy Trust has a Conflicts of Interest policy in place, which is regularly reviewed and updated by management and the Board of Trustees. This policy is communicated to all Members, Trustees and employees of the Academy Trust and all Members, Trustees and senior leadership team employees are required to confirm they have read the Conflicts of Interest policy on annual basis.

In line with the policy, all Members, Trustees and senior leadership team employees are required to complete a declaration of any business or pecuniary interests on an annual basis or, in the case of individuals taking up these roles during the year, at the point of taking up their role. A register of interests is then maintained by the Academy Trust's Governance Clerk, which is reviewed at the start of each Board of Trustee meeting and also provided to Academy Trust's finance team for monitoring in relation to any transactions with any organisations in which interests have been declared. Any transactions with organisations in which any interests have been declared are reported to the Board of Trustees in advance of the transactions, so that formal approval can be provided by the Board where the transaction is considered appropriate and formal notification to the DFE can then be made, including where relevant, seeking pre-approval.

In relation to the activities of the Free School's subsidiary company, RWS Enterprise Ltd the company has its own Board of Directors which consists of both Directors appointed by the Academy Trust and independently appointed Directors. Where any decisions are considered by the Board of the Directors of the RWS Enterprises Ltd which present a potential conflict of interest with the Academy Trust and its Board of Trustees, the Academy Trust appointed Directors are excluded from the discussions and decision-making process.

Finance, Audit and Risk Committee

The Finance Audit & Risk Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This Committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Neil Lloyd	5	6
Steve Bunn (Chair)	6	6
Thomas Macdonald	6	6
Jon Eagle	5	6
Bal Kumar (resigned 31/07/2025)	3	6

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The key issues dealt with by the Finance, Audit and Risk Committee during the year was the review of the Academy Trust's 3-year financial forecasts and the actions required to address the impact of increased cost pressures expected over this forecast period.

Review of value for money

As Accounting Officer, the Principal Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic period, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate.

The Accounting Officer for the Academy Trust has delivered value for money during the year by:

- Implementing Integrated Curriculum Financial Planning and in doing so, significantly cutting staffing costs.
- Reviewing service contracts and actively pursuing reduced costs.
- Line by line review of non-pay expenditure and significantly reducing both curriculum and non-curriculum spend.
- Actively seeking additional sources of funding and securing additional income.
- Recruitment of additional boarders in year to meet income targets.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Royal School, Wolverhampton for the period from 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2024 to 31 August 2025 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 ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Free School'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 Governors.
- Regular reviews by the Finance, Audit and Risk committee (FAR) of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Identification and management of risks.

The Board of Governors has decided to buy-in an internal audit service from 1st Pillar.

This option has been chosen as, given the current structure of the Academy Trust, the Board of Trustees believe this provides a robust and best value approach to providing assurance that the Academy Trust's financial and non-financial controls and risk management procedures are operating effectively.

The reviewers role includes offering advice and insight to the Board of Trustees on how to address weaknesses in financial and non-financial controls as well as evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are effective and efficient, and checking whether agreed controls and procedures have been followed. The reviewers have undertaken two focused reviews during the year and the scope of work included a review of financial controls and risk management.

The internal scrutiny did not identify any significant weaknesses, however, an action plan was produced to further improve internal controls and training has been undertaken to enhance the Trust's approach to risk management.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2025 the review has been informed by:

- The work of the internal scrutiny review;
- The work of the external auditor;
- The financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool;
- The work of the executive managers within the Free School who have responsibility for the development and maintenance of the internal control framework; and
- Correspondence from the ESFA and DfE.

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

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness (continued)

Conclusion

Based on the advice of the Finance, Audit and Risk Committee and the Accounting Officer, the Board of Trustees is of the opinion that the Academy Trust has an adequate and effective framework for governance, risk management and control.

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

Signed by:

N Lloyd
Chair of Trustees
Date:11 December 2025

Signed by:

T Macdonald
Accounting Officer
11 December 2025

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

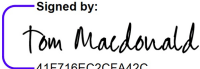
As Accounting Officer of The Royal School, Wolverhampton, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the Trust's funding agreement with DfE, and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the Academy Trust Board of Trustees and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the framework of authorities.

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

Financial issues:

- non-compliance with item 2.8 of the Academy's funding agreement in that not all affected staff employed in the Academy other than teachers have been given access to the Local Government Pension Scheme following reconsideration of the requirement to contribute to the Local Government Pension Scheme for support staff following the conversion to an Academy. Action has been taken such that affected staff have been given access to the scheme from January 2025.

Signed by:

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T Macdonald
Accounting Officer
Date: 11 December 2025

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2025

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Governors 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 2024 to 2025.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in their conduct and operation the Group and the charitable company apply 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 DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the group'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 Governors and signed on its behalf by:

Signed by:

Neil Lloyd

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N Lloyd

Chair of Trustees

Date: 11 December 2025

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROYAL SCHOOL, WOLVERHAMPTON**

Opinion

We have audited the financial statements of The Royal School, Wolverhampton (the 'parent Free School') and its subsidiaries (the 'Group') for the year ended 31 August 2025 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the free School balance sheet, the consolidated 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 2024 to 2025 issued by the Department for Education.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Free School's affairs as at 31 August 2025 and of the Group's 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 2024 to 2025 issued by the Department for Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 1.3 in the financial statements, which indicates that the Free School is in a deficit position and also has a significant undetermined historical liability. The ability of the Free School to continue as a going concern is dependent on ongoing support from the DfE and the successful implementation of financial recovery measures. As stated in note 1.3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent Free School's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROYAL SCHOOL, WOLVERHAMPTON (CONTINUED)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Free School and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- the parent Free School has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Free School financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 governors' responsibilities, the Governors (who are also the directors of the Free School 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 Governors 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 Governors are responsible for assessing the Group's and the parent Free School'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 Governors either intend to liquidate the Group or the parent Free School or to cease operations, or have no realistic alternative but to do so.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE ROYAL SCHOOL, WOLVERHAMPTON (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focussed on key laws and regulations the Group and its parent free school has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Trust Handbook 2024, the Academies Accounts Direction 2024 to 2025, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and its parent free school and how the Group and its parent free school are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Group and its parent free school's control environment and how the Group and its parent free school have applied relevant control procedures, through discussions with Trustees and other management, consideration of the results of the internal scrutiny function and by performing walkthrough testing over key areas;
- obtaining an understanding of the Group and its parent free school's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROYAL SCHOOL, WOLVERHAMPTON (CONTINUED)**

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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.

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

Use of our report

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

Signed by:

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Glen Bott FCA (senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham

Two Chamberlain Square

Birmingham

B3 3AX

Date: 11 December 2025

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ROYAL SCHOOL, WOLVERHAMPTON AND THE SECRETARY OF STATE FOR EDUCATION

In accordance with the terms of our engagement letter dated 12 August 2025 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts 2024 to 2025, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by The Royal School, Wolverhampton during the year 1 September 2024 to 31 August 2025 have not been applied to the purposes identified by Parliament and that the financial transactions do not conform to the authorities which govern them.

This report is made solely to The Royal School, Wolverhampton and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Royal School, Wolverhampton and the Secretary of State for Education 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 The Royal School, Wolverhampton and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Royal School, Wolverhampton's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Royal School, Wolverhampton's funding agreement with the Secretary of State for Education dated 5 July 2016 and the Academy Trust Handbook, extant from 1 September 2024, 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts 2024 to 2025. 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 2024 to 31 August 2025 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 DfE. 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 Free School's income and expenditure.

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;

THE ROYAL SCHOOL, WOLVERHAMPTON
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ROYAL SCHOOL, WOLVERHAMPTON AND THE SECRETARY OF STATE FOR EDUCATION (CONTINUED)

- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2024, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2024 to 31 August 2025 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Non-compliance with item 2.8 of the Academy's funding agreement in that not all affected staff employed in the Academy other than teachers have been given access to the Local Government Pension Scheme following reconsideration of the requirement to contribute to the Local Government Pension Scheme for support staff following the conversion to an Academy. Action has been taken such that affected staff have been given access to the scheme from January 2025.



Reporting Accountant
Cooper Parry Group Limited

Date: 11 December 2025

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:						
Donations and capital grants	3	-	-	29,557	29,557	29,116
Other trading activities	5	727,647	-	-	727,647	723,570
Charitable activities	4	286,374	10,825,973	-	11,112,347	10,520,460
Provision of boarding activities	30	1,009,281	-	-	1,009,281	1,245,185
Total income		2,023,302	10,825,973	29,557	12,878,832	12,518,331
Expenditure on:						
Raising funds	6	771,917	-	-	771,917	751,797
Charitable activities	6,7	243,423	11,090,952	194,624	11,528,999	11,463,134
Provision of boarding activities	30	1,002,998	-	-	1,002,998	1,157,468
Total expenditure		2,018,338	11,090,952	194,624	13,303,914	13,372,399
Net movement in funds before other recognised gains/(losses)		4,964	(264,979)	(165,067)	(425,082)	(854,068)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(3,000)	-	(3,000)	-
Net movement in funds		4,964	(267,979)	(165,067)	(428,082)	(854,068)
Reconciliation of funds:						
Total funds brought forward	18	(555,325)	(209,527)	3,560,281	2,795,429	3,649,497
Net movement in funds		4,964	(267,979)	(165,067)	(428,082)	(854,068)
Total funds carried forward	18	(550,361)	(477,506)	3,395,214	2,367,347	2,795,429

THE ROYAL SCHOOL, WOLVERHAMPTON

(A company limited by guarantee)

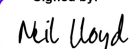
REGISTERED NUMBER: 09250153

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	3,378,823	3,560,281
		<u>3,378,823</u>	<u>3,560,281</u>
Current assets			
Stocks	14	3,365	2,400
Debtors	15	755,991	670,035
Cash at bank and in hand	22	247,649	50,662
		<u>1,007,005</u>	<u>723,097</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(1,519,481)	(1,487,949)
		<u>(512,476)</u>	<u>(764,852)</u>
Net current liabilities			
		<u>2,866,347</u>	<u>2,795,429</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	17	(499,000)	-
		<u>(499,000)</u>	<u>-</u>
Total net assets		<u>2,367,347</u>	<u>2,795,429</u>
Funds of the Free School			
Restricted funds:			
Fixed asset funds	18	3,395,214	3,560,281
Restricted income funds	18	(477,506)	(209,527)
		<u>2,917,708</u>	<u>3,350,754</u>
Total restricted funds	18		
Unrestricted income funds	18	(550,361)	(555,325)
		<u>(550,361)</u>	<u>(555,325)</u>
Total funds		<u>2,367,347</u>	<u>2,795,429</u>

The financial statements on pages 38 to 67 were approved and authorised for issue by the Governors and are signed on their behalf, by:

Signed by:



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N Lloyd

Chair of Trustees

Date: 11 December 2025

The notes on pages 42 to 67 form part of these financial statements.

THE ROYAL SCHOOL, WOLVERHAMPTON

(A company limited by guarantee)

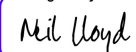
REGISTERED NUMBER: 09250153

FREE SCHOOL BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	3,378,823	3,560,281
Investments	13	102	102
		<u>3,378,925</u>	<u>3,560,383</u>
Current assets			
Debtors	15	849,259	739,264
Cash at bank and in hand		199,080	15,918
		<u>1,048,339</u>	<u>755,182</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(1,511,334)	(1,478,909)
		<u>(462,995)</u>	<u>(723,727)</u>
Net current liabilities			
		<u>2,915,930</u>	<u>2,836,656</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	17	(499,000)	-
		<u>(499,000)</u>	<u>-</u>
Total net assets			
		<u><u>2,416,930</u></u>	<u><u>2,836,656</u></u>
Funds of the Free School			
Restricted funds:			
Fixed asset funds	18	3,395,214	3,560,281
Restricted income funds	18	(477,506)	(249,527)
		<u>2,917,708</u>	<u>3,310,754</u>
Total restricted funds			
Unrestricted funds excluding pension asset	18	(500,778)	(474,098)
		<u>(500,778)</u>	<u>(474,098)</u>
Total unrestricted income funds			
		<u><u>2,416,930</u></u>	<u><u>2,836,656</u></u>
Total funds			

The financial statements on pages 38 to 67 were approved by the Governors, and authorised for issue on 11 December 2025 and are signed on their behalf, by:

Signed by:



F66082720AA540F...

N Lloyd

Chair of Trustees

The notes on pages 42 to 67 form part of these financial statements.

THE ROYAL SCHOOL, WOLVERHAMPTON
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	180,596	(421,153)
Cash flows from investing activities	21	16,391	(25,438)
Change in cash and cash equivalents in the year		196,987	(446,591)
Cash and cash equivalents at the beginning of the year		50,662	497,253
Cash and cash equivalents at the end of the year	22, 23	247,649	50,662

The notes on pages 42 to 67 form part of these financial statements.

THE ROYAL SCHOOL, WOLVERHAMPTON
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Group, 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 2024 to 2025 issued by DfE, the Charities Act 2011 and the Companies Act 2006.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Free School and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Free School has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The Free School's net movement in funds for the year was £(422,803) (2024 - £(829,930))

1.2 Company status

The Free School is a company limited by guarantee and was incorporated in England and Wales (registered number 09250153). The address of the registered office is detailed on the reference and administration page.

1.3 Going concern

The Board of Governors assesses 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 Royal School Wolverhampton to continue as a going concern. The Board of Governors makes this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

As at 31 August 2025, The Royal School Wolverhampton had a cumulative deficit, excluding pension and fixed asset funds, of £1,028k. The Trust remains in receipt of £499,000 additional funding from the Department for Education (DfE), received post the prior year end, repayable over five years without interest from September 2026 in line with an agreed repayment profile.

Following a legal review by King's Counsel in 2024, an historic liability was identified in respect of the requirement to contribute to the Local Government Pension Scheme (LGPS) for eligible support staff from the date of conversion to academy status. The potential extent of this historic liability has been considered with the DfE and continues to be assessed with the LGPS administering authority and the Trust's professional advisers. The DfE has indicated its support in managing this liability. At the date of signing these financial statements, the ultimate value, timing and method of funding this historic liability remain uncertain.

All eligible support staff have now been enrolled into the LGPS with effect from January 2025. The associated increase in ongoing employer pension contributions has been incorporated into the Trust's financial plans and managed through a combination of cost reductions, efficiencies and income growth. During the year, the Trust delivered a significantly improved in-year position compared with the prior year and did not require any additional cash support from the DfE beyond the original £499,000 of additional financial support from the DfE. The approved budget for 2025-

THE ROYAL SCHOOL, WOLVERHAMPTON
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. Accounting policies (continued)

1.3 Going concern (continued)

2026 forecasts an in-year surplus, and the Trust has a robust medium to long term recovery plan in place to eliminate the cumulative deficit over time.

The Trust has an agreement with the DfE regarding the repayment of the existing deficit funding, with repayments scheduled to commence from September 2026. The Trustees, supported by senior leaders, continue to implement a range of strategic and operational measures to improve financial stability, including careful workforce planning and staffing changes, strengthened financial controls, targeted student and boarding recruitment, additional income generation, non-pay savings, and reductions in premises costs supported by the school renovation and rebuild programme.

In forming their judgement on going concern, the Trustees have considered detailed cash flow forecasts, budget projections and downside scenarios covering a period of at least twelve months from the date of approval of these financial statements. These forecasts assume continued delivery of the Financial Recovery Plan, ongoing close engagement and oversight from the DfE, and that a funded and affordable solution for the historic LGPS liability will be agreed with the DfE and the LGPS administering authority.

The existence of the unresolved historic LGPS liability, and the associated uncertainty over its ultimate quantum and method of funding, represents a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding this material uncertainty, the Trustees have concluded that it remains appropriate to prepare the financial statements on a going concern basis. This conclusion reflects the substantial progress made in stabilising the Trust's finances, the improved in-year performance and forecast surplus for 2025-2026, the existence of a credible and monitored medium to long term recovery plan to address the cumulative deficit, and the ongoing engagement and indicated support of the DfE in relation to both the Trust's recovery and the historic pension liability.

THE ROYAL SCHOOL, WOLVERHAMPTON
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

Grants are included in the consolidated 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 consolidated 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 Group has provided the goods or services.

1.5 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

THE ROYAL SCHOOL, WOLVERHAMPTON
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the consolidated 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 consolidated 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:

Long-term leasehold property	-	over the term of the lease
Fixtures and fittings	-	15% straight line
Computer equipment	-	33% straight line
Motor vehicles	-	10% straight line

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 consolidated statement of financial activities.

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. Accounting policies (continued)

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 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 Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group 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. Amounts due to the Free School's wholly owned subsidiary are held at face value less any impairment.

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. Amounts due to the Free School's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

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

THE ROYAL SCHOOL, WOLVERHAMPTON
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Group are provided by the Teachers' Pension Scheme ("TPS"), the Local Government Pension Scheme ("LGPS") or via a defined contribution scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group 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 Group 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 Consolidated 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.

Where the present value of the defined benefit obligations at the Balance Sheet date is less than the fair value of scheme assets at that date, the scheme has a surplus. The scheme surplus is recognised as a defined benefit plan asset by the charity only to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

The defined contribution scheme is managed independently from the finances of the Group. The scheme is operated on a defined contribution basis, and therefore no surpluses or deficits will arise. Contributions are charged against expenditure in the year in which they fall due.

1.16 Fund accounting

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

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. 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.

To the extent that there is a surplus in the Local Government Pension Scheme at the Balance Sheet date, there is significant judgment needed in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. This assessment will need to consider whether the Academy Trust, as the employer, has an unconditional right to a refund of the surplus in the scheme and whether there is an economic accounting benefit available to the Academy Trust as a contribution reduction, which will also include assessing whether a minimum funding requirement for future service and/ or past service exists in the scheme. The impact of these assessments on the extent to which the scheme surplus has been recognised as a pension asset at the Balance Sheet date are set out in note 24.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

3. Income from donations and capital grants

	Restricted fixed asset funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Capital Grants	29,557	29,557	29,116
	<u>29,557</u>	<u>29,557</u>	
<i>Total 2024</i>	<u>29,116</u>	<u>29,116</u>	

4. Funding for the Free School's Educational Activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
DfE grants				
General Annual Grant	-	7,067,532	7,067,532	6,630,350
Other DfE grants				
16-19 Core Education Funding	-	1,519,246	1,519,246	1,499,448
Other DfE/ESFA grants	-	390,493	390,493	396,101
Teachers' Pension grant	-	228,716	228,716	89,756
MSAG	-	-	-	219,963
Pupil Premium	-	515,493	515,493	462,867
Core School Budget Grant	-	246,072	246,072	-
	<u>-</u>	<u>9,967,552</u>	<u>9,967,552</u>	<u>9,298,485</u>
Other Government grants				
Local Authority Grants	-	787,914	787,914	759,852
	<u>-</u>	<u>787,914</u>	<u>787,914</u>	<u>759,852</u>
Other income from the free school's educational activities	286,374	70,507	356,881	462,123
	<u>286,374</u>	<u>10,825,973</u>	<u>11,112,347</u>	<u>10,520,460</u>
	<u>286,374</u>	<u>10,825,973</u>	<u>11,112,347</u>	<u>10,520,460</u>
<i>Total 2024</i>	<u>448,746</u>	<u>10,071,714</u>	<u>10,520,460</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

5. Income from other trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Trading subsidiary income	727,647	727,647	723,570
	<u>727,647</u>	<u>727,647</u>	
<i>Total 2024</i>	<u>723,570</u>	<u>723,570</u>	

6. Expenditure

	Staff Costs 2025 £	Premises 2025 £	Other 2025 £	Total 2025 £	<i>Total 2024 £</i>
Expenditure on fundraising trading activities:					
Direct costs	540,893	126,499	104,525	771,917	751,797
Funding for educational operations:					
Direct costs	7,719,852	25,364	921,103	8,666,319	8,196,543
Support costs	905,219	1,004,391	953,070	2,862,680	3,266,591
Boarding activities:					
Direct costs	-	39,475	-	39,475	64,873
Allocated support costs	594,382	120,527	248,614	963,523	1,092,595
	<u>9,760,346</u>	<u>1,316,256</u>	<u>2,227,312</u>	<u>13,303,914</u>	<u>13,372,399</u>
<i>Total 2024</i>	<u>9,372,133</u>	<u>1,488,467</u>	<u>2,511,799</u>	<u>13,372,399</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

7. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Educational activities	8,666,319	2,862,680	11,528,999	11,463,134
	<u>8,666,319</u>	<u>2,862,680</u>	<u>11,528,999</u>	
<i>Total 2024</i>	<u>8,196,543</u>	<u>3,266,591</u>	<u>11,463,134</u>	

Analysis of support costs

	Activities 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	905,219	905,219	989,588
Depreciation	169,260	169,260	176,652
Premises costs	835,131	835,131	1,000,791
Other support costs	894,187	894,187	1,042,412
Technology costs	11,466	11,466	12,204
Governance costs	47,417	47,417	44,944
	<u>2,862,680</u>	<u>2,862,680</u>	<u>3,266,591</u>
<i>Total 2024</i>	<u>3,266,591</u>	<u>3,266,591</u>	

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2025 £	2024 £
Operating lease rentals	48,512	37,500
Depreciation of tangible fixed assets	194,624	206,688
Fees paid to auditor for:		
- audit	20,950	19,750
- other services	2,550	2,400
	<u>20,950</u>	<u>19,750</u>
	<u>2,550</u>	<u>2,400</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

9. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	Group 2025 £	<i>Group 2024 £</i>	Free School 2025 £	<i>Free School 2024 £</i>
Wages and salaries	7,423,438	7,399,413	6,920,374	6,919,346
Social security costs	779,148	666,716	762,437	655,827
Pension costs	1,491,675	1,188,510	1,470,557	1,173,960
Other employee benefits	2,865	4,755	2,865	4,755
	9,697,126	9,259,394	9,156,233	8,753,888
Agency staff costs	63,220	112,739	63,220	112,739
	9,760,346	9,372,133	9,219,453	8,866,627

b. Staff numbers

The average number of persons employed by the Group and the Free School during the year was as follows:

	Group 2025 No.	<i>Group 2024 No.</i>	Free School 2025 No.	<i>Free School 2024 No.</i>
Teachers	81	86	81	86
Administration and support	185	207	143	161
Management	13	10	13	10
	279	303	237	257

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. Staff (continued)

c. Higher paid staff

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

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	7	4
In the band £70,001 - £80,000	1	3
In the band £80,001 - £90,000	2	1
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-

d. Key management personnel

The key management personnel of the Group comprise the Governors and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Group was £1,428,017 (2024 - £1,031,275).

10. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Free School. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

		2025 £	2024 £
M Heywood, Principal (resigned 31 August 2024)	Remuneration	-	130,000 - 135,000
	Pension contributions paid	-	30,000 - 35,000
	Other benefits	-	0 - 5,000
T Macdonald (appointed 1 September 2024)	Remuneration	135,000 - 140,000	-
	Pension contributions paid	35,000 - 40,000	-
	Other benefits	0 - 5,000	-

During the year ended 31 August 2025, Governor expenses totalling £420 have been incurred in relation to travel expenses for 1 Governor, (2024 - £635, 3 Governors)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

11. Governors' and Officers' insurance

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

12. Tangible fixed assets

Group and Free School

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2024	3,417,168	1,328,819	988,573	10,799	5,745,359
Additions	-	-	13,166	-	13,166
At 31 August 2025	3,417,168	1,328,819	1,001,739	10,799	5,758,525
Depreciation					
At 1 September 2024	218,692	1,033,518	924,228	8,640	2,185,078
Charge for the year	27,336	140,844	25,364	1,080	194,624
At 31 August 2025	246,028	1,174,362	949,592	9,720	2,379,702
Net book value					
At 31 August 2025	3,171,140	154,457	52,147	1,079	3,378,823
At 31 August 2024	3,198,476	295,301	64,345	2,159	3,560,281

The Royal School, Wolverhampton was granted a 125 year lease in respect of the land and buildings. It is therefore considered that the building will be held by the Free School for substantially the majority of its useful life and substantially all the risks and rewards of ownership have been transferred.

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FOR THE YEAR ENDED 31 AUGUST 2025

13. Fixed asset investments

	Investments in subsidiary companies £
Free School	
Cost or valuation	
At 1 September 2024	102
At 31 August 2025	<u>102</u>

14. Stocks

	Group 2025 £	Group 2024 £	Free School 2024 £
Finished goods and goods for resale	<u>3,365</u>	<u>2,400</u>	<u>-</u>

15. Debtors

	Group 2025 £	Group 2024 £	Free School 2025 £	Free School 2024 £
Due within one year				
Trade debtors	299,801	184,007	272,542	157,997
Amounts owed by group undertakings	-	-	122,676	95,721
Other debtors	131,307	158,309	131,307	158,309
Prepayments and accrued income	324,883	327,719	322,734	327,237
	<u>755,991</u>	<u>670,035</u>	<u>849,259</u>	<u>739,264</u>

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16. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	Free School 2025 £	Free School 2024 £
Trade creditors	382,016	693,829	381,962	685,869
Other taxation and social security	142,762	124,434	139,176	125,177
Other creditors	332,313	188,335	332,270	186,511
Accruals and deferred income	662,390	481,351	657,926	481,352
	1,519,481	1,487,949	1,511,334	1,478,909
	Group 2025 £	Group 2024 £	Free School 2025 £	Free School 2024 £
Deferred income at 1 September 2024	373,828	488,252	373,828	488,252
Resources deferred during the year	457,803	360,779	453,339	360,779
Amounts released from previous periods	(360,780)	(475,203)	(360,780)	(475,203)
	470,851	373,828	466,387	373,828

At the balance sheet date the free school was holding funds of £337,376 (2024: £290,429) received in advance for boarding fees for the Autumn term 2025. Other amounts were held in respect of advanced educational grants and income held for future periods.

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

	Group 2025 £	Group 2024 £	Free School 2025 £	Free School 2024 £
Other creditors	499,000	-	499,000	-

Included in Other creditors falling due after more than one year is £499,000 of recoverable funding from the DfE. The Royal School Wolverhampton has been in receipt of £499,000 additional funding during the year from the DfE, repayable over five years without interest commencing from September 2026.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2025 £	Group 2024 £	Free School 2025 £	Free School 2024 £
Payable or repayable by instalments	99,800	-	99,800	-
	99,800	-	99,800	-

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

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
Unrestricted funds						
General Funds	(720,920)	286,374	(280,346)	-	-	(714,892)
Boarding	206,822	1,009,281	(1,002,998)	-	-	213,105
Trading subsidiary	(41,227)	727,647	(734,994)	-	-	(48,574)
	<u>(555,325)</u>	<u>2,023,302</u>	<u>(2,018,338)</u>	<u>-</u>	<u>-</u>	<u>(550,361)</u>
Restricted general funds						
General Annual Grant (GAG)	(209,527)	7,067,532	(7,335,511)	-	-	(477,506)
16-19 Core Education Funding	-	1,519,246	(1,519,246)	-	-	-
Pupil Premium	-	515,493	(515,493)	-	-	-
Teachers Pension grant	-	228,716	(228,716)	-	-	-
Other DfE/ESFA grants	-	636,565	(636,565)	-	-	-
Local Authority grants	-	787,914	(787,914)	-	-	-
Insurance claims	-	70,507	(70,507)	-	-	-
Pension reserve	-	-	3,000	-	(3,000)	-
	<u>(209,527)</u>	<u>10,825,973</u>	<u>(11,090,952)</u>	<u>-</u>	<u>(3,000)</u>	<u>(477,506)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	3,560,281	-	(194,624)	13,166	-	3,378,823
DfE Group capital grants	-	29,557	-	(13,166)	-	16,391

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18. Statement of funds (continued)

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
	<u>3,560,281</u>	<u>29,557</u>	<u>(194,624)</u>	<u>-</u>	<u>-</u>	<u>3,395,214</u>
Total Restricted funds	<u>3,350,754</u>	<u>10,855,530</u>	<u>(11,285,576)</u>	<u>-</u>	<u>(3,000)</u>	<u>2,917,708</u>
Total funds	<u><u>2,795,429</u></u>	<u><u>12,878,832</u></u>	<u><u>(13,303,914)</u></u>	<u><u>-</u></u>	<u><u>(3,000)</u></u>	<u><u>2,367,347</u></u>

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

Restricted fixed assets were funded by government grants.

Unrestricted funds are available for use at the discretion of the Governors for the furtherance of the Free School's charitable objects.

Under the funding agreement with the Secretary of State, the Free School was not subject to a limit on the amount of GAG it could carry forward at 31 August 2025.

The Free School is carrying a net deficit of £1,027,867 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

There is continued investment in education provision, leadership, teaching staff and the fabric of the building in support of the students and community that the Trust serves. The Trust is due to start a major rebuilding and renovation programme across all areas of its provision. This is significantly overdue. This delay has also restricted revenue growth as the boarding provision awaits improvements and expansion and further reduced the ability of the Trust to realise efficiencies in utilities costs, energy usage and generation through sustainability measures.

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

A strategic financial plan has been developed to address the cumulative deficit through the direct action of experienced governance and leadership as the trust reaches optimum size and efficiency and building works reduce additional unplanned costs. Workforce planning has resulted in significant year on year savings for the Trust and staffing is effectively managed through ICFP. Significant financial efficiencies have been secured in all areas of non-pay expenditure with further gains to be made through and following the build programme.

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2024 £</i>
Unrestricted funds					
General Funds	(419,314)	448,788	(750,394)	-	(720,920)
Boarding	119,105	1,245,185	(1,157,468)	-	206,822
Trading subsidiary	(14,554)	723,528	(750,201)	-	(41,227)
	<u>(314,763)</u>	<u>2,417,501</u>	<u>(2,658,063)</u>	<u>-</u>	<u>(555,325)</u>
Restricted general funds					
General Annual Grant (GAG)	248,208	6,630,350	(7,066,284)	(21,801)	(209,527)
16-19 Core Education Funding	-	1,499,448	(1,499,448)	-	-
Pupil Premium	-	462,867	(462,867)	-	-
Teachers Pension grant	-	219,963	(219,963)	-	-
Other DfE/ESFA grants	-	396,101	(396,101)	-	-
Local Authority grants	-	759,852	(759,852)	-	-
Teachers' Pension grant	-	89,756	(89,756)	-	-
Other restricted grants and income	-	13,377	(13,377)	-	-
	<u>248,208</u>	<u>10,071,714</u>	<u>(10,507,648)</u>	<u>(21,801)</u>	<u>(209,527)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	3,712,415	-	(206,688)	54,554	3,560,281
DfE Group capital grants	3,637	29,116	-	(32,753)	-
	<u>3,716,052</u>	<u>29,116</u>	<u>(206,688)</u>	<u>21,801</u>	<u>3,560,281</u>
Total Restricted funds	<u>3,964,260</u>	<u>10,100,830</u>	<u>(10,714,336)</u>	<u>-</u>	<u>3,350,754</u>
Total funds	<u><u>3,649,497</u></u>	<u><u>12,518,331</u></u>	<u><u>(13,372,399)</u></u>	<u><u>-</u></u>	<u><u>2,795,429</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	-	3,378,823	3,378,823
Current assets	969,120	21,494	16,391	1,007,005
Creditors due within one year	(1,519,481)	-	-	(1,519,481)
Creditors due in more than one year	-	(499,000)	-	(499,000)
Total	<u>(550,361)</u>	<u>(477,506)</u>	<u>3,395,214</u>	<u>2,367,347</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Restricted fixed asset funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	-	-	3,560,281	3,560,281
Current assets	932,624	(209,527)	-	723,097
Creditors due within one year	(1,487,949)	-	-	(1,487,949)
Total	<u>(555,325)</u>	<u>(209,527)</u>	<u>3,560,281</u>	<u>2,795,429</u>

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FOR THE YEAR ENDED 31 AUGUST 2025**

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

	2025 £	2024 £
Net expenditure for the year (as per statement of financial activities)	(425,082)	(854,068)
Adjustments for:		
Depreciation	194,624	206,688
Capital grants from DfE and other capital income	(29,557)	(29,116)
Defined benefit pension scheme cost less contributions payable	(3,000)	-
(Increase)/decrease in stocks	(965)	11,896
(Increase)/decrease in debtors	(31,883)	96,022
Increase in creditors	476,459	147,425
Net cash provided by/(used in) operating activities	180,596	(421,153)

21. Cash flows from investing activities

	Group 2025 £	Group 2024 £
Purchase of tangible fixed assets	(13,166)	(54,554)
Capital grants from DfE Group	29,557	29,116
Net cash provided by/(used in) investing activities	16,391	(25,438)

22. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand and at bank	247,649	50,662
Total cash and cash equivalents	247,649	50,662

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2024 £	Cash flows £	At 31 August 2025 £
Cash at bank and in hand	50,662	196,987	247,649
	<u>50,662</u>	<u>196,987</u>	<u>247,649</u>

24. Pension commitments

The Free School's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff (a multi-employer defined benefit schemes); and a Defined Contribution Pension Scheme or Local Government Pension Scheme (LGPS) for non-teaching staff.

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

Contributions amounting to £181,364 were payable to the schemes at 31 August 2025 (2024 - £151,982) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 2023 as published by HM Treasury. 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 most recent actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Government's Actuary's Department on 27 October 2023. The key elements of the valuation and subsequent consultation are:

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

The employer's pension costs paid to TPS in the year amounted to £1,028,640 (2024 - £1,039,856).

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24. Pension commitments (continued)

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

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

Local Government Pension Scheme

In October 2024, following a legal review by King's Counsel, an historical liability has been identified in respect of reconsideration of the requirement to contribute to the Local Government Pension Scheme for support staff following the conversion to an Academy. The potential extent of this historical liability has been discussed with the DfE and is being assessed. The DfE have indicated their support in managing this liability. The school enrolled eligible staff onto the Local Government Pension Scheme from January 2025 and the information included within this note represents the LGPS transactions from this date.

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 2025 was £352,000, of which employer's contributions totalled £246,000 and employees' contributions totalled £106,000. The agreed contribution rates for future years are 14 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2025	<i>2024</i>
	%	%
Rate of increase in salaries	3.70	-
Discount rate for scheme liabilities	6.10	-
Inflation assumption (CPI)	2.70	-

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

	2025	<i>2024</i>
	Years	Years
<i>Retiring today</i>		
Males	20.8	-
Females	23.5	-
<i>Retiring in 20 years</i>		
Males	21.6	-
Females	24.9	-

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24. Pension commitments (continued)

Sensitivity analysis

	2025 £000	<i>2024</i> <i>£000</i>
Discount rate -0.1%	(8)	-
Mortality assumption - 1 year increase	12	-
CPI rate +0.1%	8	-
	<u> </u>	<u> </u>

Share of scheme assets

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

	At 31 August 2025 £000	<i>At 31 August 2024</i> <i>£000</i>
Equities	183	-
Corporate bonds	136	-
Property	22	-
Cash and other liquid assets	18	-
	<u> </u>	<u> </u>
Total market value of assets	359	-
	<u> </u>	<u> </u>

The actual return on scheme assets was £7,000 (2024 - £Nil).

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

	2025 £	<i>2024</i> <i>£</i>
Current service cost	(243,000)	-
Interest income	6,000	-
Interest cost	(6,000)	-
Total amount recognised in the Consolidated Statement of Financial Activities	(243,000)	-
	<u> </u>	<u> </u>

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

	2025 £	<i>2024</i> <i>£</i>
Current service cost	243,000	-
Interest cost	6,000	-
Employee contributions	106,000	-
Actuarial gains	(49,000)	-
	<u> </u>	<u> </u>
At 31 August	306,000	-
	<u> </u>	<u> </u>

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24. Pension commitments (continued)

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

	2025 £	<i>2024</i> <i>£</i>
Interest income	6,000	-
Actuarial (losses)/gains	(52,000)	-
Employer contributions	246,000	-
Employee contributions	106,000	-
At 31 August	306,000	-

The Academy Trust LGPS has an unrecognised surplus in the scheme at 31 August 2025 of £53,000 (2024: £Nil). Included within actuarial losses on the scheme's assets of £52,000 above is an amount of £53,000 in respect of the movement in the unrecognised surplus in the scheme at 31 August 2025. The total value of the assets recorded under the "share of scheme assets" as detailed above of £359,000 (2024: £Nil) has not been decreased in respect of the unrecognised surplus and represents the rolled forward fair value of the scheme assets at 31 August 2025.

25. Operating lease commitments

At 31 August 2025 the Group and the Free School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	<i>Group</i> <i>2024</i> <i>£</i>	Free School 2025 £	<i>Free School</i> <i>2024</i> <i>£</i>
Not later than 1 year	48,439	12,290	48,439	12,290
Later than 1 year and not later than 5 years	123,268	1,911	123,268	1,911
	171,707	14,201	171,707	14,201

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

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27. Related party transactions

Owing to the nature of the Free School 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 DfE of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Free School's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Royal Wolverhampton School Enterprises Limited - a wholly owned subsidiary company of The Royal School, Wolverhampton. All transactions are conducted at arm's length and in accordance with the Free School's financial regulations and normal procurement procedures.

Transactions totaling £232,076 (2024: £352,359) relating to salary and occupancy costs incurred on behalf of the subsidiary were recharged to The Royal Wolverhampton School Enterprises Limited. There was an outstanding balance (net) due to the Free School at 31 August 2025 of £120,471 (2024: £95,183).

28. Agency arrangements

The Free School distributes 16-19 bursary funds to students as an agent for the DfE. In the year ended 31 August 2025 the Free School received £28,444 and disbursed £28,444 from the fund. An amount of £27,823 (2024: £27,823) is included in creditors relating to undistributed funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Principal subsidiaries

The following was a subsidiary undertaking of the Free School:

Name	Company number	Class of shares	Holding	Included in consolidation
The Royal Wolverhampton School Enterprises Limited	04059224	Ordinary	100%	Yes

The financial results of the subsidiary, The Royal Wolverhampton School Enterprises Limited for the year were: Income £727,647, expenditure £734,994, resulting in a loss for the year of £7,347 and an increase in net liabilities to £48,472.

30. Boarding school trading account

	2025 £	2025 £	2024 £	2024 £
Income				
Direct income				
Fee income	1,012,251		1,237,822	
Other income	(2,970)		7,363	
Total direct income	1,009,281		1,245,185	
Total income		1,009,281		1,245,185
Expenditure				
Direct expenditure				
Direct staff costs	-		34,403	
Other direct costs	39,475		30,470	
Total direct expenditure	39,475		64,873	
Other expenditure				
Other staff costs	594,382		580,760	
Premises costs	120,527		169,614	
Other support costs	248,614		342,221	
Total other expenditure	963,523		1,092,595	
Total expenditure		1,002,998		1,157,468
Surplus from all sources		6,283		87,717
Boarding school balances at 1 September 2024		206,822		119,105
Boarding school balances at 31 August 2025		213,105		206,822