AGBIS / LEADERS IN GOVERNANCE

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2024

HaysMac LLP
Chartered Accountants
Registered Auditors

The Association of Governing Bodies of Independent Schools
The Grange, 3 Codicote Road, Welwyn, Herts AL6 9LY
Tel: 01438 840730

A company limited by guarantee, registered in England and Wales, No. 05217162. Registered Charity No. 1108756

THE ASSOCIATION OF GOVERNING BODIES OF INDEPENDENT SCHOOLS

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2024

The Association of Governing Bodies of Independent Schools (AGBIS) Board presents its report with the accounts for the year ended 31 December 2024. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019), applicable law and the Charity's governing document.

REFERENCE AND ADMINISTRATIVE DETAILS

Status and Administration

The Association is a company limited by guarantee registered in England and Wales, No 5217162, and a registered charity, No 1108756. The Association was formed in 2002 from an amalgamation of the Governing Bodies Association and the Governing Bodies of Girls Schools Association, both of which were formed in the 1940s. Details of the Board Members, Executive Officers, registered address and professional advisers are given below.

Principal Office
The Grange, 3 Codicote Road, Welwyn, Hertfordshire AL6 9LY

Board Members

Mark Taylor #*^ (Chair)	Tring Park School for the Performing Arts
Mike Gregson ^ (Deputy Chair)	The Edinburgh Academy Foundation
Sarah Phillips * (Treasurer until July 2024)	King Alfred School
Diana Robinson * (Treasurer from July 2024)	Westbrook Hay School
Rosie Allen #	City of London School
Tom Beardmore-Gray *	Bradfield College; Prep Schools Trust
Margot Chaundler * (retired 18 March 2024)	Emanuel School
Julie Cornell #	St George's School Windsor Castle
Paul Dillon-Robinson #*	Hurst Education Trust
John Edward ^	Scottish Council on Global Affairs
Sue Honeywill * (retired 15 February 2024)	Haberdashers' Monmouth Schools
Caroline Jordan #	Headington Rye Oxford
Christine Keunen ^	Stonyhurst College
Susan King ^ (retired 18 March 2024)	Queen Margaret's School, York
Irfan Latif ^	Greenfield School; Leighton Park School
Charlotte Marten * (appointed 18 March 2024)	Rugby School; The North London Collegiate School
Alison Martin * (retired 18 March 2024)	Warminster School
Francis Maude (co-opted 5 June 2024)	Brighton College
Barney Northover #	The Downs School
Sophie Rees ^ (appointed 18 March 2024)	Thomas's London Day Schools
David Stanton ^	Westminster School
Nigel Taylor #	Mill Hill Foundation
Gillian Winter # (retired 18 March 2024)	Bury Grammar Schools

* Member of the Finance Committee
# Member of the Training and Membership Committee
^ Member of the Nominations and Governance Committee

The Board is responsible for the management of the Association and has absolute discretion in applying the funds in furtherance of the objects of the Association. The Board Members are the Trustees of the Charity and are also the Directors for Companies Act purposes.

Day to day running of the Association is entrusted to the Chief Executive, Richard Harman.

Auditors:	**Bank:**
HaysMac LLP	CAF Bank Ltd
10 Queen Street Place,	25 Kings Hill,
London,	West Malling,
EC4R 1AG	Kent ME19 4JQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
AGBIS is governed by its Articles of Association, last amended on 17 March 2022.

Election, Induction and Training of Board Members
Board Members are elected to the Board as Directors at the Annual General Meeting following a ballot of member schools. Those elected are normally governors of member schools who volunteer and have been nominated to serve on the Board. In addition, the Board can co-opt Directors provided the majority of Directors are elected by member schools. New Directors receive briefing information and an induction session and they are encouraged to attend AGBIS events.

Organisational Management
The Directors meet as the Board at least three times a year to determine the aims and strategy of the Association and to review its overall management and control for which they are legally responsible. The Finance Committee meets three times a year to agree the budget, to review financial controls, to monitor financial performance and to make appropriate recommendations to the Board. The Training and Membership Committee meets three times a year to review the membership criteria and to recommend to the Board whether applicant schools meet the criteria. This Committee also oversees the training provided for individual schools as well as seminars, webinars and reviews of governance. The Nominations and Governance Committee meets three times each year to make recommendations to the Board concerning membership of the Board, appointment of the Honorary Officers and to review the Board and Committees' effectiveness and terms of reference. The day-to-day running of the Association is delegated to the Chief Executive who receives guidance from the Honorary Officers between meetings. He is assisted by a Director of Operations and a Director of Learning and Professional Development

Key management personnel remuneration
The Directors consider key management personnel remuneration on an annual basis as part of the staff pay review. In setting key management remuneration, the Directors benchmark against entities of comparable size which have similar objectives. The key management personnel are considered to be the Board Members (as Directors of the charity), the Chief Executive, the Director of Operations and the Director of Learning and Professional Development. Board members are not remunerated for their directorship roles but some of them also perform reviews of governance and are paid for these services.

Principal risks and uncertainties
An annual risk management assessment is carried out by the Board to identify the major risks to which the Charity is exposed. The Board confirms that it has established systems to mitigate the Association's exposure to the major risks. As the Charity's main income derives from membership fees and from services to its members, the principal risks relate to the level of membership. The Board reviews the services it offers to ensure that they are in line with the current climate.

2024 brought a watershed moment for independent education. Following the July 2024 general election and change in government, an announcement was made that VAT would be imposed on school fees from January 2025 and mandatory business rates relief would be removed from charitable schools in the sector from April 2025. This will have a significant impact on pupils, families and schools in our sector. In support of some of the most affected groups of pupils, the ISC launched a legal challenge to the imposition of VAT on fees which will be heard by the High Court in 2025.

In 2024, a mix of webinars, in-person seminars, partner events and our Annual Conference were offered, with a noticeable reduction in face-to-face attendance compared with pre-pandemic levels. On-site training and reviews of governance were delivered both face-to-face and hybrid during the year, using video technology as appropriate. To support member schools during this challenging and turbulent period, and to ensure they remained informed, AGBIS worked in partnership with the ISC and its Associations to provide free-of-charge webinars and advice on the impact of the VAT changes being implemented by government.

The annual ISC census indicated a slight decrease in pupil numbers for 2024 and the Association is aware of a continued and increasing trend towards school mergers and closures in the sector. This is primarily due to the challenging financial, economic and political landscape, in addition to increasing regulatory pressures, affecting many schools and some smaller schools in particular.

Looking ahead, the principal risk to the Association remains a possible loss of membership through ongoing consolidation in the sector.

OBJECTS AND PRINCIPAL ACTIVITIES

The object of the Association is the advancement of education in independent schools. The Association gives guidance to governing bodies, speaks for them on matters relating to the governance of independent schools and considers the relationship of their members to the general educational interest of the community.

VISION AND MISSION

AGBIS's vision is to be recognised as the authoritative voice on governance in independent schools.

Its mission has three main elements:
1. To be a visible source of top-quality advice and training for all members of governing bodies of independent schools;
2. To support schools in achieving the best and most effective practice in school governance, both now and in the future;
3. To engage positively with all key stakeholders in promoting the principles of good governance.

PUBLIC BENEFIT

The Directors confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

AGBIS has continued to provide public benefit in the following ways:

It has endeavoured to extend the number of member schools in order to enable a larger section of the public to benefit from its object, the advancement of education in independent schools. In 2024, nine schools were admitted to membership. Five schools closed or left membership. The total number of members as at 31 December 2024 was 833; within this number were several groups of schools which share one governing body. Academies or free schools can be admitted as associate members, as can proprietorially owned schools, provided that the Board is satisfied that the standard and quality of governance of the schools meets minimum defined criteria. The subscriptions charged continued to be set at a level which ensures that the aim to widen access is restricted as little as possible by schools' ability to pay. AGBIS actively encourages its member schools to take a proactive approach to their own public benefit activities and report these in accordance with Charity Commission guidance (OSCR in Scotland and The Charity Commission for Northern Ireland in Northern Ireland).

The AGBIS training materials, including the electronic learning courses and the manual "Guidelines for Governors", are available to the public, including governors of non-member schools. The programme of electronic learning and training is available to members free and to non-members on payment of a modest fee. The "Guidelines for Governors" publication has been updated and the new edition will be published in March 2025 and sent electronically to all member schools. In addition, AGBIS has developed "Principles of Good Governance" to support governance in non-charitable schools and schools outside the UK. This new publication, which will be launched in March 2025, has been prepared as part of the plan to widen the reach of our benefit to a broader range of potential members and to support governance across the whole sector.

In 2024 AGBIS continued to have discussions with the Department for Education (DfE) as to how the Association might support partnership working between governors of its member schools and governors of maintained sector schools, academies and free schools in particular, to share experience and expertise for the benefit of all schools.

Although the Schools' Partnership Oversight Board has been in abeyance since 2021, the AGBIS Chief Executive has continued to keep in close touch with the DfE on this and other related matters and attended several relevant events and meetings with civil servants and/ or ministers. In line with the Joint Understanding agreed between the ISC and DfE in 2018, AGBIS continues to encourage member schools to share good practice and promote further development of independent/state school partnerships.

With the impact of the new government's policy regarding VAT on school fees and the imminent removal of mandatory business rates relief in mind, the Chief Executive has worked closely with other ISC Associations and has remained in communication with officials at the DfE and HM Treasury, to understand and explain the impact of these changes and to advise members accordingly.

In 2024 the AGBIS Chair and one other Trustee were both members of the ISC Inclusion and Diversity working group, which worked with key partners to promote the development of the principles of EDI within and beyond the sector.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Review of Activities

The Association continued to provide advice and support to members across the spectrum of governance in close liaison with the other Associations which are members of the Independent Schools Council (ISC) and also with its affiliates: the Boarding Schools Association (BSA); the Council of British International Schools (COBIS); the Scottish Council of Independent Schools (SCIS); and the Welsh Independent Schools' Council (WISC).

The Association ran a programme of six training seminars and 53 training webinars, including 14 jointly with other Associations, to keep governors informed of issues relating to all aspects of governance. The Association also delivered a one-day Conference held in partnership with HMC and ISBA in the autumn term. These training events were attended by 2,691 governors (2023: 2,614). The AGBIS webinar programme includes the opportunity to access recordings, making the training accessible to more governors with a wider (indeed unlimited) geographical reach. In addition, the Annual Conference in March attracted a total of 154 delegates representing 128 schools. Training sessions and facilitation of strategy days were also arranged on request, in person or remotely, for 47 schools' governing bodies (42 in 2023), including an increasing number of requests for training from schools beyond the UK. Demand for reviews of governance remained high, with 15 provided for member schools in 2024 (2023:19), including two in international member schools.

Throughout 2024 AGBIS provided a steady flow of electronic updates and newsletters for members, to keep them abreast of unfolding issues in schools and the sector. The change of government, and subsequent announcement to impose VAT on school fees and remove mandatory business rates relief for charitable schools, caused significant challenge and turbulence during the summer and autumn terms. To ensure members had regular support during this period the number of free AGBIS briefings, held in webinar style, was increased and were held in partnership with sector experts to ensure members had access to up-to-date information and guidance. In 2024, free termly 'coffee and catch-up' sessions were offered for Clerks, Chairs of Governors and for Governors, conducted virtually in meeting style to allow members to network with peers and raise topical issues and questions for AGBIS to advise on.

The annual survey of the salaries and terms of employment of heads and bursars, which produces data on an historic, aggregated, anonymised basis, was undertaken in partnership with Baines Cutler Solutions and distributed free of charge to those schools which provided data.

The Association's manual "Guidelines for Governors" remains available electronically and is provided free of charge for all governors of AGBIS member schools. The document will be updated for publication in 2025 along with a new "Principles of Good Governance" document to support member schools without charitable status and schools based outside the UK.

The 2023 launch of new services to support member schools with governor recruitment has been well received with 35 governor vacancies advertised successfully in 2024. Many schools took advantage of the AGBIS partnership with Nurole to receive discounted support for their Board recruitment search. Following the success of the governor vacancies board AGBIS launched a clerk vacancy board in 2024 with two roles posted.

The AGBIS Governance Manual, one of the key documents for members, was revised in partnership with BDB Pitmans for September 2024.

Following an AGBIS Board review of services, and in response to member demand, AGBIS International was launched in September 2024. The AGBIS International team provide networking and training opportunities for our current member schools outside the UK and will further develop our international membership services and extend our reach during 2025.

During 2024 there were some staffing changes with Cheryl Connelly, Director of Membership and Training (Deputy CEO), leaving the Association in April 2024 and Tracy Beard, Quality Assurance and Finance Manager, leaving in May 2024 to return to a Bursar role in a member school. This led to a restructuring of the roles within the organisation and a number of new appointments. During the summer term:

- Peter Harris was recruited to the part-time role of Finance Manager
- Jo Dockery to the full-time role of EA to the Chief Executive and Programme Coordinator.

The AGBIS staff team grew in autumn 2024, to provide additional support to members and improve the services offered. Three new roles were recruited:

- Virginia (Ginny) Parkes was recruited to the Director of Learning and Professional Development (full time) role. Ginny was previously Director of Finance and Operations at an independent school, prior to which she worked for the Department for Education.
- Imogen Vanderpump joined the team as Head of Member Services (full time). Imogen was Operations Director at GSA before joining the AGBIS team.
- Alex Mitchell was appointed on an independent consultancy basis to lead the AGBIS International and Consultancy work (part time). Alex is a former Head and experienced Reporting Inspector for UK and overseas inspections.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net surplus before investment gains and losses for the year to 31 December 2024 was £140,096 (2023: surplus of £81,898). The reserves have been increased by an unrealised gain in the value of the investments of £28,815 (2023: gain of £18,283).

In 2023 the membership subscription model changed, from one based on bands of pupil numbers in a school to a 'base-subscription plus per-pupil' model. This change removed the cliff-edges when schools moved between bands, thus enabling a fairer and more accurate system for the calculation of membership subscriptions. It also meant that linked schools were now included in a school's membership. This resulted in an overall increase in membership subscription income for 2024.

The Trustees believe that the financial outturn represents a good performance, whilst recognising that deferred expenditure had been a main contributing factor in the higher than anticipated surplus.

Investment Powers, Policy and Performance

The Board has the power to make investments as it deems fit. Following a review during 2022, the Board agreed to place funds with investment managers Sarasin & Partners in line with its policy to maintain the real value of the assets whilst generating a stable and sustainable return within an acceptable level of risk. The funds were placed in 2023 and the Board continued to monitor performance throughout 2024. The investment objective of the Fund is to achieve long-term capital and income growth, in 2024 the portfolio performance was slightly lower than benchmarks set achieving 12.2% against a benchmark of 14.3%.

Reserves Policy

In common with other charities, the Association is expected to state its policy regarding the accumulation of free reserves. Total reserves at the year-end were £700,556 (2023: £531,645). Free reserves at the year-end were £696,518 (2023: £530,242). It is considered that the current free reserves, which equate to approximately eight months of expenditure, are sufficient to meet all foreseeable contingencies, to enable the Association to operate comfortably and cope with any unexpected item of expenditure. The policy set by the Directors is that the reserves should be maintained at approximately six months of expenditure. The Directors agreed to hold reserves at a higher level going into the 2025 financial year, both as a prudent response to the difficult economic outlook and to support planned investments in services for members. The main areas where expenditure had been deferred from 2024 into 2025 were: improvements to the AGBIS website, updating the e-learning platform, and launching a programme of accredited development qualifications for Clerks.

FUTURE PLANS

The AGBIS Board reviewed and agreed its strategy and future plans at an away day in September 2022 and these have been refined further at the September 2023 and September 2024 away days. The current AGBIS strategy is to pursue its objects and to provide public benefit by the following means:

- Continue to broaden the membership so that advice, support and training are available to a greater number of schools that meet our membership criteria, both in the UK and overseas.
- Promote and distribute "Guidelines for Governors" by all possible means in order to raise awareness of the principles of good governance.
- Develop a "Principles of Good Governance" document to support governance in non-charitable schools and schools outside the UK.
- Continue to provide prompt, informed and courteous advice to members by telephone, video conferencing, email, e-Alerts, e-Newsletters and regular AGBIS Briefings, focusing on key emerging challenges in the sector.

- Continue to expand the reach and hone the quality of the training, consultancy and governance effectiveness review programmes, to reach more governors and deliver services even more effectively, including via video conferencing.
- Develop a range of new training and consultancy services that meet the needs of members even better, including a renewed focus on support and professional development for Clerks, as the Governance Professionals, in the independent sector.
- Continue to support member schools in recruiting high quality Governors and Clerks.
- Develop dedicated support and services for international member schools through AGBIS International.
- Enable governors of member schools to access information more easily through greater and more effectively tailored use of digital/electronic communication, social media and the website.
- Continue to increase the amount and quality of information on governance available to members on the website.
- Promote better understanding among governors of regulation, particularly that relating to safeguarding children, and thereby to improve the rate of compliance across the sector.
- Support the Independent Schools Council in order to maintain a single voice for the independent schools' sector.
- Continue to work ever more closely with colleagues in the other ISC constituent (and affiliated) Associations, including via joint webinar/ conference presentations, in order to enhance the recognition of AGBIS as the authoritative voice on governance across the whole sector.
- Continue to establish closer links with the Associations representing governors of maintained schools, including free schools and academies, to exchange knowledge and best practice in governance matters by, for example, supporting the ISC's Joint Understanding and attending relevant meetings with officials from the Department for Education.
- Continue to contribute to discussions on the inspection of independent schools, in order to promote an inspection service which accurately assesses regulatory compliance and provides informed judgements for stakeholders, without imposing unreasonable demands on governors and senior staff.
- Continue to offer strategic partnership to the Independent Schools Inspectorate by providing a member to its Association Inspection Meetings (AIM) and also to engage with the strategic direction of the Boarding Schools Association by nominating a Director to its Board.

STATEMENT OF RESPONSIBILITIES OF THE BOARD

The members of the Board (who are also Directors of AGBIS for the purposes of company law) are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

So far as each of the Board members is aware at the time the report is approved:

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

In preparing this report, the trustees have taken advantage of the exemptions available to small companies and have not prepared a Strategic Report.

AUDITORS
A resolution regarding the appointment of auditors will be put to the Annual General Meeting. HaysMac LLP have expressed their willingness to continue in office.

Approved by the Board on 11 March 2025 and signed on its behalf by:

Mr M Taylor
Chair

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ASSOCIATION OF GOVERNING BODIES OF INDEPENDENT SCHOOLS

Opinion

We have audited the financial statements of the Association of Governing Bodies of Independent Schools for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of the charitable company's net movement in funds, including the 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.

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Board. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Report of the Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Report of the Board and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity law, employment law, health and safety regulations and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the reporting requirements under the Charities SORP and FRS 102, the Companies Act 2006, the Charities Act 2011, VAT and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to improper recognition of income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Review of minutes of trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals based on risk profile; and
- Challenging assumptions and judgements made by management in their accounting estimates.

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

Tracey Young.

Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor

14 March **2025**

10 Queen Street Place
London
EC1R 4AG

THE ASSOCIATION OF GOVERNING BODIES OF INDEPENDENT SCHOOLS

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Total 2024 £	Total 2023 £
INCOME FROM:			
Charitable activities:			
Governors' Seminars and Webinars		96,563	118,066
AGM contributions		82,615	77,430
Training		139,683	175,476
Ancillary income		16,777	6,112
Other trading activities:			
Subscriptions		609,583	469,890
Income from investments		23,936	12,827
		969,157	859,801
EXPENDITURE ON:			
Charitable activities	2	829,061	777,903
		829,061	777,903
Net income before investment gains/(losses)		140,096	81,898
Net gains on investments	4	28,815	18,283
NET MOVEMENT IN FUNDS		168,911	100,181
Balance brought forward at 1 January 2024		531,645	431,464
Balance carried forward at 31 December 2024		£700,556	£531,645

All income and expenditure derives from continuing activities.

There were no recognised gains and losses other than those included above.

The accompanying notes form part of these accounts.

All activities in the current and prior year were unrestricted.

THE ASSOCIATION OF GOVERNING BODIES OF INDEPENDENT SCHOOLS

BALANCE SHEET **COMPANY NUMBER: 5217162**

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible fixed assets	3	4,038		1,403	
Investments	4	336,260		307,445	
			340,298		308,848
CURRENT ASSETS					
Bank accounts		811,642		763,744	
Debtors	5	232,130		230,534	
		1,043,772		994,278	
CURRENT LIABILITIES					
Creditors: amounts due within one year	6	(679,854)		(763,830)	
NET CURRENT ASSETS			363,918		230,448
TOTAL ASSETS LESS CURRENT LIABILITIES			704,216		539,296
NON CURRENT LIABILITIES					
Pension liability	10		(3,660)		(7,651)
NET ASSETS			£700,556		£531,645
REPRESENTED BY					
UNRESTRICTED FUNDS:					
General Fund (including revaluation gains to date of £36,260 (2023: £7,445 gain))			£700,556		£531,645

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board on 11 March 2025 and were signed below on its behalf by:

Mark Taylor
Chair

Diana Robinson
Hon Treasurer

The accompanying notes form part of these accounts.

THE ASSOCIATION OF GOVERNING BODIES OF INDEPENDENT SCHOOLS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities:	a	27,473	299,574
Cash flows from investing activities:			
Investment income		23,936	12,827
Payments to acquire tangible fixed assets		(3,511)	(1,499)
Payments to acquire investment		-	(300,000)
Proceeds from sale of investments		-	230,606
Net cash provided by/(used in) investing activities		20,425	(58,066)
Change in cash and cash equivalents in the reporting period		47,898	241,508
Cash and cash equivalents at the beginning of the reporting period		763,744	522,236
Cash and cash equivalents at the end of the reporting period		£811,642	£763,744

NOTE TO THE CASHFLOW STATEMENT

a	RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2024 £	2023 £
	Net movement in funds	168,911	100,181
	Investment income	(23,936)	(12,827)
	Depreciation	876	17,114
	(Gains) on investments	(28,815)	(18,283)
	(Increase) in debtors	(1,596)	(2,601)
	(Decrease)/increase in creditors	(87,967)	215,990
	Net cash from operating activities	£27,473	£299,574

b ANALYSIS OF CHANGES IN NET FUNDS

	At start of year	Cash Flows	At end of year
Bank current accounts	94,266	5,197	99,463
Bank deposit accounts	669,478	42,701	712,179
	£763,744	£47,898	£811,642

1. ACCOUNTING POLICIES

The accounts of the Association are prepared in accordance with the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019), the Companies Act 2006 and with FRS 102. The particular accounting policies adopted are described below. The financial statements are prepared in Pounds Sterling rounded to the nearest Pound. AGBIS meets the definition of a public benefit entity under FRS 102.

a) Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Income represents amounts receivable by the charity during the year for subscriptions, seminars and other services. Income is accounted for when it becomes receivable and its value can be estimated with reasonable certainty.

c) Expenditure is recognised in the period incurred and includes irrecoverable VAT. Governance costs include those costs incurred in carrying out the statutory and constitutional requirements of the charity. All costs are directly attributable to the headings under which they are shown.

d) Tangible fixed assets and additions are stated and cost. Depreciation is provided at the following rates:

Computer equipment/software	33% straight line
Other equipment	25% straight line

e) The Association is a registered charity and no taxation is payable on its charitable activities.

f) Having assessed risks and considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the Association's ability to continue as a going concern for the foreseeable future. The Association had reserves and investments to meet its needs.

g) Contributions are made to a defined contribution scheme for staff. The contributions are charged to the Statement of Financial Activities when they become payable.

The charity also participates in the CARE scheme administered by The Pensions Trust. It is a funded multi-employer defined benefit scheme. The scheme was closed in 2018 and members were enrolled in other defined contribution schemes. As the charity has been notified of a deficit repayment plan by the pension scheme, the discounted present value of the deficit recovery plan are included in creditors.

h) Investments are valued in the balance sheet at bid price at the balance sheet date. Realised and unrealised gains are accounted for within the Statement of Financial Activities.

i) Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

j) The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

k) In preparing these financial statements, the trustees have made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The trustees consider that there are no critical estimates or judgements.

1. ACCOUNTING POLICIES (Continued)

l) Association of Governing Bodies of Independent Schools is a company limited by guarantee, registered in England and Wales (company number: 5217162). It is also a charity registered with the Charity Commission. Its registered address is: The Grange, 3 Codicote Road, Welwyn, Hertfordshire AL6 9LY. Details of AGBIS' operations and activities are contained in the Report of the Board.

2. EXPENDITURE ON CHARITABLE ACTIVITIES

	2024 £	2023 £
Staff costs	543,304	503,784
Office expenses	85,880	69,177
Printing, postage and telephone	5,315	8,139
Meetings and travel	12,907	4,705
Governors' seminars	26,647	30,050
AGM expenses	59,454	56,017
Governance review costs	50,626	53,315
Legal and Professional fees	38,352	30,991
e-Learning courses	-	4,611
New product development	5,700	-
Depreciation	876	17,114
	£829,061	£777,903

	2024	2023
Governance costs (within professional fees) include		
Auditor's remuneration		
- Audit	£9,200	£8,400
- Other services	£1,075	£1,000

3. FIXED ASSETS

	Office Equipment £	Computer Equipment/ Software £	Total £
COST			
At 1 January 2024	9,834	188,041	197,875
Additions	1,481	2,030	3,511
At 31 December 2024	11,315	190,071	201,386
DEPRECIATION			
At 1 January 2024	9,623	186,849	196,472
Charge for the year	116	760	876
At 31 December 2024	9,739	187,609	197,348
NET BOOK VALUE			
At 31 December 2024	£1,576	£2,462	£4,038
At 31 December 2023	£211	£1,192	£1,403

4. INVESTMENTS

	2024 £	2023 £
Market value at 1 January 2024	307,445	219,768
Additions	-	300,000
Disposal proceeds	-	(230,606)
Net investment gains/(losses)	28,815	18,283
Market value at 31 December 2024	£336,260	£307,445
Historical cost at 31 December 2024	£300,000	£300,000

The investment is held in Sarasins Climate Active Endowments Fund Class A Income units.

5. DEBTORS

	2024 £	2023 £
Other debtors	200,339	205,648
Prepayments and accrued income	31,791	24,886
	£232,130	£230,534

6. CREDITORS

	2024 £	2023 £
Other creditors and accruals	24,664	87,136
Subscriptions in advance	619,827	603,361
Other fees and contributions in advance	31,610	69,785
Pension scheme liability (note 10)	3,753	3,548
	£679,854	£763,830

Deferred income at 1 January 2024	673,146
Amounts released from previous years	(673,146)
Resources deferred during the year	651,437
Deferred income at 31 December 2024	£651,437

Deferred income relates to subscriptions, seminar fees, AGM sponsorship and contributions received in advance.

7. STAFF COSTS

	2024 £	2023 £
Salaries	467,059	435,523
Social security	44,706	43,859
Other pension costs	26,039	24,402
Settlement agreements	5,500	-
	£543,304	£503,784

The average number of employees analysed by function was:	2024 No.	2023 No.
Chief Executive	1	1
Full time employees	4	3
Part time employees	4	3
	9	7

The number of employees who had emoluments exceeding £60,000 were:		
£60,001 - £70,000	1	-
£90,001 - £100,000	-	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-

The total remuneration, benefits and pensions paid to the key management personnel in the year was £296,348 for three employees (2023: £354,181 for three employees).

During the year £1,192 (2023: £1,958) was reimbursed to three trustees (2023: 3) for travel expenses.

AGBIS has a panel of 16 reviewers who undertake reviews of governance at member schools on behalf of the Association. Four Board members (out of a total of 18 Board members) are part of the panel delivering this service when required. Directors are eligible to receive reasonable and proper payment for any services rendered to the charity, in accordance with the charity's Memorandum and Articles of Association:

- Julie Cornell conducted four reviews of governance at member schools, for which she was paid £7,560 (2023: £4,500) plus VAT.
- Paul Dillon-Robinson conducted three reviews of governance at member schools, for which he was paid £4,725 (2023: £3,000).
- Christine Keunen conducted one reviews of governance at member schools, for which she was paid £1,575 (2023: £nil).
- Nigel Taylor conducted two reviews of governance at member schools, for which he was paid £3,150 (2023: £4,500).

All of the above were Board members when they delivered these services.

No further payments were made to, or on behalf of, Board members.

8. RELATED PARTIES

The Association is controlled by the Board members. In addition, the Chair and the Chief Executive were directors of the Independent Schools Council (ISC), of which AGBIS is a member. There were no other related party transactions during the year.

9. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases which the Association was committed to make at the balance sheet date in respect of operating lease for each of the following periods were as follows:

	Land and buildings		Office equipment	
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	6,375	8,500	678	2,712
Later than 1 year and not later than 5 years	-	6,375	-	678

The total of lease payments recognised as an expense in the year was £11,212 (2023: £11,212).

10. PENSIONS

The pension scheme available to current AGBIS employees is the Flexible Retirement Plan, administered by The Pensions Trust. It is a defined contribution scheme.

The pension scheme offered to AGBIS staff prior to 2016 was the CARE Scheme (the 'Scheme') administered by The Pensions Trust is a funded multi-employer defined benefit scheme. The main benefits provided by the Scheme are a pension of one-eightieth of the member's career average revalued earnings for each year (and months proportionately) of pensionable service if contracted-out of the State scheme.

At 31 March 2016, the Scheme closed. At the date of closure, AGBIS had two members enrolled in the Scheme. Both individuals were enrolled in other defined contribution schemes. The deficit recovery plan remains in place.

The CARE scheme (the 'Scheme') Contributions from 1 July 2015

For members in the one-eightieth structure of the Scheme, employers pay contributions at the rate of 22.8% per annum of member's earnings less member contributions.

In addition, employers may choose to pay any Future Service Contribution Rate (FSCR) combination that is shared between members and employers, as long as the maximum member contribution rates are [(age / 10) + 3.5]% (one-eightieth structure). For reference, the total FSCRs from 1 July 2015 are 22.8% (one-eightieth structure).

Employers that have closed the one-eightieth structure of the Scheme to new entrants are required to pay an additional employer contribution loading of 1.3% to reflect the higher costs of a closed arrangement.

Actuarial Valuation

The Trustee commissions an actuarial valuation of the Scheme every three years. The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contribution payable and other movements in the pension scheme liability.

The last formal valuation of the Scheme was performed as at 30 September 2022 by a professionally qualified actuary using the 'projected unit' method. The market value of the Scheme's assets at the valuation date was £49.6 million. The valuation revealed a deficit of assets compared to liabilities of £7.5 million, equivalent to a past service funding level of 87%.

10. PENSIONS (continued)

Actuarial Valuation (continued)

The financial assumptions underlying the valuation as at 30 September 2022 were as follows:

	% p.a.
Gilt yield	3.78
Market implied inflation rate	3.77
Pre-retirement discount rate	Nominal gilt yield curve plus 0.85% p.a. at each term
Post retirement discount rate	Nominal gilt yield curve plus 0.85% p.a. at each term
Rate of price inflation (RPI)	Gilt inflation curve at each term
Rate of price inflation (CPI)	RPI inflation less 1.0% p.a. at each term until 2030 and RPI inflation from 2030 onwards
Return on assets over deficit recovery period	Nominal gilt yield curve plus 0.85 p.a.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a Recovery Plan setting out the steps to be taken to make up the shortfall.

An existing recovery plan is in place. Under this plan, AGBIS' share of the deficit contributions is £3,060 per annum, payable in monthly instalments. In addition, AGBIS is liable to pay scheme expenses of £324 per year, payable in monthly instalments. The payments are due until 30 November 2027 and will increase by 3% each April.

Employer 'Debt on Withdrawal'

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt on withdrawal for AGBIS, as at 30 September 2023, is £37,518.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore, includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can be volatile over time.

10. PENSIONS (continued)

Reconciliation of provision

	£
Provision at start of accounting period	11,199
Unwinding of the discount factor	520
Deficit contributions paid	(4,352)
Remeasurement – amendments to contribution schedule	46
Provision at end of accounting period	£7,413

The liability is repayable in instalments falling due as follows:	2024 £	2023 £
In less than one year	3,753	3,548
In one to two years	3,660	3,762
In two to five years	-	3,889
	£7,413	£11,199