

Report of the Governors and
Financial Statements
for the Year Ended 31 August 2024
for
Marden Primary Academy

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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for the Year Ended 31 August 2024

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Marden Primary Academy

Reference and Administrative Details
for the Year Ended 31 August 2024

MEMBERS:	S Miles R Bartup J M McColl M Williams
GOVERNORS	R Bartup J M McColl S Miles Chairman * L Williams H Rogers (resigned 31.12.23) E Orton Z Beecham Director Of Send K A Johnson Head Of School R L Hardwick (appointed 1.9.24) K J Minto Teaching Assistant (appointed 29.2.24)

* members of the finance and general purpose committee

SENIOR MANAGEMENT TEAM:	E Orton K Johnson	Executive Headteacher Head of School
CHIEF FINANCE OFFICER:	S Williams	
ACCOUNTING OFFICER:	E Orton	Executive Headteacher
COMPANY NAME:	Marden Primary Academy	

COMPANY SECRETARY E Beecham

REGISTERED OFFICE Marden Primary Academy
Hereford
Herefordshire
HR1 3EW

REGISTERED COMPANY NUMBER 08802427 (England and Wales)

SENIOR STATUTORY AUDITOR Mrs L Weaver FCCA

AUDITORS Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

SOLICITORS Anthony Collins Solicitors
134 Edmond Street
Birmingham
B3 2ES

BANKERS

Lloyds Bank PLC
6 - 8 High Town
Hereford
HR1 2AE

Santander
Po Box 1109
Bradford
BD1 5ZJ

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2024. The governors have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The annual report serves the purposes of both a governors' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in the North of Hereford. It has a pupil capacity of 119 and had 80 pupils for the year ended 31 August 2023 and 84 pupils for the year ended 31 August 2024. Pupil numbers are steadily increasing with the current number on roll sitting at 100 pupils (September 2024).

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the school is to advance for the public benefit education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing a school offering a broad range of curriculum of pupils of different abilities.

The aims of the school during the period ended 31 August 2024 are summarised below:

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

We aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our school is a community in which children, staff and parents should be part of a happy environment.

Key priorities for the year are contained in the school's Strategic Development Plan.

Objective, Strategies and Activities

The main objectives for the year and strategies for achieving them are contained in the school's Strategic Development Plan which is available from each member of the Senior Leadership Team.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

STRATEGIC REPORT

Achievement and performance

Fundraising activities

PTFA Donation £260.00 and Photograph Commission £175.05

Key financial performance indicators

These are covered throughout the Governors' Report.

STRATEGIC REPORT

Achievement and performance

2023/24 Data for the Early Years Foundation Stage

73% of all learners achieved a Good Level of Development (GLD).
75.4% LA Average and a National Average of 65%.

This data demonstrates that the pupils within the EYFS in Marden outperformed their peers nationally.

The table below outlines the data from the KS1 & KS2 SATs plus the Year 1 Phonics Check outcomes.

YEAR 1 PHONICS CHECK

2023/24 Data % of Learners meeting the required standard of Phonic Decoding by YEAR 1

	Marden Primary Academy	LA	National
All Learners	68.2%	79%	79%

The results were slightly lower, 23% of this cohort were on the SEND register, the majority for speech and language difficulties.

KEY STAGE 1 RESULTS (YEAR 2)

	Marden Primary Academy	LA	National
WRITING:			
2023/24 Results			
All Learners	71.4%	67%	60%
Learners	21%	10%	8%
READING:			
2023/24 Results			
All Learners	68.6%	73%	68%
Learners	21%	20%	19%
MATHS:			
2023/24 Results			
All Learners	85.7%	74.0%	70%
Learners	29%	17%	16%
SCIENCE:			
2023/24 Results			
All Learners	86%	83%	79%

These results indicate that in KS1 we are outperforming other schools locally and nationally both for achieving Expected Standard and Greater Depth Standard.

KEY STAGE 2 RESULTS (YEAR 6)

	Marden Primary Academy	LA Average	National
READING:			
2023/24 Results			
All Learners	68.8%	78%	73%
Learners	31.3%	32%	29%
WRITING:			
2023/24 Results			
All Learners	68.8%	75%	71%
Learners	18.8%	18%	13%

STRATEGIC REPORT

Achievement and performance

MATHS:

2023/24 Results

All Learners	62.5%	76%	73%
	18.8%	21.0%	24%
	Marden Primary Academy	LA Average	National

**GRAMMAR,
PUNCTUATION &
SPELLING**

2023/24 Results

All Learners	50%	73.0%	72%
	25%	27.0%	30%

Year 4 Multiplications Check

Score 25 - 3 pupils

Score 20-24 - 7 pupils

Score 15-19 - 5 pupils

Score below 15 - 0 pupils

Financial review

Financial position

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2024 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2024, total expenditure of £476,076 (2023: £426,930) was covered by recurrent grant funding from the DfE. The net income before transfers and revaluations for the period was £23,884 (2023: £22,925).

At 31 August 2024, the net book value of fixed assets was £1,134,771 (2023: £1,160,051) and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy and objectives

The school will invest any surplus funds on deposit to ensure it maximises its return.

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £41,421 (2023: £41,193) of which is free reserves. The level of general restricted reserves is £118,832 (2023: £82,896).

In addition, the governors ensure that there are funds available in the main account to cover at least three months' salary.

STRATEGIC REPORT

Financial review

Going concern

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

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting Policies.

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.
- Fall in pupil numbers on roll.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Financial and risk management objectives and policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

Future plans

An accounting officer has been bought in under an SLA which has currently been approved by the DfE to August 2025, whilst the Academy look at the future options, one being to join the HMFA MAT fully, whilst the review is being undertaken the Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. It will continue to work with partner schools to improve the educational opportunities for children in Herefordshire and to provide support for the continued development of its staff.

Full details of our plans for the future are detailed in the School Development Plan. However, the key areas for focus are:

- Securing the financial position of the academy through sustaining, and building upon, the improved pupil numbers.
- Reviewing impact of things put in place to address all development areas outlined in the Ofsted report (Dec 2021)
- Embedding restorative and relational practices to address behaviour, resilience and self-esteem of pupils.
- Introducing the Harmony Curriculum alongside our planned curriculum to raise awareness of sustainability and learning from, caring for our environment.
- Complete Talk4Writing training and embed and review impact.
- Support the Pre-School to achieve building new facilities and create a new Early Years Classroom in the community side of the building.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The company was incorporated on the 4th December 2013 and converted from a Local Authority School to an Academy Trust on the 1st January 2014.

The governors act as the trustees for the charitable activities of Marden Primary Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Marden Primary Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the academy trust undertakes to contribute to the assets of the 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 cease to be a member.

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance is provided through the DfE Risk Protection Scheme (RPA) as of September 2024.

Principal activities

This is defined in the Articles of Association.

Method of Recruitment and Appointment or Election of Trustees

This is defined in the Articles of Association:

The members shall appoint not less than 3 Governors.

The members may appoint Staff Governors through such process as they may determine.

The total number of Governors (including the Headteacher) who are employees of the Academy Trust shall not exceed one-third of the total number of Governors. We currently have Governors who whilst not employed directly through the Academy Trust, do provide a bought in service from the HMFA. We recognise that best practice is to have a broader scope of Governors and we are actively advertising for new Governors to join the board.

The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held in secret ballot.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Academy together with its close links with Herefordshire Marches Federation of Academies has a leadership structure which consists of the governors, the Executive Headteacher, Head of School and Subject Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Executive Headteacher is the Accounting Officer.

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

The Senior Management Team are the Executive Headteacher and Head of School. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain governors.

Induction and training of new trustees

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority together with DRB Schools and Academies Services Ltd provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Governors visit the school to scrutinise work, talk to pupils, carry out learning walks and observations.

Governors and Directors, during year ending 31st August 2024, were encouraged to enrol on relevant training courses to support them in their role.

Key management remuneration

The pay and remuneration of key management personnel is determined according to the academy's pay policy. Leadership pay ranges have been set by the Governing Body. Performance Management is rigorously carried out.

Connected Organisations, including Related Party Relationships

Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting.

HMFA (Hereford Marches Federation of Academies) has been identified as having a Related Party Relationship. Also, the following companies have been identified as having a Related Party Relationship as they share common Directors; G B Liners Ltd, Bartups Ltd, Hereford Lions Club.

AUDITORS

Insofar as the governors are aware:

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

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on 31/12/24 and signed on its behalf by:

..... S P M
S Miles - Governor

Governance Statement
for the Year Ended 31 August 2024

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Marden Primary Academy 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 of loss.

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

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

The Trustees consider that the Board meet and communicate adequately and regularly over the course of the year in order to discharge their responsibilities and have robust and effective management arrangements.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 4 times during the period. These meetings also covered Finance and staffing agendas. Attendance during the period at meetings of the Governing Body was as follows:

Full Governor meetings

Governor		Meetings Attended	Out of a possible
S Miles	Chairman	4	4
L Williams	Vice-Chairman	4	4
K Johnson	Head of School	4	4
J McColl	HMFA Governor	3	4
H Rogers	Resigned 31.12.23	1	1
K Minto	Staff Governor	1	2
Zyla Beecham	Governor	2	2
R Hardwick	Governor 01.09.23	3	4

Governance Review

The Academy reviews the skills set of the Governors to ensure a broad range of knowledge/expertise is represented, on an annual basis. There has been no change in the work of the Board during the year.

- Configuration of the Trustees and Members will be reviewed during the early part of the new financial year, with guidance being sought from the ESFA.
- The academy is looking at replacing the resigning member but is also currently looking at developing a MAT, therefore governance will have an external review and self-evaluation.

Conflicts of Interest

Conflicts of interests are discussed at each meeting. At the beginning of each academic year, all trustees reference any declarations of interests and this is filed with the clerk to governors and published on the academies website.

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Headteacher, has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

Marden Primary Academy is associated with the Herefordshire Marches Federation of Academies and has strong links with 5 other Primary Academies (Lord Scudamore Academy, Sutton Primary Academy, Kings Capple Primary Academy, St Weonards Academy and Llangrove CE Academy) and two Local Authority schools (Clehonger CE Primary and Pencombe CE Primary). The HMFA provides the Executive Headteacher services for Marden.

We are able to minimise costs by the sharing of resources, staff and combining pupil extra-curricular activities. We purchase services as a group to obtain discount and best rate. Examples of this are for professional services, advertising and insurance.

We have strict internal controls and regularly monitor the budgets and investigate anomalies and overspends. Budget reports are provided regularly to the Executive Head Teacher. Detailed financial reports are presented at least termly to the Finance Committee to discuss the current position and decisions on spending.

We have strict procedures and policies in place to comply with Academy financial regulations. We are able to show that we have considered the risks of irregularity and fraud and have measures in place to avoid these.

We keep an up-to-date Risk Register, which is a working document and is reviewed annually by the Board of Directors. It enables us to identify areas of weakness which make us more vigilant.

As an academy we regularly look at our services and contracts to check if they need to be appraised or renegotiated to get the best mix of quality and effectiveness for the least cost. In a number of cases, we are utilising the valuable people and skills we already have working in the Federation enabling us to make a further saving.

Wherever possible we request annual service charges to be invoiced to us on a monthly/quarterly basis so that the cost can be evenly spread over the financial year to minimise impact on cash flow. Bank reconciliations are performed on a monthly basis to monitor cash flow.

We now adopt best practice in terms of prudence and financial management. Where possible a tender process is undertaken for any supplies or services over an agreed amount, this has driven down costs so as to obtain value for money.

The Academy Trust is aware that it must continue to develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost.

The school site is shared with the community centre and is subject to a joint use agreement. As a result, the school is unable to generate extra income through lettings out of school hours. However, the community centre does contribute towards our utility bills and maintenance and running costs.

Curriculum targets during the academic year have continued to focus on embedding high quality teaching and learning provision, particularly in Phonics/Early Reading and writing, to both increase rates of progress and raise attainment. This has included improved provision for pupils to develop confidence and self-esteem, alongside developing the progressive teaching of specific skills throughout the school, in all aspects of English. Staff have accessed additional Talk4Writing training which has been cascaded back to staff and is being implemented and impact reviewed.

In previous years, the school has benefitted from working collaboratively with other schools to deliver high quality Continuing Professional Development for teachers and teaching assistants, as well as providing opportunities for groups of pupils from different schools to work together in activities such maths challenge days, Moving Targets dance performance at the Courtyard Theatre and a range of sporting events run through the HMFA and the wider County.

Governance Statement
for the Year Ended 31 August 2024

Staffing structures have been regularly reviewed and adapted to ensure financial viability, whilst meeting the needs of pupils. As an example, we reviewed our specialist staff members who are employed to deliver French and PE sessions and made changes to ensure financial viability.

Support staff have been redeployed as necessary to allow small group work at specific times within the school day, for example focused phonics teaching and reading development. Teaching Assistants are employed in the role of Cover Supervisor to cover teaching staff absences and greatly reduce the necessity to employ supply or agency staff.

The school was inspected by Ofsted in December 2021 and remained as good, currently.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Marden Primary Academy for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of governors 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 governors 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 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

THE RISK AND CONTROL FRAMEWORK

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

The Governing Body has considered the need for a specific internal audit function and has decided to use an external party to conduct internal scrutiny work. A peer review has been undertaken by Rachel Lovell, who is an Independent Adviser, in addition a SRMA review was conducted by the DfE.

The board of trustees are regularly informed on the operation of the systems of control and considers actions and assesses year on year progress.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:


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


Governance Statement
for the Year Ended 31 August 2024

CONCLUSION

Based on the advice of the audit and risk committee and the accounting officer, the board of governors 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 trustees on11/12/24..... and signed on its behalf by:


.....
S Miles - Governor


.....
Elizabeth Orton - Accounting Officer

Marden Primary Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2024


As accounting officer of Marden Primary Academy I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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

There is a potential material liability and litigation issue in relation to the village hall ownership which is being investigated with the appropriate authorities. The academy trust does not have adequate reserves in place to purchase the village hall if they were required to pay the full amount without any support from the local authority or ESFA. These conditions raise significant doubt about the academy's ability to continue as a going concern.

The matter has been highlighted to the ESFA.


.....
Elizabeth Orton - Accounting Officer

Date: 11/12/24
.....

Statement of Governors' Responsibilities
for the Year Ended 31 August 2024

The governors (who act as trustees of Marden Primary Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the governors are aware:

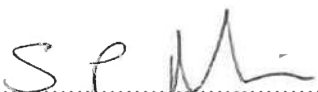
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

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

Approved by order of the members of the board of trustees on^{11/12/24}..... and signed on its behalf by:


.....
S Miles - Governor

Report of the Independent Auditors to the Members of
Marden Primary Academy

Opinion

We have audited the financial statements of Marden Primary Academy (the 'academy trust') for the year ended 31 August 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2023 to 2024.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

However we draw attention to potential going concern issues in the financial statements, which relates to the potentially material liability and litigation issue in relation to the village hall ownership during the current year. The academy trust does not have adequate reserves in place to purchase the village hall if they were required to pay the full amount without any support from the local authority or ESFA. These conditions raise significant doubt about the academy's ability to continue as a going concern if there is not a satisfactory resolution.

The outcome of this litigation is uncertain, and its resolution could have a material effect on the financial statements.

Other information

The governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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.

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 Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities, the governors (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 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academy Trust Handbook 2023, the Academies Accounts Direction 2024, Companies Act legislation and Charities Act and FRS102 SORP legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Making enquiries of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Assessing the design effectiveness of the controls in place to prevent and detect fraud;
- Assessing the risk of management override including identifying and testing journal entries;
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Marden Primary Academy

Use of our report

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



Mrs L Weaver FCCA (Senior Statutory Auditor)
for and on behalf of Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:18/12/24.....

Note:

The maintenance and integrity of the Marden Primary Academy website is the responsibility of the governors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to Marden Primary Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Marden Primary Academy during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Marden Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Marden Primary Academy's funding agreement with the Secretary of State for Education and the Academies Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 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 Academies Accounts Direction 2023 to 2024 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended.
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters.

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

However, we have noted a potential material liability in relation to the village hall co-ownership. Which has also been noted and commented on further within the audit report.

Independent Reporting Accountant's Assurance Report on Regularity to
Marden Primary Academy and the Education and Skills Funding Agency

Thorne Widgey

Thorne Widgey Accountancy Ltd
Chartered Accountants
Reporting Accountant
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 13/12/24.....

Marden Primary Academy

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2024

					31.8.24	31.8.23
	Notes	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	210	5,007	9,405	14,622	21,993
Charitable activities						
Funding for the academy's educational operations	3	-	-	645,671	645,671	567,124
Other trading activities	4	-	-	5,075	5,075	6,600
Investment income	5	18	-	-	18	14
Total		<u>228</u>	<u>5,007</u>	<u>660,151</u>	<u>665,386</u>	<u>595,731</u>
EXPENDITURE ON Charitable activities						
Academy's educational operations	7	-	30,287	611,215	641,502	572,806
Total		<u>-</u>	<u>30,287</u>	<u>611,215</u>	<u>641,502</u>	<u>572,806</u>
NET INCOME/(EXPENDITURE)		228	(25,280)	48,936	23,884	22,925
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		-	-	9,000	9,000	87,000
Net movement in funds		228	(25,280)	57,936	32,884	109,925
RECONCILIATION OF FUNDS						
Total funds brought forward		41,193	1,160,051	(24,104)	1,177,140	1,067,215
TOTAL FUNDS CARRIED FORWARD		<u>41,421</u>	<u>1,134,771</u>	<u>33,832</u>	<u>1,210,024</u>	<u>1,177,140</u>

The notes form part of these financial statements

Balance Sheet
31 August 2024

	Notes	31.8.24 £	31.8.23 £
FIXED ASSETS			
Tangible assets	12	1,134,771	1,160,051
CURRENT ASSETS			
Debtors	13	11,060	14,568
Cash in hand		178,714	160,102
		<u>189,774</u>	<u>174,670</u>
CREDITORS			
Amounts falling due within one year	14	(29,521)	(50,581)
		<u>160,253</u>	<u>124,089</u>
NET CURRENT ASSETS			
		<u>1,295,024</u>	<u>1,284,140</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PENSION LIABILITY	17	(85,000)	(107,000)
		<u>1,210,024</u>	<u>1,177,140</u>
NET ASSETS			
FUNDS	16		
Restricted funds:			
Restricted Pension Fund		(85,000)	(107,000)
General Annual Grant		118,832	71,475
Other Dfe/ESFA Grants		-	11,421
DfE/YPLA Capital Grants		1,553	2,986
Conversion and depreciation		1,132,000	1,153,000
Fixed Assets Funded by GAG		1,218	4,065
		<u>1,168,603</u>	<u>1,135,947</u>
Unrestricted funds:			
Unrestricted fund		41,421	41,193
		<u>1,210,024</u>	<u>1,177,140</u>
TOTAL FUNDS			

The financial statements were approved and authorised for issue by the Board of Governors and authorised for issue on 11/12/24 and were signed on its behalf by:


.....
S Miles - Governor

Marden Primary Academy

Cash Flow Statement
for the Year Ended 31 August 2024

	Notes	31.8.24 £	31.8.23 £
Cash flows from operating activities			
Cash generated from operations	1	13,587	82,604
Net cash provided by operating activities		<u>13,587</u>	<u>82,604</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(4,300)
Capital grants from DfE/EFA		5,007	16,125
Interest received		18	14
Net cash provided by investing activities		<u>5,025</u>	<u>11,839</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		160,102	65,659
Cash and cash equivalents at the end of the reporting period		<u>178,714</u>	<u>160,102</u>

Notes to the Cash Flow Statement
for the Year Ended 31 August 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.24	31.8.23
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	23,884	22,925
Adjustments for:		
Depreciation charges	25,280	26,744
Capital grants from DfE/ESFA	(5,007)	(16,125)
Interest received	(18)	(14)
Decrease in debtors	3,508	27,522
(Decrease)/increase in creditors	(21,060)	23,552
Difference between pension charge and cash contributions	(13,000)	(2,000)
Net cash provided by operations	<u>13,587</u>	<u>82,604</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23	Cash flow	At 31.8.24
	£	£	£
Net cash			
Cash at bank and in hand	160,102	18,612	178,714
	<u>160,102</u>	<u>18,612</u>	<u>178,714</u>
Total	<u>160,102</u>	<u>18,612</u>	<u>178,714</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2023 to 2024 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Marden Primary Academy meets the definition of a public benefit entity under FRS 102.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The governors have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have considered the impact of the current economic climate and inflationary pressures on the future finances of the academy.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £41,421 (2023: £41,193) all of which is free reserves. The level of general restricted reserves is £118,832 (2023: £82,896).

The Trustees are currently reviewing the financial position of the Academy to ensure it has a surplus on free reserves in the medium to long term, and the Trustees assume that the Academy will be able to continue as a going concern.

The Trustee's assessment that is appropriate to use the going concern assumption is based on the following:

- a) the Academy has adequate cash to fund its working capital requirements during this period;
- b) there is no significant unbudgeted expenditure or capital expenditure, unless supported by additional funding, during this period; and
- c) income is received in line with the forecast

On this basis the Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

1. ACCOUNTING POLICIES - continued

Grants

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

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

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.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

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

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

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Leasehold buildings	2% per annum
Fixtures, fittings and equipment	15-20% per annum
ICT equipment	33 1/3% per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the to the financial statements. 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.

1. ACCOUNTING POLICIES - continued

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

A full triennial valuation was performed in 2022, the results of which came into effect from 1 April 2023.

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.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the pension note, 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 the year end. 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
Donations	210	260	470	496
Grants	-	5,007	5,007	16,125
School trip etc	-	9,145	9,145	5,372
	<u>210</u>	<u>14,412</u>	<u>14,622</u>	<u>21,993</u>

Income in the comparative period is comprised of £346 of unrestricted, and £21,647 of restricted funds.

Grants received, included in the above, are as follows:

	31.8.24 £	31.8.23 £
Capital Grant	<u>5,007</u>	<u>16,125</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	523,436	523,436	458,516
Other DfE/EFSA grants				
Teachers Pay Grant	-	8,425	8,425	-
Teachers Pension Grant	-	4,398	4,398	-
Universal Infant Free School Meals	-	12,499	12,499	13,280
ESFA PE/Sports Grants	-	16,680	16,680	16,610
Pupil Premium	-	22,377	22,377	18,820
Supplementary Grant	-	15,933	15,933	6,695
Other DfE/ESFA Grants	-	4,878	4,878	14,935
	<u>-</u>	<u>608,626</u>	<u>608,626</u>	<u>528,856</u>
Other Government grant				
SEN Top Up Funding	-	37,045	37,045	38,268
	<u>-</u>	<u>645,671</u>	<u>645,671</u>	<u>567,124</u>

All of the figures included in the comparatives related to restricted funds.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	31.8.24 Total funds	31.8.23 Total funds
	£	£	£	£
Income from other organisations	-	5,075	5,075	6,600

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.8.24 Total funds	31.8.23 Total funds
	£	£	£	£
Deposit account interest	18	-	18	14

All of the figures included in the comparatives related to unrestricted funds.

6. EXPENDITURE

	Staff costs	Non-pay expenditure		31.8.24 Total	31.8.23 Total
	£	Premises £	Other costs £	£	£
Charitable activities					
Academy's educational operations					
Direct costs	286,647	21,000	12,555	320,202	269,828
Allocated support costs	187,344	46,719	87,237	321,300	302,978
	<u>473,991</u>	<u>67,719</u>	<u>99,792</u>	<u>641,502</u>	<u>572,806</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.24 £	31.8.23 £
Auditors remuneration	9,000	6,924
Other non-audit services	1,055	1,655
Depreciation - owned assets	25,280	26,744

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	31.8.24 Total funds	31.8.23 Total funds
	£	£	£	£
Direct costs	-	320,202	320,202	269,828
Support costs	-	321,300	321,300	302,978
	<u>-</u>	<u>641,502</u>	<u>641,502</u>	<u>572,806</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	31.8.24	31.8.23
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	187,344	160,715
Depreciation	4,280	5,744
Administrative supplies	1,409	2,066
Premises costs	46,719	50,361
Other support costs	71,493	75,513
Governance costs	10,055	8,579
	<hr/>	<hr/>
Total support costs	321,300	302,978
	<hr/> <hr/>	<hr/> <hr/>

8. STAFF COSTS AND EMPLOYEE BENEFITS

	31.8.24	31.8.23
	£	£
Wages and salaries	348,261	283,687
Social security costs	25,341	18,972
Operating costs of defined benefit pension schemes	90,411	70,826
	<hr/>	<hr/>
Supply teacher costs	464,013	373,485
	9,978	8,099
	<hr/>	<hr/>
	473,991	381,584
	<hr/> <hr/>	<hr/> <hr/>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.24	31.8.23
Teachers	4	3
Administration and Support	10	9
Management	1	1
	<hr/>	<hr/>
	15	13
	<hr/> <hr/>	<hr/> <hr/>

No employees received emoluments in excess of £60,000.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £71,4211 (2023: 66,041).

Headteacher role now a brought in service.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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

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

K Johnson (staff trustee)	Remuneration	£50,000 - £55,000	(2023: £50,000 - £55,000)
	Employers Pension Contributions	£10,000 - £15,000	(2023: £10,000 - £15,000)
H Rogers (staff trustee) until 16/12/22	Remuneration	£Nil	(2023: £5,000 - £10,000)
	Employers Pension Contributions	£Nil	(2023: £0 - £5,000)
Kate Minto (staff trustee) appointed 29.02.24	Remuneration	£5,000 - £10,000	(2023: £Nil)
	Employers Pension Contributions	£0 - £5,000	(2023: £Nil)

Remuneration for governors appointed and resigning during the year are only stated for the period the individual was acting as a governor.

Other related party transactions involving the trustees are set out in the Related Parties Disclosure.

10. GOVERNORS' AND OFFICERS' INSURANCE

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

The cost of this insurance is included in the total insurance cost.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	346	16,125	5,522	21,993
Charitable activities				
Funding for the academy's educational operations	-	-	567,124	567,124
Other trading activities	-	-	6,600	6,600
Investment income	14	-	-	14
Total	360	16,125	579,246	595,731
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	38,569	534,237	572,806
Total	-	38,569	534,237	572,806

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
NET INCOME/(EXPENDITURE)	360	(22,444)	45,009	22,925
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	87,000	87,000
Net movement in funds	360	(22,444)	132,009	109,925
RECONCILIATION OF FUNDS				
Total funds brought forward	40,833	1,182,495	(156,113)	1,067,215
TOTAL FUNDS CARRIED FORWARD	<u>41,193</u>	<u>1,160,051</u>	<u>(24,104)</u>	<u>1,177,140</u>

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2023 and 31 August 2024	1,356,000	4,426	38,777	1,399,203
DEPRECIATION				
At 1 September 2023	203,000	2,787	33,365	239,152
Charge for year	21,000	485	3,795	25,280
At 31 August 2024	224,000	3,272	37,160	264,432
NET BOOK VALUE				
At 31 August 2024	<u>1,132,000</u>	<u>1,154</u>	<u>1,617</u>	<u>1,134,771</u>
At 31 August 2023	<u>1,153,000</u>	<u>1,639</u>	<u>5,412</u>	<u>1,160,051</u>

Leasehold land and buildings are subject to a 125 year lease with the local authority. Included within long leasehold is non depreciated land with a cost of £306,000.

Land and buildings are included at an appropriate valuation upon conversion to academy status. The governing board has reviewed the valuation during the year and do not consider any impairment adjustment is necessary as the asset remains to meet its purpose of intended use and is in a good state of repair. For more details on impairment reviews please refer to the accounting policies.

Land and buildings are not revalued.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Trade debtors	2	2
VAT	1,173	3,730
Prepayments and accrued income	9,885	10,836
	<u>11,060</u>	<u>14,568</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Trade creditors	200	13,320
Social security and other taxes	16,340	13,288
Other creditors	540	-
Accruals and deferred income	12,441	23,973
	<u>29,521</u>	<u>50,581</u>

DEFERRED INCOME

	31.8.24	31.8.23
	£	£
Deferred Income at 1 September	9,429	9,742
Resources deferred in the year	7,834	9,429
Amounts released from previous years	(9,429)	(9,742)
	<u>7,834</u>	<u>9,429</u>

Deferred income is made up of the following balances:

	31.8.24	31.8.23
	£	£
Universal Infant Free School Meals Revenue Income	7,294	8,133
School Led Tutoring	540	1,296

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.24 Total funds £
Fixed assets	-	1,134,771	-	1,134,771
Current assets	41,421	-	148,353	189,774
Current liabilities	-	-	(29,521)	(29,521)
Pension liability	-	-	(85,000)	(85,000)
	<u>41,421</u>	<u>1,134,771</u>	<u>33,832</u>	<u>1,210,024</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

		Restricted		31.8.23
	Unrestricted	Fixed	Restricted	Total
	fund	Asset	General	funds
	£	Fund	Fund	£
Fixed assets	-	1,160,051	-	1,160,051
Current assets	41,193	-	133,477	174,670
Current liabilities	-	-	(50,581)	(50,581)
Pension liability	-	-	(107,000)	(107,000)
	<u>41,193</u>	<u>1,160,051</u>	<u>(24,104)</u>	<u>1,177,140</u>

16. MOVEMENT IN FUNDS

	At 1.9.23	Net	At
	£	movement	31.8.24
		in funds	£
		£	
Restricted general funds			
Restricted Pension Fund	(107,000)	22,000	(85,000)
General Annual Grant	71,475	47,357	118,832
Other Dfe/ESFA Grants	11,421	(11,421)	-
Dfe/YPLA Capital Grants	2,986	(1,433)	1,553
Conversion and depreciation	1,153,000	(21,000)	1,132,000
Fixed Assets Funded by GAG	4,065	(2,847)	1,218
	<u>1,135,947</u>	<u>32,656</u>	<u>1,168,603</u>
Unrestricted fund			
Unrestricted fund	41,193	228	41,421
	<u>41,193</u>	<u>228</u>	<u>41,421</u>
TOTAL FUNDS	<u>1,177,140</u>	<u>32,884</u>	<u>1,210,024</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted Pension Fund	-	13,000	9,000	22,000
General Annual Grant	523,433	(476,076)	-	47,357
Other Restricted	51,528	(51,528)	-	-
Other Dfe/ESFA Grants	2,870	(14,291)	-	(11,421)
DfE/YPLA Capital Grants	5,007	(6,440)	-	(1,433)
Conversion and depreciation	-	(21,000)	-	(21,000)
Other DFE/ESFA - Pupil Premium ESFA	22,377	(22,377)	-	-
Other DFE/ESFA - Sports Premium	16,680	(16,680)	-	-
Other DFE/ESFA - Teachers Pay Grant	8,425	(8,425)	-	-
Other DFE/ESFA - Teachers Pension Grant	4,398	(4,398)	-	-
Other DFE/ESFA - UIFSM	12,499	(12,499)	-	-
Fixed Assets Funded by GAG	-	(2,847)	-	(2,847)
Other DFE/EFA - Recovery Premium	2,008	(2,008)	-	-
Other DFE/ESFA - Supplementary Grant	15,933	(15,933)	-	-
	<u>665,158</u>	<u>(641,502)</u>	<u>9,000</u>	<u>32,656</u>
Unrestricted fund				
Unrestricted fund	228	-	-	228
	<u>665,386</u>	<u>(641,502)</u>	<u>9,000</u>	<u>32,884</u>
TOTAL FUNDS	<u>665,386</u>	<u>(641,502)</u>	<u>9,000</u>	<u>32,884</u>

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Restricted general funds			
Restricted Pension Fund	(196,000)	89,000	(107,000)
General Annual Grant	39,887	31,588	71,475
Other Dfe/ESFA Grants	-	11,421	11,421
DfE/YPLA Capital Grants	-	2,986	2,986
Conversion and depreciation	1,174,000	(21,000)	1,153,000
Fixed Assets Funded by GAG	8,495	(4,430)	4,065
	<u>1,026,382</u>	<u>109,565</u>	<u>1,135,947</u>
Unrestricted fund			
Unrestricted fund	40,833	360	41,193
	<u>1,067,215</u>	<u>109,925</u>	<u>1,177,140</u>
TOTAL FUNDS	<u>1,067,215</u>	<u>109,925</u>	<u>1,177,140</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted Pension Fund	-	2,000	87,000	89,000
General Annual Grant	458,518	(426,930)	-	31,588
Other Restricted	50,388	(50,388)	-	-
Other Dfe/ESFA Grants	12,935	(1,514)	-	11,421
DfE/YPLA Capital Grants	16,125	(13,139)	-	2,986
Conversion and depreciation	-	(21,000)	-	(21,000)
Other DFE/ESFA - Pupil Premium ESFA	18,820	(18,820)	-	-
Other DFE/ESFA - Sports Premium	16,610	(16,610)	-	-
Other DFE/ESFA - UIFSM	13,280	(13,280)	-	-
Fixed Assets Funded by GAG	-	(4,430)	-	(4,430)
Other DFE/EFA - Recovery Premium	2,000	(2,000)	-	-
Other DFE/ESFA - Supplementary Grant	6,695	(6,695)	-	-
	<u>595,371</u>	<u>(572,806)</u>	<u>87,000</u>	<u>109,565</u>
Unrestricted fund				
Unrestricted fund	360	-	-	360
	<u>595,731</u>	<u>(572,806)</u>	<u>87,000</u>	<u>109,925</u>

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

- General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
- Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to the Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

17. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £9,151 were payable to the schemes at 31 August 2024 (2023 - £6,750) and are included within creditors.

17. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

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

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

Valuation of the teachers' pension scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. 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 result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the period amounted to £53,144 (2023 - £38,331).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £31,576 (2023 - £25,152), of which employer's contributions totalled £24,717 (2023 - £19,611). and employees' contributions totalled £6,859 (2023 - £5,541). The agreed contribution rates for future years are 20 per cent for employers and 5.50 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

On 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

17. PENSION AND SIMILAR OBLIGATIONS - continued

As the scheme is in deficit, the academy has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable will be the Future Service Rate of 20% of payroll plus phased lump sum deficit contributions starting at £14,550 for the year 2022/23, increasing to £15,690 for 2023/24, £16,420 for 2024/25 and £17,170 for 2025/26.

The current estimated recovery period is 10 years.

A full triennial valuation was performed in 2022, the results of which came into effect from 1 April 2023. The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.24	31.8.23
	£	£
Present value of funded obligations	(451,000)	(394,000)
Fair value of plan assets	366,000	287,000
	<u>(85,000)</u>	<u>(107,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(85,000)</u>	<u>(107,000)</u>
Net liability	<u>(85,000)</u>	<u>(107,000)</u>

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

	Defined benefit pension plans	
	31.8.24	31.8.23
	£	£
Current service cost	20,000	24,000
Net interest from net defined benefit asset/liability	4,000	6,000
Past service cost	-	-
	<u>24,000</u>	<u>30,000</u>
Actual return on plan assets	<u>40,000</u>	<u>16,000</u>

17. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.24	31.8.23
	£	£
Opening defined benefit obligation	394,000	434,000
Current service cost	20,000	24,000
Contributions by scheme participants	7,000	6,000
Interest cost	21,000	17,000
Actuarial losses/(gains)	14,000	(82,000)
Benefits paid	(5,000)	(5,000)
	<u>451,000</u>	<u>394,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.24	31.8.23
	£	£
Opening fair value of scheme assets	287,000	238,000
Contributions by employer	7,000	32,000
Contributions by scheme participants	37,000	6,000
Expected return	17,000	11,000
Actuarial gains/(losses)	23,000	5,000
Benefits paid	(5,000)	(5,000)
	<u>366,000</u>	<u>287,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.24	31.8.23
	£	£
Actuarial gains/(losses)	9,000	87,000
	<u>9,000</u>	<u>87,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.24	31.8.23
	£	£
Equities	245,000	209,000
Bonds - other	29,000	7,000
Cash/liquidity	-	3,000
Other	4,000	44,000
Property	88,000	24,000
	<u>366,000</u>	<u>287,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

17. PENSION AND SIMILAR OBLIGATIONS - continued

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.24	31.8.23
Discount rate	5.00%	5.40%
Future salary increases	4.15%	4.30%
Future pension increases	2.65%	2.90%
Inflation assumption (CPI)	2.65%	2.80%

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

Retiring today		
Males	21.2	21.5
Females	23.6	23.8
Retiring in 20 years		
Males	22.5	22.8
Females	25.4	25.6

Sensitivity analysis

	31.8.24	31.8.23
	£	£
Discount rate +0.1%	9,000	(6,000)
Discount rate -0.1%	(9,000)	7,000
Mortality assumption - 1 year increase	18,000	8,000
Mortality assumption - 1 year decrease	(18,000)	(8,000)
CPI rate +0.1%	9,000	7,000
CPI rate -0.1%	(9,000)	(7,000)

18. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

19. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. The following related party transactions took place in the financial period.

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Expenditure related party transactions

The Hereford Marches Federation of Academies - an academy of which E Orton (governor of Marden and executive head services invoiced from HMFA):

- During the year expenditure of £62,522 (2023: £56,342) was paid to The Hereford Marches Federation of Academies, this related to recharge of expenditure all in the course of normal business and executive head invoices.
- During the year income of £Nil (2023: Nil) was received from The Hereford Marches Federation of Academies.
- At the year end, there was £Nil owed to HMFA (2023: £Nil)

19. RELATED PARTY DISCLOSURES - continued

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.