

Report of the Governors and
Financial Statements
for the Year Ended 31 August 2024
for
Orchard Multi-Academy Trust
T/A
Stretton Sugwas Church of England
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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Orchard Multi-Academy Trust
T/A Stretton Sugwas Church of England
Academy

Reference and Administrative Details
for the Year Ended 31 August 2024

MEMBERS:

Revd P Littlewood
C Kent
A Campbell
Revd P Brown
R G Griffiths

GOVERNORS

R G Griffiths *
D A Davies (Head Teacher) *
Revd P Littlewood (appointed 1.9.24)
A Campbell *
J Dawkins
B Ford (Teacher) (resigned 31.8.24)
Revd P Brown
S L A Davies (resigned 31.8.24)
Mrs S Hicks
Mrs R Taylor (resigned 31.8.24) *
D Durant (appointed 16.9.24)
Mrs L Smissen (appointed 1.9.24)
C Stewart (appointed 1.9.24)
Rev A Price (appointed 1.9.24)
C Kent (appointed 1.9.24)

* members of the finance and general purpose committee

SENIOR LEADERSHIP TEAM

Headteacher	D A Davies
Deputy Headteacher	B Ford
Director of Finance and Administration	V Grieve

ACCOUNTING OFFICER

D A Davies (Headteacher)

COMPANY NAME

Stretton Sugwas Church of England Academy changed its name to the Orchard Multi-Academy Trust on 8th July 2024 in readiness for a new MAT with effect from 1st September 2024.

COMPANY SECRETARY

Mrs C Weaver

REGISTERED OFFICE

Stretton Sugwas
Hereford
Herefordshire
HR4 7AE

REGISTERED COMPANY NUMBER

07718539 (England and Wales)

SENIOR STATUTORY AUDITOR

Lisa Weaver FCCA

AUDITORS

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

SOLICITORS

HY Education
3 Reed House
Hunters Lane
Rochdale
OL16 1YC

BANKERS

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

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy 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 purpose of both a Trustees' report and a Directors' report under company law.

The Trust operates an academy for pupils aged 2 to 11 in Herefordshire. It has a pupil capacity of 30 in each year group and had a roll of 168 (compulsory school age) in the school census on 1 October 2023.

OBJECTIVES AND ACTIVITIES

Objects and aims

We value our C of E status and aim to provide all pupils with a broad and balanced curriculum, with a strong Social Moral Spiritual Ethos, and a particular emphasis on a creative curriculum which the Academy conversion has given us the scope to provide. We are proud of the high standards of education that we provide our children and the outstanding quality of our talented and committed teaching staff. We aspire to build on these sound foundations, to become an exceptional school that enjoys an outstanding reputation within the local community.

Objectives, Strategies and Activities

The Governors of the school have been responsible for recruiting a number of talented members of staff, enhancing our exceptional team and giving us the capacity to develop a highly innovative and creative curriculum. We work closely with our IT provider to develop state of the art IT provision which greatly enhances our children's education. All of which has been possible due to our Academy Status. To continue to grow and develop the school the Governors built and opened a new Pre-School setting in September 2018, named 'The New-Bees'. This allowed the school to consolidate and stabilise numbers for the future, but also allowing children a more focussed and accelerated start to their learning in the Reception class, as they have improved transition and are more familiar with the school and setting. During the academic year 20/21, the Governors extended the classroom building further to allow for two nursery/pre-school classes, along with the Reception class being sited in our Early Years Centre. The Governors made the decision to expand the school further and make it a 'single form' entry school. The waiting list for the last 8 years has demonstrated the demand on Reception places at Stretton. The growth strategy started in September 2020 and grow each class over a 7 year period to move the school from a possible 140 pupils to 210. Currently a possible 182 out of 190. Our Reception, Year 1, Year 2 and Year 3 classes are full or near full with 30 children in each.

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

Key financial performance indicators

During the academic year 2023-2024, we are extremely pleased with the attainment and progress of all the children across the school.

During the academic year the school received an Ungraded Ofsted Inspection (June 2024). This was an extremely successful inspection, and although ungraded, the inspector was able to suggest "the evidence gathered suggests that the inspection grade might be outstanding if a graded (section 5) inspection were carried out now". This hugely highlights the incredible work and effort all staff have put into the achievement and performance of the school and the children within it. The full report outlines many positive areas that the school does well, including:

- The school's values are the golden thread that runs through the school. They permeate all parts of school life. The school's ambitious curriculum is enhanced by these values and pupils are challenged to think deeply about how what they learn links into their responsibilities as global citizens.
- Reading is prioritised. The well-stocked and inviting library is at the heart of the school. From nursery, children enjoy being read engrossing stories and pupils are eager to talk about the books that they enjoy. The phonics curriculum is delivered by expert staff.
- All leaders at the school, including those responsible for governance, lead with integrity.
- Staff are overwhelmingly positive about working in the school. They value the support they get, professionally and personally, from leaders and from each other. Well-being is prioritised.

Financial review

Principal funding sources

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 year 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 year ended 31 August 2024, total expenditure of £692,708 (2023: £646,365) was covered by recurrent grant funding from the DfES together with other incoming resources. The net resources expended before transfers and revaluations for the year was £8,813 net expenditure (2023: £2,986 net expenditure).

At 31 August 2024, the net book value of fixed assets was £1,130,040 (2023: £1,166,130) and movements in tangible fixed assets are shown in the fixed assets note 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

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 £41,981 (2023: £28,799), all of which is free reserves. The level of carried forward general annual grant is £122,117 (2023: £101,523).

Stretton Sugwas Academy trustees confirms that the current level of reserves is appropriate in going forward. The level of reserves is maintained as the school is currently going through a phase of growth and many costs will need to be protected during this. Additional monies are required for building works on a final classroom. Along with this, during the move from 6 to 7 classes, will mean lower teacher to pupil ratios - particularly in the mornings, however the coming academic year should be the last of this moving forward.

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.

Moving forward the school will be entering into a Multi Academy Trust from the 1 September 2024.

Estate Management

Stretton Sugwas Academy demonstrates successful estate management through its strategic allocation and careful oversight of resources, ensuring that the school environment is conducive to learning and personal development for all pupils. The management team effectively maintains and improves the school's facilities, prioritising the safety and well-being of pupils while fostering a positive atmosphere. By engaging with the local community and utilising feedback from staff and parents, the academy continually enhances its infrastructure, which supports both academic excellence and the holistic growth of its pupils. This proactive approach to estate management reflects the school's commitment to providing a high-quality educational experience.

The school has recently procured an additional 2 acres of outdoor area. During the 23-24 academic year the school has ensured this site is safe to use, ensuring well fenced and ground works completed before the academic year 24-25.

Fundraising

The school's PTFA has reformed and have managed to fund raise during the academic year. A number of events have taken place, with the Summer Fête being the main success, raising over £3,200 - which is a school record in the last decade or more. Most of the monies raised by the PTFA are being put into the new Forest School area that is being developed within the school grounds.

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.

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

Due to the nature of the academy's buildings and surrounding playing fields consideration is given to site security to ensure it is safe and secure for the pupils. The condition of the estate is periodically reviewed to identify any areas which require improvement and the cost of any rectifications are sought and considered by the Board and within the main budget for the year. Where there is a need for a specific project to improve the facilities, additional funding will be sought wherever possible.

STRATEGIC REPORT

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. The board of trustees has selected members operating a Finance Committee. This committee scrutinises closely the academies accounts and information is shared on a monthly basis. The committee then reports back to the full governing board at termly intervals. An Audit Risk Committee has been set up to ensure standards are maintained and address any financial risks that are addressed as a result of the internal scrutiny. A pay and personnel committee meets annually to discuss staffing increments and promotions to ensure a fair pay system at the academy.

Future plans

The school and its trustees have been a driving force in the setting up of a new Multi Academy Trust within Herefordshire. This is the first time a MAT with Church Articles has been set up in Herefordshire in the last 10 years. The MAT will operate from the 1 September 2024 and opens with 4 primary schools. Including; Burghill, Canon Pyon and St James.

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 26th July 2011 and converted from a Local Authority School to an Academy Trust on the 1st April 2012.

The governors act as the trustees for the charitable activities of Stretton Sugwas Church Of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Stretton Sugwas Church Of England Academy. Through this academic year, the trustee board has conducted a skills audit to determine any areas of weakness within the board. Due to the formation of the new Orchard MAT, some of the governors have been prepared to step into the role of Director on the 'new' board. We have considered skills sets from all of the founding schools boards to ensure strength moving forward.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details at the start of this report.

Members' liability

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

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 by Arthur J Gallagher up to April 2023, then provided via RPA.

Principal activities

This is defined in the Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association:

The number of Governors shall not be less than 3 nor more than 11 except for appointments of any Additional Governors made by the Secretary of State.

The members may appoint up to 2 Governors.

The members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

One Foundation Governors shall be The Principal Officiating Minister for the time being in the Parish of Stretton Sugwas, to be treated as an ex officio Foundation Governor. Additional Foundation Governors may be appointed by the Hereford Diocesan Board of Education after consultation with Stretton Sugwas Parochial Church Council provided that the total number of Foundation Governors (including ex officio Foundation Governors) would not thereby exceed 25% of the total number of Governors.

The Headteacher shall be treated for all purposes as being an ex officio governor.

Parent Governors shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time when he is elected. Any election of Parent Governors which is contested shall be held by secret ballot.

Organisational structure

The Academy has a leadership structure which consists of the governors and The Senior Leadership Team and Curriculum Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The 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 Headteacher, Head of School and the Finance Director. 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 a governor. Some spending control is devolved to members of the Senior Management Team, with limits above which the Headteacher must countersign.

Policies and Procedures adopted for the induction and training of Governors

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 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.

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.

Key management remuneration

The academy runs a rigorous system of performance management and appraisal which is linked to performance-related pay progression.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Connected Organisations, including Related Party Relationships

Stretton Sugwas Church of England Academy has a connection with the Diocese of Hereford.

From 1 September 2018 D A Davies became Executive Headteacher for Burghill Community Academy and Stretton Sugwas C Of E Academy provide a financial SLA for the academy.

Additionally, from 1 September 2021 D A Davies became Executive Headteacher for Canon Pyon C of E Academy and Stretton C of E Academy provide a financial SLA for the academy.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

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.

Report of the Governors, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 9/12/24 and signed on its behalf by:



.....
R G Griffiths - Governor

Governance Statement
for the Year Ended 31 August 2024

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Orchard Multi-Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement 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 Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Orchard Multi-Academy Trust 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.

GOVERNANCE

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors' Responsibilities. The board of governors has formally met 5 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor		Meetings Attended	Out of a Possible
R G Griffiths	Chair	4	5
P Littlewood		1	1
C Kent		1	1
A Campbell	Vice Chair	5	5
D A Davies	Head Teacher	5	5
Revd P Brown		2	5
J Dawkins		5	5
B Ford	Teacher	4	5
S Davies		4	5
R Taylor		4	5
S Hicks		5	5

Governance Review

The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented on an annual basis

The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented on an annual basis.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to monitor and oversee the financial procedures of the Academy. Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
R G Griffiths	2	3
B Ford	2	3
A Campbell	3	3
R Taylor	2	3

- External review of governance has been made with discussions with the RSC. Each board meeting looks at the membership of the board and ensuring it satisfies what is written in the articles.

Governance Statement
for the Year Ended 31 August 2024

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

- Using the schools revenue budget and seeking financial assistance through charities and trusts, we raised enough funds to build our own pre-school setting which opened on 3rd September 2018. This has allowed us to extend our age range from 4-11 year olds to now 2-11 year olds. Educational outcomes from those attending the setting have improved, due to the EYFS Manager overseeing the running and transition of pupils into the Academy.
This growth continues with the planned extension of classrooms to accommodate two further classrooms over the next 7 years. Phase 1 completed - only an extension to the music room needed to allow for full capacity.
- Our broad and balanced curriculum ensures all pupils have the opportunity to raise their individual levels of attainment.
- We regularly review the staffing structure to ensure staff are efficiently deployed and are appropriately qualified and experienced specialists and enthusiasts.
- We bring in additional staff to target key curriculum areas, such as providing expert tuition in languages and team teaching of the PE curriculum with a sports specialist. We also provide targeted support for students as appropriate, such as individual and small group intervention with teaching assistants, along with 1:1 tuition with a teacher.
- We focus on the differing needs of every individual pupil. This is reflected in the outcomes for Service Children and FSM pupils.
- We have good tracking systems to record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.
- We have produced excellent outcomes for our FSM students ensuring the school continues to close the gap those identified. Pupil Premium monies have been allocated to optimal effect, as illustrated by the detailed breakdown on the School website.
We regularly work with "Education Property Partnership" to identify areas of site safety and maintenance, this schedule of works is prioritised according to the health and safety need. Tenders are obtained in accordance with our financial procedures to ensure the best value for money is achieved although there might be occasions where an urgent need might not allow this.

Financial Performance

- Financial governance and oversight is strong, with appropriate members on the Governors Finance Sub- committee. Regular visits are made by the Responsible Officer to audit and ensure all financial processes are followed.
- Financial records are checked regularly and reconciled monthly to ensure value for money
- Spending proposals are costed and presented to Senior Leaders | Governors and then challenged appropriately.
- Regular budget updates are provided, which enables both short and long term budget decisions to be made appropriately.
- The Business Manager and Headteacher have been influential in driving down costs through better procurement and negotiation.
- All contracts are reviewed on an annual basis to ensure they are still fit for purpose and best value for our school.
- School identifies where any areas are significantly over or under spent and are thoroughly investigated and assurances provided that the spend is appropriate to our school.
- The school Tendering policy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects. A minimum of 3 quotes are obtained before spending for any major projects.
- Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable.

Governance Statement
for the Year Ended 31 August 2024

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 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 Orchard Multi-Academy Trust 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 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'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 financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- 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. For the year ended 31 August 2024, this external scrutiny was conducted by N Emmett, School Business Manager of Fairfield High School.

The internal reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial systems as described above. They regularly report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the Internal 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.

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

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 has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the board of trustees on 9/12/24..... and signed on its behalf by:



.....
R G Griffiths - Governor



.....
Alex Davies - Accounting Officer

Orchard Multi-Academy Trust
T/A Stretton Sugwas Church of England
Academy

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

As accounting officer of Orchard Multi-Academy Trust I have considered my responsibility to notify the academy 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 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 board of governors are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academy Trust Handbook 2023.

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



.....
Alex Davies - Accounting Officer

Date: 9/12/24

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

The governors (who act as trustees of Orchard Multi-Academy Trust 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 21/12/24 and signed on its behalf by:



.....
R G Griffiths - Governor

Report of the Independent Auditors to the Members of Orchard Multi-Academy Trust

Opinion

We have audited the financial statements of Orchard Multi-Academy Trust (the 'academy') 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'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 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'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.

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 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'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 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 Academies 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
Orchard Multi-Academy Trust

Use of our report

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



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

Date: 16/12/24

Independent Reporting Accountant's Assurance Report on Regularity to
Orchard Multi-Academy Trust
T/A Stretton Sugwas Church of England
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 Orchard Multi-Academy Trust 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 Orchard Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Orchard Multi-Academy Trust 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 Orchard Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Orchard Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Orchard Multi-Academy Trust's funding agreement with the Secretary of State for Education and the Academy 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 academy'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 purposes 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 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.

Independent Reporting Accountant's Assurance Report on Regularity to
Orchard Multi-Academy Trust
T/A Stretton Sugwas Church of England
Academy
and the Education and Skills Funding Agency

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.

Thorne Widgery Accountancy Ltd

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

Date:16/12/24.....

Orchard Multi-Academy Trust
T/A Stretton Sugwas Church of England
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 £
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	66	6,077	21,026	27,169
Charitable activities					
Funding for the academy's educational operations	3	-	-	1,081,440	1,081,440
Other trading activities	4	121,542	-	128,113	249,655
Investment income	5	20	-	-	20
Total		121,628	6,077	1,230,579	1,358,284
EXPENDITURE ON Charitable activities					
Academy's educational operations	7	108,447	52,138	1,206,512	1,367,097
Total		108,447	52,138	1,206,512	1,367,097
NET INCOME/(EXPENDITURE)					
Transfers between funds	16	13,181	(46,061)	24,067	(8,813)
Other recognised gains/(losses)		-	9,972	(9,972)	-
Actuarial gains on defined benefit schemes		-	-	70,000	70,000
Net movement in funds		13,181	(36,089)	84,095	61,187
RECONCILIATION OF FUNDS					
Total funds brought forward		28,799	1,166,129	28,023	1,222,951
TOTAL FUNDS CARRIED FORWARD		41,980	1,130,040	112,118	1,284,138

The notes form part of these financial statements

Orchard Multi-Academy Trust (Registered number: 07718539)
T/A Stretton Sugwas Church of England
Academy

Balance Sheet
31 August 2024

	Notes	31.8.24 £	31.8.23 £
FIXED ASSETS			
Tangible assets	12	1,130,040	1,166,130
CURRENT ASSETS			
Debtors	13	70,708	40,159
Cash at bank and in hand		183,101	157,462
		<u>253,809</u>	<u>197,621</u>
CREDITORS			
Amounts falling due within one year	14	(89,711)	(63,800)
		<u>164,098</u>	<u>133,821</u>
NET CURRENT ASSETS			
		<u>164,098</u>	<u>133,821</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,294,138	1,299,951
PENSION LIABILITY	17	(10,000)	(77,000)
		<u>1,284,138</u>	<u>1,222,951</u>
NET ASSETS			
		<u>1,284,138</u>	<u>1,222,951</u>
FUNDS	16		
Restricted funds:			
General Annual Grant		122,117	101,523
Restricted Pension Fund		(10,000)	(77,000)
Other Restricted		-	3,500
DfE/YPLA Capital Grants		241,397	250,180
FA - Conversion and Depreciation		500,667	508,667
FA - Expenditure from GAG		72,675	71,336
FA - Other Sources		315,301	335,946
		<u>1,242,157</u>	<u>1,194,152</u>
Unrestricted funds:			
Unrestricted Fund		26,690	22,770
Unrestricted Club Stretton Fund		(18,965)	(18,965)
Unrestricted Pre School		34,256	24,994
		<u>41,981</u>	<u>28,799</u>
TOTAL FUNDS		<u>1,284,138</u>	<u>1,222,951</u>

The notes form part of these financial statements

Orchard Multi-Academy Trust (Registered number: 07718539)
T/A Stretton Sugwas Church of England
Academy

Balance Sheet - continued
31 August 2024

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Governors and authorised for issue on9/12/24..... and were signed on its behalf by:

.....
R G Griffiths - Governor

Orchard Multi-Academy Trust
T/A Stretton Sugwas Church of England
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	29,515	28,768
Net cash provided by operating activities		<u>29,515</u>	<u>28,768</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(9,972)	(4,580)
Capital grants from DfE/EFA		6,076	19,390
Interest received		20	15
Net cash (used in)/provided by investing activities		<u>(3,876)</u>	<u>14,825</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		157,462	113,869
Cash and cash equivalents at the end of the reporting period		<u>183,101</u>	<u>157,462</u>

The notes form part of these financial statements

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

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.8.24	31.8.23
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(8,813)	(2,986)
Adjustments for:		
Depreciation charges	46,062	43,765
Capital grants from DfE/ESFA	(6,076)	(19,390)
Interest received	(20)	(15)
Increase in debtors	(30,549)	(1,751)
Increase in creditors	25,911	3,145
Difference between pension charge and cash contributions	3,000	6,000
Net cash provided by operations	<u>29,515</u>	<u>28,768</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	157,462	25,639	183,101
	<u>157,462</u>	<u>25,639</u>	<u>183,101</u>
Total	<u>157,462</u>	<u>25,639</u>	<u>183,101</u>

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy, 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.

Orchard Multi-Academy Trust 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 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 £41,981 (2023: £28,799) all of which is free reserves. The level of carried forward general annual grant is £122,117 (2023: £101,523).

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 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 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 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

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

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

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

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Leasehold buildings	2% on cost
Property improvements	5% on cost
Fixtures and fittings	15 to 20% on cost
Motor vehicles	20% on cost
Computer equipment	33.3% on cost

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

Included within long leasehold is land and buildings that the school occupies under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

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.

Leased Assets

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

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.

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills 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 multi-employer scheme with no underlying assets to assign between employers. Consequently the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 net income/(expenditure) 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.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. 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.

Critical accounting estimates and assumptions

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the accounts, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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 £
Other grants and payments	66	9,053	9,119	6,110
Capital Grants	-	6,076	6,076	19,390
School trips etc	-	11,974	11,974	10,730
	<u>66</u>	<u>27,103</u>	<u>27,169</u>	<u>36,230</u>

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

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

	31.8.24 £	31.8.23 £
Capital Grant	<u>6,076</u>	<u>19,390</u>

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

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	720,276	720,276	670,226
Other DfE/EFSA grants				
Universal infant free school meals	-	40,860	40,860	34,801
Pupil premium	-	31,489	31,489	31,881
Teachers' pay	-	12,570	12,570	1,152
Teachers' pension	-	6,498	6,498	3,255
PE and sports	-	17,280	17,280	17,290
Other	-	-	-	17,110
Other DfE/EFSA grants	-	25,605	25,605	-
Supplementary Grant	-	-	-	19,893
Academy Converter grant	-	25,000	25,000	-
	-	879,578	879,578	795,608
Other Government grants				
Special Educational Projects	-	65,131	65,131	47,095
Nursery Educational Funding	-	136,731	136,731	118,816
	-	201,862	201,862	165,911
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	1,500
	-	1,081,440	1,081,440	963,019

The academy received £Nil (2023: £1,500) of funding for recovery premium and costs incurred in respect of this funding totalled £Nil (2023: £1,500).

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Education	-	944,709	944,709	844,203
Nursery	136,731	-	136,731	118,816
	136,731	944,709	1,081,440	963,019

All of the figures included in the comparatives for Education are related to restricted funds and Nursery to unrestricted 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 schools	14,556	128,113	142,669	111,803
Other	106,986	-	106,986	100,820
	<u>121,542</u>	<u>128,113</u>	<u>249,655</u>	<u>212,623</u>

The comparatives include unrestricted funds of £109,289 and restricted funds of £103,334 giving a total of £212,623.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
Short term deposits	20	-	20	15
	<u>20</u>	<u>-</u>	<u>20</u>	<u>15</u>

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

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.24 Total £	31.8.23 Total £
Charitable activities					
Academy's educational operations					
Direct costs	638,194	14,221	125,762	778,177	721,455
Allocated support costs	384,509	87,354	117,057	588,920	493,418
	<u>1,022,703</u>	<u>101,575</u>	<u>242,819</u>	<u>1,367,097</u>	<u>1,214,873</u>

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

	31.8.24 £	31.8.23 £
Auditors' remuneration	8,150	7,545
Auditors' remuneration for non audit work	295	280
Depreciation - owned assets	46,062	43,763
Operating leases	<u>10,642</u>	<u>2,904</u>

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

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
Direct costs	30,665	747,512	778,177	721,455
Support costs	77,781	511,139	588,920	493,418
	<u>108,446</u>	<u>1,258,651</u>	<u>1,367,097</u>	<u>1,214,873</u>

	31.8.24 Total £	31.8.23 Total £
Analysis of support costs		
Support staff costs	384,509	358,809
Depreciation	7,354	5,057
Administrative supplies	16,391	8,838
Premises costs	87,354	68,159
Other support costs	84,867	44,730
Governance costs	8,445	7,825
Total support costs	<u>588,920</u>	<u>493,418</u>

The comparatives include unrestricted funds of £213,282 and restricted funds of £1,001,591 making up the total of £1,214,873.

8. STAFF COSTS

	31.8.24 £	31.8.23 £
Wages and salaries	775,984	741,860
Social security costs	61,623	56,390
Operating costs of defined benefit pension schemes	182,509	164,538
	<u>1,020,116</u>	<u>962,788</u>
Supply teacher costs	2,587	-
	<u>1,022,703</u>	<u>962,788</u>

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

	31.8.24	31.8.23
Teachers	6	6
Administration and support	26	28
Management	3	2
	<u>35</u>	<u>36</u>

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

8. STAFF COSTS - continued

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

	31.8.24	31.8.23
£80,001 - £90,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>1</u>

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 £272,195 (2023: £251,476).

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:

A Davies (Headteacher):

Remuneration £100,000 - £110,000	(2023: £85,000 - £90,000)
Employer's pension contribution £20,000 - £25,000	(2023: £15,000 - £20,000)

B Ford (staff governor):

Remuneration £45,000 - £50,000	(2023: £45,000 - £50,000)
Employer's pension contribution £10,000 - £15,000	(2023: £10,000 - £15,000)

Other related party transactions involving the trustees are set out in the notes to the financial statements.

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 and 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	-	19,391	16,839	36,230
Charitable activities				
Funding for the academy's educational operations	118,816	-	844,203	963,019
Other trading activities	109,289	-	103,334	212,623
Investment income	15	-	-	15
Total	<u>228,120</u>	<u>19,391</u>	<u>964,376</u>	<u>1,211,887</u>

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	213,283	58,575	943,015	1,214,873
Total	213,283	58,575	943,015	1,214,873
NET INCOME/(EXPENDITURE)				
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	91,000	91,000
Net movement in funds	14,837	(39,184)	112,361	88,014
RECONCILIATION OF FUNDS				
Total funds brought forward	13,962	1,205,313	(84,338)	1,134,937
TOTAL FUNDS CARRIED FORWARD	28,799	1,166,129	28,023	1,222,951

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £
COST			
At 1 September 2023	911,046	489,727	36,508
Additions	-	-	-
At 31 August 2024	911,046	489,727	36,508
DEPRECIATION			
At 1 September 2023	146,811	99,061	31,014
Charge for year	14,221	24,486	2,866
At 31 August 2024	161,032	123,547	33,880
NET BOOK VALUE			
At 31 August 2024	750,014	366,180	2,628
At 31 August 2023	764,235	390,666	5,494

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

12. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2023	26,300	102,369	1,565,950
Additions	-	9,972	9,972
At 31 August 2024	26,300	112,341	1,575,922
DEPRECIATION			
At 1 September 2023	26,300	96,634	399,820
Charge for year	-	4,489	46,062
At 31 August 2024	26,300	101,123	445,882
NET BOOK VALUE			
At 31 August 2024	-	11,218	1,130,040
At 31 August 2023	-	5,735	1,166,130

Included within long leasehold is land and buildings that the school occupies under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

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.

Included within long leasehold is non-depreciated land with a value of £200,000.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24 £	31.8.23 £
Trade debtors	19,135	-
Other debtors	5,991	1,296
VAT	7,169	6,069
Prepayments and accrued income	38,413	32,794
	<u>70,708</u>	<u>40,159</u>

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Trade creditors	28,335	9,047
Social security and other taxes	34,758	31,465
Deferred income	23,835	22,332
Accrued expenses	2,783	956
	<u>89,711</u>	<u>63,800</u>
		£
Deferred Income at 1 September 2023		22,332
Resources deferred in the year		23,835
Amounts released from previous years		<u>(22,332)</u>
Deferred Income at 31 August 2024		<u>23,835</u>

At the balance sheet date the Academy Trust was holding funds received in advance in relation to Free School meals income and school trips, which relate to the next financial year.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.24 Total funds £
Fixed assets	-	1,130,040	-	1,130,040
Current assets	43,567	-	210,242	253,809
Current liabilities	(1,586)	-	(88,125)	(89,711)
Pension liability	-	-	(10,000)	(10,000)
	<u>41,981</u>	<u>1,130,040</u>	<u>112,117</u>	<u>1,284,138</u>

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

	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.23 Total funds £
Fixed assets	-	1,166,130	-	1,166,130
Current assets	29,828	(1)	167,794	197,621
Current liabilities	(1,029)	-	(62,771)	(63,800)
Pension liability	-	-	(77,000)	(77,000)
	<u>28,799</u>	<u>1,166,129</u>	<u>28,023</u>	<u>1,222,951</u>

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

16. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Restricted general funds				
General Annual Grant	101,523	27,566	(6,972)	122,117
Restricted Pension Fund	(77,000)	67,000	-	(10,000)
Other Restricted	3,500	(500)	(3,000)	-
DfE/YPLA Capital Grants	250,180	(8,783)	-	241,397
FA - Conversion and Depreciation	508,667	(8,000)	-	500,667
FA - Expenditure from GAG	71,336	(8,633)	9,972	72,675
FA - Other Sources	335,946	(20,645)	-	315,301
	<u>1,194,152</u>	<u>48,005</u>	<u>-</u>	<u>1,242,157</u>
Unrestricted funds				
Unrestricted Fund	22,770	3,920	-	26,690
Unrestricted Club Stretton Fund	(18,965)	-	-	(18,965)
Unrestricted Pre School	24,994	9,262	-	34,256
	<u>28,799</u>	<u>13,182</u>	<u>-</u>	<u>41,981</u>
TOTAL FUNDS	<u>1,222,951</u>	<u>61,187</u>	<u>-</u>	<u>1,284,138</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				
General Annual Grant	720,274	(692,708)	-	27,566
Restricted Pension Fund	-	(3,000)	70,000	67,000
Other Restricted	351,003	(351,503)	-	(500)
Other DfE/ESFA Grants	50,605	(50,605)	-	-
DfE/YPLA Capital Grants	6,075	(14,858)	-	(8,783)
FA - Conversion and Depreciation	-	(8,000)	-	(8,000)
FA - Expenditure from GAG	1	(8,634)	-	(8,633)
FA - Other Sources	1	(20,646)	-	(20,645)
Other Dfe/ESFA - UIFSM	40,860	(40,860)	-	-
Other Dfe/ESFA - Pupil premium	31,489	(31,489)	-	-
Other Dfe/ESFA - Teachers' Pay	12,570	(12,570)	-	-
Other Dfe/ESFA - Teachers' Pension	6,498	(6,498)	-	-
Other Dfe/ESFA - PE and Sports	17,280	(17,280)	-	-
	<u>1,236,656</u>	<u>(1,258,651)</u>	<u>70,000</u>	<u>48,005</u>
Unrestricted funds				
Unrestricted Fund	4,051	(131)	-	3,920
Unrestricted Club Stretton Fund	53,400	(53,400)	-	-
Unrestricted Pre School	64,177	(54,915)	-	9,262
	<u>121,628</u>	<u>(108,446)</u>	<u>-</u>	<u>13,182</u>
TOTAL FUNDS	<u><u>1,358,284</u></u>	<u><u>(1,367,097)</u></u>	<u><u>70,000</u></u>	<u><u>61,187</u></u>

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Restricted general funds			
General Annual Grant	77,662	23,861	101,523
Restricted Pension Fund	(162,000)	85,000	(77,000)
Other Restricted	-	3,500	3,500
DfE/YPLA Capital Grants	253,110	(2,930)	250,180
FA - Conversion and Depreciation	516,667	(8,000)	508,667
FA - Expenditure from GAG	78,557	(7,221)	71,336
FA - Other Sources	356,979	(21,033)	335,946
	<u>1,120,975</u>	<u>73,177</u>	<u>1,194,152</u>
Unrestricted funds			
Unrestricted Fund	18,444	4,326	22,770
Unrestricted Club Stretton Fund	(18,921)	(44)	(18,965)
Unrestricted Pre School	14,439	10,555	24,994
	<u>13,962</u>	<u>14,837</u>	<u>28,799</u>
TOTAL FUNDS	<u><u>1,134,937</u></u>	<u><u>88,014</u></u>	<u><u>1,222,951</u></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				
General Annual Grant	670,225	(646,364)	-	23,861
Restricted Pension Fund	-	(6,000)	91,000	85,000
Other Restricted	167,268	(163,768)	-	3,500
Other DfE/ESFA Grants	38,503	(38,503)	-	-
DfE/YPLA Capital Grants	19,390	(22,320)	-	(2,930)
FA - Conversion and Depreciation	-	(8,000)	-	(8,000)
FA - Expenditure from GAG	1	(7,222)	-	(7,221)
FA - Other Sources	-	(21,033)	-	(21,033)
Other DfE/ESFA - UIFSM	34,802	(34,802)	-	-
Other DfE/ESFA - Pupil premium	31,881	(31,881)	-	-
Other DfE/ESFA - Teachers' Pay	1,152	(1,152)	-	-
Other DfE/ESFA - Teachers' Pension	3,255	(3,255)	-	-
Other DfE/ESFA - PE and Sports	17,290	(17,290)	-	-
	<u>983,767</u>	<u>(1,001,590)</u>	<u>91,000</u>	<u>73,177</u>
Unrestricted funds				
Unrestricted Fund	4,326	-	-	4,326
Unrestricted Club Stretton Fund	51,159	(51,203)	-	(44)
Unrestricted Pre School	172,635	(162,080)	-	10,555
	<u>228,120</u>	<u>(213,283)</u>	<u>-</u>	<u>14,837</u>
TOTAL FUNDS	<u>1,211,887</u>	<u>(1,214,873)</u>	<u>91,000</u>	<u>88,014</u>

The specific purposes 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 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 Academy, capital grants received from the ESFA and other establishments, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.
- Unrestricted Club Stretton Funds: all income and expenses in relation to Club Stretton.
- Unrestricted Pre School: surplus income in relation to the running of the Pre School.

Transfers between funds relate to the movement of funds to cover the purchases of fixed assets during the year.

17. PENSION AND SIMILAR OBLIGATIONS

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £19,821 were payable to the schemes at 31 August 2024 (2023 - £17,246) and are included within creditors.

Teachers' pension scheme

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

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

Valuation of the teachers' pension scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 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 £98,169 (2023 - £88,153).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy 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 has set out above the information available on the scheme.

Local government pension scheme

17. PENSION AND SIMILAR OBLIGATIONS - continued

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 £91,592 (2023: £85,056), of which employer's contributions totalled £70,993 (2023: £65,605) and employees' contributions totalled £20,599 (2023: £19,453). The agreed contribution rates for future years are 18.0% for employers and between 5.5% and 12.5% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with the parliamentary minute published on GOV.UK.

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 18.0% of payroll plus phased lump sum deficit contributions which will be £13,100 for 2023/24, increasing annually thereafter.

The current estimated recovery period is 24 years.
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	(927,000)	(793,000)
Fair value of plan assets	917,000	716,000
	<u>(10,000)</u>	<u>(77,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(10,000)</u>	<u>(77,000)</u>
Net liability	<u><u>(10,000)</u></u>	<u><u>(77,000)</u></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	59,000	80,000
Net interest from net defined benefit asset/liability	3,000	4,000
Past service cost	-	-
	<u>62,000</u>	<u>84,000</u>
Actual return on plan assets	<u><u>99,000</u></u>	<u><u>35,000</u></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	793,000	764,000
Current service cost	59,000	80,000
Contributions by scheme participants	21,000	19,000
Interest cost	43,000	32,000
Actuarial losses/(gains)	15,000	(84,000)
Benefits paid	(4,000)	(18,000)
	<u>927,000</u>	<u>793,000</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	716,000	602,000
Contributions by employer	85,000	79,000
Contributions by scheme participants	21,000	19,000
Expected return	40,000	28,000
Actuarial gains/(losses)	59,000	7,000
Benefits paid	(4,000)	(18,000)
Assets administration expenses	-	(1,000)
	<u>917,000</u>	<u>716,000</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)	<u>70,000</u>	<u>91,000</u>
	<u>70,000</u>	<u>91,000</u>

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

17. PENSION AND SIMILAR OBLIGATIONS - continued

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	615,000	525,000
Bonds - Other	73,000	16,000
Property	220,000	59,000
Cash/liquidity	9,000	6,000
Other	-	110,000
	<u>917,000</u>	<u>716,000</u>

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

	31.8.24	31.8.23
Discount rate	5.00%	5.30%
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%	23,000	(16,000)
Discount rate -0.1%	(23,000)	16,000
Mortality assumption - 1 year increase	37,000	14,000
Mortality assumption - 1 year decrease	(37,000)	(14,000)
CPI rate +0.1%	22,000	16,000
CPI rate -0.1%	(22,000)	(15,000)

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

18. CONTINGENT LIABILITIES

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

19. CAPITAL COMMITMENTS

	31.8.24	31.8.23
	£	£
Contracted but not provided for in the financial statements	-	-
	<u> </u>	<u> </u>

20. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.24	31.8.23
	£	£
Within one year	6,228	3,405
Between one and five years	22,083	15,620
In more than five years	58,575	62,480
	<u> </u>	<u> </u>
	<u>86,886</u>	<u>81,505</u>

21. 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 trust have an interest. The following related party transactions took place in the financial period.

Burghill Community Academy - an academy which DA Davies (Head Teacher) is a Governor (and Executive Head Teacher)

- During the year income of £85,158 (2023: £71,022) was received from Burghill Community Academy.
- During the year expenditure of £1,235 (2023: £1,834) was paid to Burghill Community Academy.
- The above income and expenditure related to recharges of services and expenditure all in the normal course of business.
- At the year end there was £6,740 owed to the Academy (2023: £Nil) owed to the Academy from Burghill Community Academy).
- In entering into the transactions the academy has complied with the requirements of the Academies Trust Handbook 2023.
- The element above £2,500 has been provided 'at no more than cost'.

Canon Pyon Academy - an academy which DA Davies (Head Teacher) is a Governor (and Executive Head Teacher)

- During the year income of £55,285 (2023: £41,364) was received from Canon Pyon Academy.
- During the year expenditure of £2,690 (2023: £Nil) was paid to Canon Pyon Academy.
- The above income and expenditure related to recharges of services and expenditure all in the normal course of business.
- At the year end there was £9,757 owed to the Academy (2023: £Nil owed to the Academy from Canon Pyon Academy).
- In entering into the transactions the academy has complied with the requirements of the Academies Trust Handbook 2023.
- The element above £2,500 has been provided 'at no more than cost'

22. POST BALANCE SHEET EVENTS

From the 1st September 2024, Stretton Sugwas C of E Academy became Orchard Multi Academy Trust, with Burghill Community Academy, Canon Pyon Academy and St James C of E Primary School.