

Report of the Trustees and  
Financial Statements  
for the Year Ended 31 August 2024  
for  
Three Counties Academy Trust

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

## Three Counties Academy Trust

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## Three Counties Academy Trust

### Reference and Administrative Details for the Year Ended 31 August 2024

**MEMBERS:**  
T Hayes  
J G Lester  
C Edwards  
J Donaldson (deceased 9.5.24) (resigned 9.5.24)  
A R Burt

**TRUSTEES**  
M J Farmer (Accounting Officer) \*  
M Henderson (Chair of Trustee Board) \*  
N D Ferguson \*  
S L Reeves-Walters  
D Berry (resigned 18.9.23) \*  
M Franklin \*  
K Ewing (resigned 18.9.23)  
D Berry (resigned 21.9.23)  
M Stubbs  
J Alexander  
J Balderson Director (appointed 18.12.23)

\* members of the finance and general purpose committee

#### **SENIOR MANAGEMENT TEAM**

TCAT Executive Team	M J Farmer D Wiles K Lane	Executive Headteacher and Accounting Officer Chief Finance Officer Executive Leader for Safeguarding and Inclusion
Queen Elizabeth High School	S Seneque M Lake T Lloyd M Watkiss D Racic E Davies M Langley	Head of School Deputy Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher Director of STEM
St Peter's Primary School	H Yarnold C Jones L Holywell S Nash	Head of School Deputy Headteacher (seconded) Assistant Headteacher (Acting) Deputy Headteacher (Acting)
Bredenbury Primary School	S McAtear	Head of School
Stoke Prior Primary School	M Lewis J Angell	Headteacher Deputy Headteacher

**COMPANY NAME** Three Counties Academy Trust

**REGISTERED OFFICE**  
Ashfields  
Bromyard  
Hereford  
Herefordshire  
HR7 4QS

**REGISTERED COMPANY NUMBER** 07840838 (England and Wales)

Three Counties Academy Trust

Reference and Administrative Details  
for the Year Ended 31 August 2024

**SENIOR STATUTORY AUDITOR**

Mrs Lisa Weaver FCCA

**AUDITORS**

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

**SOLICITORS**

Harrison Clarke Rickerbys Limited  
Overross House  
Ross Park  
Ross-on-Wye  
HR9 7US

**BANKERS**

Lloyds Bank Plc  
9 Corn Square  
Leominster  
HR6 8LT

## Three Counties Academy Trust

### Report of the Trustees for the Year Ended 31 August 2024

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2024. The trustees 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.

Three Counties Academy Trust exists to serve its pupils and community through the provision of excellent education in an open and safe environment. The Academy Trust adopted MAT articles in May 2022 during the previous accounting period and rebranded from QEHC Academy Trust to Three Counties Academy Trust.

Catering for pupils between 3 and 16 across member schools, it provides a balanced and challenging curriculum to develop academic, social and life skills, including a range of sporting and cultural activities.

Being a small Academy Trust in a small town in a rural location it is at the centre of its community and this situation develops social responsibility in the pupils.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Aims**

The Academy Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing, and developing a school offering a broad and balanced curriculum.

It is intended that the curriculum and ethos of the Academy Trust will place an emphasis on, and include a commitment to pupils learning about, co-operative values of self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others with the aim of encouraging all pupils to become better citizen, not only while they are pupils but during the rest of their lives.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives, Strategies and Activities**

The main objectives for the year and strategies for achieving them are contained in the Academy Trust's Trust Improvement Plan 2022-2023 which is available from the Academy Trust, a summary of which is as follows:

#### Three Counties Academy Trust: Stronger Together

- To reduce the carbon footprint across the Academy Trust estate
- To ensure financial probity, strong systems of control and financial security for the Academy Trust
- To develop and improve the Academy Trust estate
- To develop effective governance at all levels
- To move forward as an Academy Trust through structured growth
- To develop Central Team capacity so that it can meet growing requirements
- To ensure effective succession planning at all levels

#### Excellent Teaching For All

- To audit, monitor and deliver CPD at the point of need
- Enhancing the understanding and application of pedagogy across the Academy Trust
- Delivering a successful reading strategy at all levels
- Developing Academy Trust leaders
- Delivering effective play
- Working successfully to meet the EYFS

#### Our People First: High Standards and Strong Relationships

- Our pupils first, healthy minds
- Our staff first, healthy minds
- Delivering strong Conduct for Learning across the Academy Trust
- Ensuring appropriate and successful Reward Systems and procedures across the Academy Trust
- Maintaining and improving attendance to school across the Academy Trust
- Delivering safeguarding excellence across the Academy Trust

#### An Inclusive Education for Every Child

- To aim high in all we seek to achieve
- To level up so that no pupil or pupil group is left behind
- Developing excellence in SEND
- To develop our curriculum offer across the Academy Trust so that it is fully inclusive and maximises outcomes
- To place inclusion at the heart of all we do
- To promote an ethos of exercise for all

### **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

#### Charitable activities

The summer 2024 results attained by the Academy Trust through examination were in line with expectation and projections. Key academic data includes:

#### Queen Elizabeth High School

- Attainment 8 score 39.44
- Percentage of students achieving grade 5+ in English and mathematics 34.7%
- Percentage of students achieving grade 4+ in English 67.65%
- Percentage of students achieving grade 4+ in mathematics 66.18%
- Percentage of students achieving grade 5+ in English 55.88%
- Percentage of students achieving grade 5+ in mathematics 41.18%
- Percentage of students achieving the EBacc suite of GCSE's at grade 5 or higher 5.6%
- EBacc average point score (APS) of 3.32

#### St. Peter's Primary School (unvalidated)

- Phonics Screening Check Year 1 50% (National 80%)
- Early Years Foundation Stage 64% (National 68%)
- KS1 RWM Combined Expected 54% (National 57%)
- KS2 RWM Combined Expected 58% (National 61%)
- KS2 RWM Combined Higher 8% (National 8%)
- KS2 Reading Expected 62% (National 74%)
- KS2 Reading Higher 23% (National 28%)
- KS2 Writing Expected 71% (National 72%)
- KS2 Writing Greater Depth 19% (National 13%)
- KS2 Maths Expected 65% (National 73%)
- KS2 Maths Higher 23% (National 24%)
- KS2 GPS Expected 62% (National 72%)
- KS2 GPS Higher 23% (National 32%)
- KS2 Science Expected 79% (National 81%)
- KS2 Reading Average Scaled Score 103.1 (National 105.0)
- KS2 Maths Average Scaled Score 102.9 (National 104.0)
- KS2 GPS Average Scaled Score 103.9 (National 105.0)

#### Bredenbury Primary School (Unvalidated)

- Phonics Screening Check Year 1 100% (National 80%)
- Early Years Foundation Stage 68% (National 68%)
- KS1 RWM Combined Expected 67% (National 57%)
- KS2 RWM Combined Expected 67% (National 61%)
- KS2 RWM Combined Higher 0% (National 8%)
- KS2 Reading Expected 67% (National 74%)
- KS2 Reading Higher 17% (National 28%)
- KS2 Writing Expected 67% (National 72%)
- KS2 Writing Greater Depth 0% (National 13%)
- KS2 Maths Expected 67% (National 73%)
- KS2 Maths Higher 0% (National 24%)
- KS2 GPS Expected 67% (National 72%)
- KS2 GPS Higher 0% (National 32%)
- KS2 Science Expected 83% (National 81%)
- KS2 Reading Average Scaled Score 106.0 (National 105.0)
- KS2 Maths Average Scaled Score 101.2 (National 104.0)
- KS2 GPS Average Scaled Score 103.4 (National 105.0)

#### Stoke Prior primary School (Unvalidated)

- Phonics Screening Check Year 1 62% (National 80%)
- Early Years Foundation Stage 64% (National 68%)
- KS1 RWM Combined Expected 69% (National 57%)
- KS2 RWM Combined Expected 0% (National 61%)
- KS2 RWM Combined Higher 8% (National 8%)

## Three Counties Academy Trust

### Report of the Trustees for the Year Ended 31 August 2024

- KS2 Reading Expected 77% (National 74%)
- KS2 Reading Higher 15% (National 28%)
- KS2 Writing Expected 92% (National 72%)
- KS2 Writing Greater Depth 15% (National 13%)
- KS2 Maths Expected 85% (National 73%)
- KS2 Maths Higher 31% (National 24%)
- KS2 GPS Expected 77% (National 72%)
- KS2 GPS Expected 77% (National 72%)
- KS2 Science Expected 92% (National 81%)
- KS2 Reading Average Scaled Score 104.4 (National 105.0)
- KS2 Maths Average Scaled Score 106.8 (National 104.0)
- KS2 GPS Average Scaled Score 104.5 (National 105.0)

The Academy Trust has maintained the requirement to provide online work for pupils not at school due to Covid-19.

Recruitment was strong at secondary level with a record number of admissions in to Year 7. This was mainly due to a significant marketing campaign and continued community engagement by the Academy Trust. The total current NOR across the Academy Trust is 747 (including 24 in Nursery provision).

The cost of supply staffing has been extensive throughout this accounting period where we could source supply over and above that we could provide in house. The Academy Trust has seen significant periods of extended absence which have a detrimental effect on provision and costs.

#### **Fundraising activities**

The Academy Trust put forward a range of CIF bids for asbestos removal, tanked to mains water, boiler and heating system replacement, window replacement and associated works. Bids for a full boiler and heating replacement for Stoke Prior Primary School and tanked water to mains for Bredenbury Primary School were approved bringing significant capital funding to those schools and mitigating future risks as a result of failing systems that were past end of life projections. This also required a significant contribution to those projects by the Academy Trust from our held reserves.

#### **Key financial performance indicators**

These are covered throughout the Trustee's Report.

#### **Donations**

During the year, Three Counties Academy Trust kindly received £17,182 in donations as follows:

£1,161 for Bredenbury Primary School from a total of 4 donations used to provide supply cover for staff release, mentor release costs and to cover a Fun Day for pupils.

£600 for Three Counties Academy Trust from a total of 2 donations used to facilitate the Academy Trust's entry into the RHS Three Counties Spring Show School Garden.

£8,215 for Queen Elizabeth High School from a total of 11 donations used to facilitate a range of school based activities, resourcing supplies and enrichment activities.

£5,720 for St. Peter's Primary School from a total of 6 donations used to release Mentor through supply, swimming provision and enrichment activities.

£985 for Stoke Prior Primary School from a single donation used to provide eco-friendly school benching.

## **STRATEGIC REPORT**

### **Financial review**

#### **Financial position**

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

The Academy Trust 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 trust's accounting policies.

During the year ended 31 August 2024, total expenditure of £4,340,984, (2023: £3,543,423) was covered by recurrent grant funding from the DfES. The net income before transfers and revaluations for the year was £3,424,135 (2023: £4,981,923 net income).

At 31 August 2024, the net book value of fixed assets was £11,381,254 (2023: £7,861,982) and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

#### **Investment policy**

The Academy Trust retains any interest earned on investments and bears any charges made by the bank. Investment of temporary cash surpluses is made directly in current or deposit accounts of the nominated bank. The Executive Headteacher/CEO and Chief Finance Officer monitor cash balances to determine the most appropriate interest-bearing account.

Loans are never made to any organisation or individual from Academy Trust funds. The Academy Trust does not offer any security to the bank.

Any re-profiling of income flow must be agreed by the Executive Headteacher/CEO and Chief Finance Officer. The Academy Trust has not made arrangements for overdrafts, loans or any other forms of credit or deferred purchases.

#### **Reserves policy**

The Trustees review the reserve levels of the Academy Trust 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 Trust's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £256,508 (2023: 210,587), all of which is free reserves. The level of general restricted reserves excluding fixed assets and pension fund is £63,357 deficit (2023: £163,982 surplus).

The Academy Trust operates a Reserves Policy which sets the level of reserves deemed prudent to hold at a minimum level (subject to available funds) of £100,000 or approximately 5% of GAG with a maximum holding in reserves of £200,000 or approximately 10% of GAG. The Academy Trust aims to have at any one time the equivalent of 1 month of average salary commitments on hand as reserves in the form of cash. These reserves will ensure the ability of the Academy Trust to meet its obligations to stakeholders without placing additional strain and burden on day-to-day finances.

Reserves held in excess of the set limits will be used to enrich the educational offer of the Academy Trust in the manner best suited to doing so.

The Academy Trust will adjust the minimum and maximum holdings authorised within the Reserves Policy at any such time that new entrants to the Academy Trust are accepted with the general principle of a 5% to 10% GAG floor and ceiling being applied.

## **STRATEGIC REPORT**

### **Financial review**

#### **Going concern**

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

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

#### **Principal risks and uncertainties**

Currently, the Trust Board consider that the critical risks and uncertainties facing the Academy Trust are:

- Variation of pupil intake numbers at primary level, across all TCAT primary schools. Numbers on role are strong and increasing at secondary level. The threat of an adverse effect on overall numbers and finance has been mitigated by 3 strong years of above PAN recruitment at Queen Elizabeth High School, with another significant increase forecast for the academic year 2024-2025 which will see the school achieve numbers nearly 10% above PAN. However, lack of recovery in numbers in particular at Bredenburg Primary School, but also low Reception intakes in all 3 primary schools in September 2024 remain a cause for concern for the Academy Trust and an action plan to address this is in effect. It remains the case that the Academy Trust will best benefit from consistent high numbers.
- A lack of material investment in Academy Trust estate, in particular Queen Elizabeth High School which continues to be a financial drain because of ageing building stock and services, lack of adequate security provision, capacity issues for hygiene facilities with increasing NOR and increasing teaching space requirements as a result of increased NOR. CIF bids and other funding streams will be pursued to help alleviate the exposure of the Academy Trust to increased costs with some of that exposure being offset by CIF bids during the accounting period which allowed the replacement of key items of ageing plant.
- Complications with the provision of upgraded sporting facilities, in particular the planned 3G pitch at Queen Elizabeth High School with over-regulation at planning from official bodies and a shortfall in funding due to inflationary pressures whilst these planning issues were resolved. Continued upward cost pressures continue to significantly impact the Academy Trust with rising staff costs and associated costs bringing the biggest pressure to bear, most notably the increased pressure on our increasing SEND provision with insufficient funding allocated to allow an appropriate staffing response other than impacting main academy budgets if those positions could be filled
- A continued lack of suitable candidates prepared to travel to rural locations, especially newly qualified teaching staff.
- Further restructuring of leadership as required to move the Academy Trust forward as a MAT, additionally Trust Executive Leadership needs to be considered as part of succession planning as key members of the Central Team near retirement
- Inflationary pressures on goods and services including fuel and power
- Increased staffing costs as NoR increases and the discussion around increasing PAN at Queen Elizabeth High School and the associated capacity issues to meet that increasing NOR
- Security provisions at our Primary sites are good with the exception of Stoke Prior Primary School. There has been some progress on upgrading security at our Secondary site, however, further significant work is required over the course of a phased plan to continue to upgrade security in line with expectations, including but not limited to additional CCTV coverage, further door entry systems and fencing at potentially weak points of the perimeter. It is hoped this can be carried out under a CIF bid

## **STRATEGIC REPORT**

### **Financial and risk management objectives and policies**

The trust has adopted a protocol based on that of its insurer, the RPA scheme:

#### **Stage 1: Risk identification / Compiling the Risk Register**

The Risk Register is reviewed proactively on an ongoing basis e.g., at regular management/trust board meetings and, reactively when key staff leave, when control systems change or when new evidence about risk exposure emerges, e.g., if a loss were incurred, errors made, or an accident suffered. It is, therefore, a key tool for Executive Leadership and Trustees to use continuously to check that the Academy Trust's level of risk exposure is acceptable.

#### **Stage 2. Prioritisation - Assessing the Probability and the Impact of Each Risk**

The Risk Register uses a matrix offering a straightforward means of plotting the probability of the risk occurring and its likely impact. This shows in quite stark terms those risks that should cause most concern - high chance of occurrence and high impact. It is now relatively easy for staff and trustees to complete as it is based on the knowledge of several people without the need for detailed analysis. Now that all risks are plotted on the matrix, those that fall in the Red or Amber squares are being looked at and will usually require some degree of management action.

#### **Stage 3: Control Definition and Controls Assessment**

The first step is to consider the existing controls. Examples of controls used to date include: project plans, effective resource management, verification processes, management information and actions, physical safeguards, supervision, monitoring. This has helped in the assessment of the "real" risks by briefly considering and evaluating the level of existing controls in place.

#### **Stage 4: Priority/Timescales/Review Date**

Description of further action required is entered into the risk register and reviewed periodically. The priority of the risk determines the time frame and review date as follows: Low Long-Term Date - 12 months from now; Medium Term Date - 6 months from now; High Short Term Date - 3 months from now. A risk owner is identified who can be accountable for taking the action.

## **STRATEGIC REPORT**

### **Future plans**

The Academy Trust has adopted MAT articles and formed a MAT (Three Counties Academy Trust) with 2 of our partner primary schools, designed to ensure continued strong provision across the phases in the locality. The Academy Trust will then seek to grow at a manageable pace locally to continue to promote its vision and ethos.

The Academy Trust intends to continue the growth of pupil numbers in line with previous projections so that the provision currently in place can be maintained financially through increased revenue. This growth has been better than projected and indications for September 2025 reflect a position where global PAN will be achieved with 790 pupils on roll. Over the period of 10 years, the lead school, Queen Elizabeth High School, will have moved from 302 NoR to 435 NoR and exceeded PAN.

The Academy Trust has continued to develop an already robust curriculum designed in the best interests of pupils and fitting the vision for such currently being explored by Ofsted. Our Vocational Centre is seen as an extremely positive step for current secondary pupils and for the potential to increase pupil numbers further as such a provision is seen as desirable by the local and wider community where no such provision currently exists. There is clear and consistent evidence from parental visits that aspects of vocational provision are a major determining factor in seeking a school place with the academy and have almost certainly been responsible in part for the significant upturn in global NOR.

The Academy Trust has bid again into the next round of CIF bids across the Academy Trust academies with 4 bids being tabled following 2 successful bids last year for boiler and heating works at Stoke Prior Primary School and tanked water to mains at Bredenbury Primary School.

The Academy Trust notes the suspension and likely removal of TCAF funding to facilitate increasing capacity of the Academy Trust Central Team as a negative situation for a growing Academy Trust.

The Academy Trust lodged a bid with the Clive Richards Charity to meet the shortfall in the proposed 3G pitch installation and associated works which was granted with the promise of funds to £100,000 which will be utilised as the works are undertaken in the next accounting window.

The Academy Trust will complete further ongoing estate upgrade work to meet rising capacity issues at Queen Elizabeth High School and to provide an Academy Trust base for the work of the Central Team. Clear indications of housing developments in the catchment of some of our schools mean significant Section 106 monies will fall due. For Queen Elizabeth High School this funding will be used to increase the number of classrooms and address the current hygiene provisions. At St. Peter's Primary School it is likely this will be used in the construction of a new block to allow the school to move to 2 form entry, with a commitment from the Local Authority to provide all additional funding for building works over and above that money designated as Section 106.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

Three Counties 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 Charitable Company was Incorporated on the 9th of November 2011 and converted from a Local Authority School to an Academy Trust on the 1st of December 2011.

QEHC Academy Trust adopted MAT articles during the accounting period 2021-2022, and rebranded to the Three Counties Academy Trust following approval from the RSC and Advisory Board. Queen Elizabeth High School was given Sponsor School status.

The Trustees act for the charitable activities of Three Counties Academy Trust and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is now known as Three Counties Academy Trust.

Details of the Trustees and Governors who served throughout the accounting year except as noted are included in the Reference and Administrative Details on pages 1.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Members' liability**

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

### **Trustees' Indemnities**

Trustees and Local Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees and Local 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 Trustees or Local Governors knew to be a breach of trust or breach of duty or which was committed by the Trustees or Local 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 Trustees or Local Governors in their capacity as Directors or Local Governors of Three Counties Academy Trust.

The liability insurance is provided by the RPA and provides unlimited cover (2023: £1,000,000) on any one claim.

### **Principal activities**

This is defined in the Articles of Association which were updated during this accounting period to the latest model.

### **Method of Recruitment and Appointment or Election of Governors**

The Academy Trust has updated the Articles and Memorandum of Association to the latest model versions which have been sealed and lodged with Companies House.

The Members have agreed not to have Staff Trustees except the Executive Headteacher/CEO (ex-officio). A serving Staff Trustee has resigned the position as Trustee at the end of the period covered in this report, but will take up the position of Staff Local Governor on the commencement of the next accounting period.

Parent Local Governors are elected by parents of registered pupils at an Academy Trust school. A Parent Local Governor must be a parent of a pupil at an Academy Trust school at the time when they are elected. The Trust Board makes all necessary arrangements for, and determines all other matters relating to, an election of Parent Local Governors, including any question of whether a person is a parent of a registered pupil at the Academy Trust. Any election of a Parent Local Governor which is contested shall be held by secret ballot. The arrangements made for the election of a Parent Local Governor provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having their ballot paper returned to the Academy Trust by a registered pupil of the Academy Trust.

Where a vacancy for a Parent Local Governor is required to be filled by election, the Trust Board, in collaboration with the appropriate Local Governing Body takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil of the Academy Trust is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Local Governors required is made up by Parent Local Governors appointed by the Trust Board if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Local Governor, the Trust Board appoints a person who is the parent of a registered pupil of the Academy Trust; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age. The Executive Headteacher/CEO is treated for all purposes as being an ex-officio Trustee.

Local Governing Bodies will have separate arrangements for the recruitment and deployment of Governors other than Parent Local Governors in line with their Terms of Reference.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Organisational structure**

The Academy Trust has a leadership structure which consists of Trustees, Executive Leadership, Local Governing Body's, and Senior Leadership. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Executive Headteacher/CEO is the Accounting Officer. During the forthcoming accounting period, the Trust Board will form a new committee to act as a Local Governing Body for Queen Elizabeth High School, for the period of this report, that role was undertaken by the Trust Board.

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

The Senior Leadership Team for the accounting period for Queen Elizabeth High School was the Executive Headteacher, Head of School 4 Assistant Headteachers (2 seconded) and the school SENCO. Both St. Peter's Primary and Bredenbury Primary share a Head of School as well as an SLT of 1 Deputy Headteacher and 2 Phase Leaders at St. Peter's Primary and an Assistant Headteacher at Bredenbury. The Executive Leadership Team, comprising Executive Headteacher/CEO, Chief Finance Officer and Executive Leader for Safeguarding and Inclusion direct the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The executive leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the Senior Leadership Team and for many other roles always contain a Trustee. Some spending control is devolved to members of academy Senior Leadership Teams, with limits above which the Chair of Finance or Chair of the Trust Board must agree.

Subject and class leaders are responsible for the day-to-day operation of curriculum subject areas and accordingly organise their staff, capitation resources and pupils.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Policies and Procedures Adopted for the Induction and Training of Governors**

The Trust Board believes that in order to fulfil its responsibilities effectively, it is essential that each member is committed to a shared vision for the Academy Trust and that the Trustees, in collaboration with the Local Governing Body's, are working well as a team to achieve this.

To help new Trustees and Local Governors feel able to take an active part within the governance of the Academy Trust, and be valued as an equal member of the team, the Academy Trust recognises the need for new Trustees and Local Governors to have an induction - a period of planned support to introduce them to their new role. The aims of the induction are to:

- welcome new Trustees and Local Governors to the team
- help them to get to know the Academy Trust or the individual academy in the case of a Local Governor
- assist them to understand their role and responsibilities
- enable them to contribute fully to the work of the Trust Board, either as a Trustee or as a Local Governor

In order to achieve its aims, the Trust Board ensures that the following steps are taken.

- The Chair of the Trust Board sends a letter welcoming the new Trustee to the team and offering them the opportunity to meet before the first formal Trust Board meeting, in the instance of a new Local Governor this would be devolved to the Chair of the relevant Local Governing Body
- The Executive Headteacher/CEO invites the new Trustee to visit the Academy Trust, and in the instance of a new Local Governor, the Headteacher or Head of School will make a similar invitation to the specific academy
- When a new Trustee attends his/her first meeting, the Chair of the Trust Board welcomes and introduces them to the other trustees. Trustees are asked to introduce themselves and describe any particular interests/experience they have, and the new Trustee is given the opportunity to say something about themselves. Equally, in the instance of a new Local Governor the same procedure is followed at the appropriate level of governance
- The new Trustee is invited to join a relevant committee or committees. They can also be given the opportunity to attend and observe committee meetings before deciding about which committees they might like to join
- A Trustee is appointed to take responsibility for inducting every new Trustee. This will be an experienced Trustee who acts as a mentor. Equally this procedure will be replicated for a new Local Governor at the appropriate level of governance
- All trustees are encouraged to attend any relevant LA, regional or national training events that become available along with in-house training sessions and access to the NGA Learning Link platform
- New trustees are shown how to access policy documents and other relevant information for trustees
- They will be informed who to contact for advice and support.

### **Arrangements for setting pay and remuneration of key management personnel**

Senior Leaders at the Academy Trust are placed within an appropriate range on the national leadership spine payment range relative the size of the academy in terms of pupil numbers at their time of appointment. The starting salary within that range is determined in conjunction with Trustees and the Executive Headteacher/CEO for all roles except the Executive Headteacher/CEO and the Chief Finance Officer, and in the case of the Executive Headteacher/CEO and the Chief Finance Officer is set by Trustees. The decision will assess prior leadership experience, previous pay awards and responsibilities.

The Academy Trust adopts a locally agreed Performance Related Pay Policy and appraisal procedures. For all members of senior leadership other than the Executive Headteacher/CEO, a recommendation is made by the Executive Headteacher/CEO as to whether pay progression should be awarded based on successful completion of annual targets.

Trustees will be presented with evidence to support such decisions and ratify those decisions or seek further clarification as required. For the Executive Headteacher/CEO and the Chief Finance Officer, this decision is taken by Trustees working in conjunction with an independent adviser in relation to the Executive Headteacher/CEO or . Again, such a decision to enable pay progression for the Executive Headteacher/CEO or in the case of the Chief finance Officer the Executive Headteacher/CEO, and will be dependent upon their performance against agreed targets. No member of senior leadership can progress beyond the highest point of the range on which they are appointed.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Related parties and other connected charities and organisations**

Owing to the nature of the Academy Trust and the composition of the Trust Board being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees or Local Governors have an interest.

If any transactions with related parties have taken place during the accounting period covered by this report, these are disclosed in the notes to the accounts.

**Risk management**

The Trust Board have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, the provision of facilities and other operational issues, and its finances. The Trust Board have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying, and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Risk Register is maintained by the Trust Executive Leadership Team (with reference to the Academy Trust's Committees where appropriate), reported to the Trust Board for approval and supported by training from an external risk management specialist where appropriate.

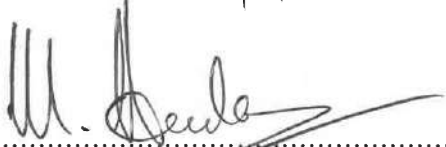
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

**AUDITORS**

The auditors, Thorne Widgey Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees on .....<sup>17/12/24</sup>..... and signed on its behalf by:

  
.....  
M Henderson - Trustee

**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Three Counties 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 or loss.

The Trust Board has delegated the day-to-day responsibility to the Executive Headteacher/CEO 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 Three Counties Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

The Trustees' consider that the Trust Board and its Committees combined, meet adequately and regularly over the course of the year in order to discharge their responsibilities and have robust and effective management arrangements.

## Three Counties Academy Trust

### Governance Statement for the Year Ended 31 August 2024

#### **GOVERNANCE**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Trust Board		
M J Farmer	6	6
M Henderson (Chair)	5	6
N D Ferguson (Vice Chair)	5	6
S L Reeves-Walters	4	6
D Berry (Mrs) (resigned 18.9.23)	0	1
M Franklin	5	6
D Berry (Mr) (resigned 21.9.23)	0	1
K Ewing (resigned 18.9.23)	0	1
M Stubbs	6	6
J Alexander	5	6
J Balderson (appointed 18.12.23)	5	5

The Finance and Audit Committee is a sub-committee of the main Trust Board. Its purpose is to set a strategic direction for the academy finances and to monitor their use. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
M J Farmer	2	6
M Henderson	5	6
M Franklin (Chair)	5	6
N D Ferguson	5	6
D Berry (Mrs) (reigned 18.09.23)	0	1
M Stubbs	6	6

#### **Governance Review**

The Trust Board audit the skills held by Trustees annually and use the NGA Skills Audit tool in doing so. Any gaps in expertise are then used in formulating recruitment plans to the Trust Board.

The Trust Board will commission a Governance Review which will report on the work of the Trust Board and Local Governing Body's, and opportunities to improve upon that work. This will affirm work of the Trust Board and Local Governing Body's over the course of the year in assessing internally their own effectiveness and provide the Trust Board with priorities for future development through the improvement planning process.

The Trust Board has worked extensively with the offices of the Regions Group West Midlands over the previous reporting period to analyse and strengthen governance from the Trust Board and continues to do so further.

#### **Conflicts of Interest**

The Academy Trust has in place a current Conflicts of Interest Policy to which it adheres rigidly. Declarations at all levels of governance are recorded via a central platform and maintained by the Governance Professional with checks on validity at every meeting of the Trust Board, copies of which are published on the Academy Trust website.

## **REVIEW OF VALUE FOR MONEY**

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

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

Over the last financial period, Three Counties Academy Trust has further significantly strengthened their financial position and moved to an even stronger surplus position across the Academy Trust. This has been achieved in part by adhering to the requirement to ensure value for money in procurement.

Some of the ways we have used our resources this year to ensure good value are:

- Strengthening further the leadership capacity within the Academy Trust by utilising secondments to the leadership of our secondary academy to allow the Head of School capacity to deliver school improvement strategies
- Continuing to engage with local partners to place the academy at the heart of the community, including the work surrounding a further school joining the Academy Trust (November 2023)
- Increasing significantly the professional development of teachers so that the quality of lessons taught at the Academy Trust continues to improve
- Increasing pupil numbers on roll in the face of adverse conditions through a pro-active marketing strategy, with strategy focussed on exceeding global PAN further in subsequent admission windows
- Further investment in our middle leadership structure to develop capacity throughout the Academy Trust
- Targeted annual spend on inappropriate alternative provision for pupils and on unnecessary examination fees
- Continued development of the curriculum so that is broad and gives pupils access to a wide range of choice, meeting the Ofsted framework and seen as a model of good practice locally, with an emphasis on vocational skills-based education at secondary level
- Improved hygiene facilities at all Academy Trust sites
- The installation of a new and extensive boiler and heating system, and eco-lighting options at Stoke Prior Primary School. Additionally, provision of mains water services, eco-lighting and fire prevention measures at Bredenbury Primary School
- Significant ongoing review of all SLA spend with renegotiation of contracts reflecting extensive saving
- Achieving CIF funding by investing Academy Trust funds to assist with the bidding process
- Supporting newly qualified colleagues to access ECT programmes by providing generous time to do so
- Funding to deliver a secure front of house provision at all schools with upgraded visitor logging facilities, installation of additional secure entry points, moving entry control points to more secure locations, the addition of some elements of fencing in current weak points and the addition of further CCTV as required.

The Academy Trust continues to review spending, especially on support services and SLA's, however increasing budget pressures, driven by inflationary pressures and fuel/power costs allied to partially funded pay settlements continue to hit extremely hard and we continue to work with the ESFA to ensure we minimise the impact of the challenges we are currently facing. Supply costs have been a major cost pressure across the Academy Trust. The Academy Trust is looking forward to a period of financial stability following upturns in global pupil numbers allied with cost cutting measures undertaken over previous years which have seen the Academy Trust return to a position of cumulative surplus and relative security.

## **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Three Counties 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 trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 trustees.

### **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 Trust Board
- regular reviews by the Finance and Audit 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
- identification and management of risks.

The Trust Board continues to employ School Business Leadership Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- personnel checks.

On a termly basis, the reviewer reports to the Trust Board, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trust Boards financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

### **REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Executive 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 externally appointed internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor
- correspondence from ESFA e.g. financial notice to improve/notice to improve (FNtI/NtI) and 'minded to' letters.

The accounting officer has been advised of the implications of the result of their review of the systems of internal control by the finance committee and a plan to address weakness and ensure continuous improvements of the system is in place.


Three Counties Academy Trust

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 trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the board of governors on .....17/12/24..... and signed on its behalf by:

  
.....  
M Henderson - Trustee

  
.....  
M J Farmer - Trustee

Three Counties Academy Trust

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

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

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

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



.....  
Mr M Farmer - Accounting Officer

Date: .....17/12/24.....

Three Counties Academy Trust

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

The trustees (who act as governors of Three Counties 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 Trustees 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 trustees 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.

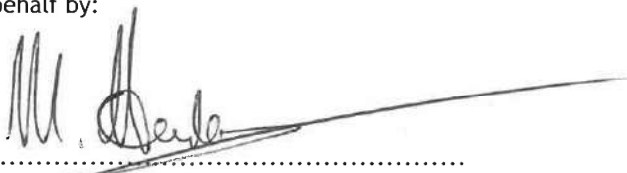
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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 .....17/12/24..... and signed on its behalf by:



.....  
M Henderson - Trustee

Report of the Independent Auditors to the Members of  
Three Counties Academy Trust

**Opinion**

We have audited the financial statements of Three Counties Academy Trust (the 'academy trust') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**

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

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

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Trust Handbook 2023, the Academies Accounts Direction 2023 to 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Other matters which we are required to address**

We draw your attention to note 13 of the notes to the financial statements, tangible fixed assets, regarding the land and buildings valuation of the school which joined the trust during the year.

Report of the Independent Auditors to the Members of  
Three Counties Academy Trust

**Use of our report**

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



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

Date: .....19/12/24.....

**Note:**

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

Independent Reporting Accountant's Assurance Report on Regularity to  
Three Counties Academy Trust 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 Three Counties 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 Three Counties 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 Three Counties 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 Three Counties Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Three Counties Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Three Counties 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 trust's income and expenditure.

The work undertaken to draw our conclusions includes:

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

The 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  
Three Counties Academy Trust 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 Widgey*

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

Date: *19/12/24* .....

Three Counties Academy Trust

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 General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	1,298	514,700	15,886	531,884	503,573
Transfer from Local Authority on conversion		64,325	3,675,000	-	3,739,325	5,214,475
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	-	5,158,711	5,158,711	4,262,179
Other trading activities	4	10,173	-	64,458	74,631	93,503
Investment income	5	6,858	-	-	6,858	3,152
<b>Total</b>		<b>82,654</b>	<b>4,189,700</b>	<b>5,239,055</b>	<b>9,511,409</b>	<b>10,076,882</b>
<b>EXPENDITURE ON Charitable activities</b>						
Academy's educational operations	7	97	721,363	5,328,814	6,050,274	5,048,959
Transfer from Local Authority on conversion		-	-	37,000	37,000	46,000
<b>Total</b>		<b>97</b>	<b>721,363</b>	<b>5,365,814</b>	<b>6,087,274</b>	<b>5,094,959</b>
<b>NET INCOME/(EXPENDITURE)</b>						
Transfers between funds	18	82,557 (36,636)	3,468,337 40,215	(126,759) (3,579)	3,424,135 -	4,981,923 -
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		-	-	(97,000)	(97,000)	157,000
<b>Net movement in funds</b>		<b>45,921</b>	<b>3,508,552</b>	<b>(227,338)</b>	<b>3,327,135</b>	<b>5,138,923</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		210,587	7,883,019	163,982	8,257,588	3,118,665
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>256,508</b>	<b>11,391,571</b>	<b>(63,356)</b>	<b>11,584,723</b>	<b>8,257,588</b>


The notes form part of these financial statements

Three Counties Academy Trust (Registered number: 07840838)

Balance Sheet  
31 August 2024

	Notes	31.8.24 £	31.8.23 £
<b>FIXED ASSETS</b>			
Tangible assets	13	11,381,254	7,861,982
<b>CURRENT ASSETS</b>			
Debtors	14	379,143	348,134
Cash at bank and in hand		760,131	737,153
		<u>1,139,274</u>	<u>1,085,287</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	(935,805)	(689,681)
		<u>203,469</u>	<u>395,606</u>
<b>NET CURRENT ASSETS</b>			
		<u>11,584,723</u>	<u>8,257,588</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>11,584,723</u>	<u>8,257,588</u>
<b>NET ASSETS</b>			
		<u>11,584,723</u>	<u>8,257,588</u>
<b>FUNDS</b>			
18			
Restricted funds:			
Restricted General Fund		(71,106)	154,182
Other DfE/ESFA grants - Pupil premium		7,749	9,800
Conversion and depreciation		10,604,819	7,062,554
DfE/YPLA Capital Grants		480,731	507,587
Capital expenditure from GAG		67,025	68,737
Capital expenditure from other donations		238,997	244,141
		<u>11,328,215</u>	<u>8,047,001</u>
Unrestricted funds:			
Unrestricted General fund		256,508	210,587
		<u>256,508</u>	<u>210,587</u>
<b>TOTAL FUNDS</b>			
		<u>11,584,723</u>	<u>8,257,588</u>

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on ..... 31.12.24 ..... and were signed on its behalf by:

  
.....  
M Henderson - Trustee

Three Counties Academy Trust

Cash Flow Statement  
for the Year Ended 31 August 2024

	Notes	31.8.24 £	31.8.23 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(498,580)	(400,711)
Net cash used in operating activities		<u>(498,580)</u>	<u>(400,711)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(120,736)
Capital grants from DfE/EFA		514,700	481,747
Interest received		6,858	3,152
Net cash provided by investing activities		<u>521,558</u>	<u>364,163</u>
Cash transferred on conversion to an academy		-	354,474
Change in cash and cash equivalents in the reporting period		22,978	317,926
Cash and cash equivalents at the beginning of the reporting period		<u>737,153</u>	<u>419,227</u>
Cash and cash equivalents at the end of the reporting period		<u>760,131</u>	<u>737,153</u>

The notes form part of these financial statements

Three Counties Academy Trust

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

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

	31.8.24 £	31.8.23 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	3,424,135	4,981,923
<b>Adjustments for:</b>		
Depreciation charges	155,726	120,468
Capital grants from DfE/ESFA	(514,700)	(481,747)
Transfer from Local Authority on conversion	(3,702,325)	(5,168,475)
Interest received	(6,858)	(3,152)
Cash on conversion	64,325	-
Increase in debtors	(31,009)	(277,384)
Increase in creditors	246,126	418,656
Difference between pension charge and cash contributions	(134,000)	9,000
<b>Net cash used in operations</b>	<u>(498,580)</u>	<u>(400,711)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
<b>Net cash</b>			
Cash at bank and in hand	737,153	22,978	760,131
	<u>737,153</u>	<u>22,978</u>	<u>760,131</u>
<b>Total</b>	<u>737,153</u>	<u>22,978</u>	<u>760,131</u>

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

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

Three Counties Academy Trust meets the definition of a public benefit entity under FRS 102.

### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements and 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.

### **Income**

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

### **Grants**

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

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

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

### **Sponsorship income**

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

### **Donations**

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

### **Other income**

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

1. ACCOUNTING POLICIES - continued

**Donated goods, facilities and services**

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

**Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

**Charitable activities**

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

**Tangible fixed assets**

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

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

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

Freehold land and buildings	2%
Freehold property improvements	2%
Furniture and fittings	15%
ICT equipment	33.3%
Plant and equipment	20%

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

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

**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:

**1. ACCOUNTING POLICIES - continued**

**Financial instruments**

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

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

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

**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 and include grants from the Education funding Agency.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Liabilities**

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

**Provisions**

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

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

**Leased Assets**

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

**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.

1. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

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. As stated in notes to the accounts, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

The 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 financial statements, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at the year end. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
Donations	1,298	15,886	17,184	21,826
Grants	-	514,700	514,700	481,747
	<u>1,298</u>	<u>530,586</u>	<u>531,884</u>	<u>503,573</u>

The comparatives include restricted fixed asset funds of £481,746, restricted funds of £21,288, and unrestricted funds of £539, giving a total of £503,573.

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

	31.8.24 £	31.8.23 £
Capital Grant	<u>514,700</u>	<u>481,747</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
<b>DfE/ESFA grants</b>				
General Annual Grant(GAG)	-	4,119,276	4,119,276	3,387,264
Other DfE/EFSA grants				
Pupil premium	-	189,540	189,540	170,770
Teachers' pay	-	68,378	68,378	1,783
Teachers' pension	-	38,417	38,417	631
Universal infant free school meal	-	26,660	26,660	2,080
PE and Sports	-	41,048	41,048	34,050
Schools supplementary grant	-	-	-	98,696
Mainstream schools additional grant	-	130,663	130,663	51,613
Trust capacity grant	-	-	-	87,049
Others	-	115,507	115,507	57,799
	<u>-</u>	<u>4,729,489</u>	<u>4,729,489</u>	<u>3,891,735</u>
<b>Other Government grants</b>				
Local Authority Grants - SEN	-	175,652	175,652	88,472
Local Authority Grants - NEF	-	89,100	89,100	103,943
Local Authority Grants - Other	-	50,891	50,891	66,166
	<u>-</u>	<u>315,643</u>	<u>315,643</u>	<u>258,581</u>
<b>Other income from the academy trust's educational operations</b>	<u>-</u>	<u>113,579</u>	<u>113,579</u>	<u>111,863</u>
	<u>-</u>	<u>5,158,711</u>	<u>5,158,711</u>	<u>4,262,179</u>

All comparative amounts relate to the restricted general fund.

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 £
Room and building hire	4,731	-	4,731	6,405
Other income from facilities	-	19,246	19,246	17,094
Other	5,442	45,212	50,654	70,004
	<u>10,173</u>	<u>64,458</u>	<u>74,631</u>	<u>93,503</u>

The comparatives include unrestricted funds of £6,755 and restricted general funds of £84,748 giving a total of £93,503.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
Deposit account interest	6,858	-	6,858	3,152
	<u>6,858</u>	<u>-</u>	<u>6,858</u>	<u>3,152</u>

All comparative amounts relate to the unrestricted fund.

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.24 Total £	31.8.23 Total £
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	2,998,172	146,293	226,781	3,371,246	2,854,794
Allocated support costs	1,518,580	820,809	339,639	2,679,028	2,194,165
	<u>4,516,752</u>	<u>967,102</u>	<u>566,420</u>	<u>6,050,274</u>	<u>5,048,959</u>
Transfer from Local Authority on conversion	-	-	37,000	37,000	46,000
	<u>4,516,752</u>	<u>967,102</u>	<u>603,420</u>	<u>6,087,274</u>	<u>5,094,959</u>

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

	31.8.24 £	31.8.23 £
Auditors' remuneration	(1,270)	-
Auditors' remuneration	18,147	14,525
Other non-audit services	1,270	3,675
Depreciation - owned assets	155,728	120,467
Other operating leases	45,998	9,989
Operating leases	<u>30,648</u>	<u>27,174</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.24 Total funds £	31.8.23 Total funds £
Direct costs	97	3,371,149	3,371,246	2,854,794
Support costs	-	2,679,028	2,679,028	2,194,165
	<u>97</u>	<u>6,050,177</u>	<u>6,050,274</u>	<u>5,048,959</u>

	31.8.24 Total £	31.8.23 Total £
<b>Analysis of support costs</b>		
Support staff costs	1,518,580	1,277,665
Depreciation	9,433	6,925
Technology costs	73,152	20,409
Premises costs	820,809	655,347
Legal costs - other	47,813	75,599
Other support costs	191,094	140,020
Governance costs	18,147	18,200
Total support costs	<u>2,679,028</u>	<u>2,194,165</u>

The comparatives include unrestricted funds of £899, restricted fixed asset funds of £500,981 and restricted funds of £4,547,079 giving a total of £5,048,959.

8. STAFF COSTS

	31.8.24 £	31.8.23 £
Wages and salaries	3,350,056	2,674,906
Social security costs	316,446	244,753
Operating costs of defined benefit pension schemes	778,755	602,994
	<u>4,445,257</u>	<u>3,522,653</u>
Supply teacher costs	71,495	56,415
	<u>4,516,752</u>	<u>3,579,068</u>

No non-statutory/non-contractual amounts are included in other staff costs.

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

	31.8.24	31.8.23
Teachers	39	32
Administration and support	75	58
Management	17	12
	<u>131</u>	<u>102</u>

**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
£60,001 - £70,000	3	-
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	<u>5</u>	<u>2</u>

The key management personnel of the academy trust comprise the trustees and members of the senior management team as follows the Executive Headteacher, Heads of School, Chief Financial Officer and Executive Leader for Safeguarding and Inclusion. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £572,045 (2023: £448,001).

**9. CENTRAL SERVICES**

No central services were provided by the academy trust to its academies during the period and no central charges arose.

**10. 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:

		2024		2023	
D Racic	Staff Gov	Remuneration	£Nil	£50,000 - £55,000	
(resigned 31.8.23)		Employers Pension Contributions	£Nil	£10,000 - £15,000	
M Farmer	Headteacher	Remuneration	£95,000 - £100,000	£90,000 - £95,000	
		Employers Pension Contributions	£25,000 - £30,000	£20,000 - £25,000	

**Trustees' expenses**

During the period ended 31 August 2024, reimbursed expenses totalling £629 (2023: £832) were reimbursed to 3 trustees (2023: 1)

**11. TRUSTEES' AND OFFICERS' INSURANCE**

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

## 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	539	481,746	21,288	503,573
Transfer from Local Authority on conversion	354,475	4,860,000	-	5,214,475
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	4,262,179	4,262,179
Other trading activities	6,755	-	86,748	93,503
Investment income	3,152	-	-	3,152
<b>Total</b>	<b>364,921</b>	<b>5,341,746</b>	<b>4,370,215</b>	<b>10,076,882</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	899	500,981	4,547,079	5,048,959
Transfer from Local Authority on conversion	-	-	46,000	46,000
<b>Total</b>	<b>899</b>	<b>500,981</b>	<b>4,593,079</b>	<b>5,094,959</b>
<b>NET INCOME/(EXPENDITURE)</b>				
Transfers between funds	364,022 (354,475)	4,840,765 40,541	(222,864) 313,934	4,981,923 -
<b>Other recognised gains/(losses)</b>				
Actuarial gains on defined benefit schemes	-	-	157,000	157,000
<b>Net movement in funds</b>	<b>9,547</b>	<b>4,881,306</b>	<b>248,070</b>	<b>5,138,923</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	201,040	3,001,713	(84,088)	3,118,665
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>210,587</b>	<b>7,883,019</b>	<b>163,982</b>	<b>8,257,588</b>

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £
<b>COST</b>			
At 1 September 2023	7,680,531	-	935,067
Disposals	-	-	-
Transfer on conversion	-	3,675,000	-
At 31 August 2024	7,680,531	3,675,000	935,067
<b>DEPRECIATION</b>			
At 1 September 2023	617,977	-	145,650
Charge for year	99,985	32,750	18,703
Eliminated on disposal	-	-	-
At 31 August 2024	717,962	32,750	164,353
<b>NET BOOK VALUE</b>			
At 31 August 2024	6,962,569	3,642,250	770,714
At 31 August 2023	7,062,554	-	789,417

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2023	4,711	128,381	80,630	8,829,320
Disposals	-	-	(1,046)	(1,046)
Transfer on conversion	-	-	-	3,675,000
At 31 August 2024	4,711	128,381	79,584	12,503,274
<b>DEPRECIATION</b>				
At 1 September 2023	4,711	128,381	70,619	967,338
Charge for year	-	-	4,290	155,728
Eliminated on disposal	-	-	(1,046)	(1,046)
At 31 August 2024	4,711	128,381	73,863	1,122,020
<b>NET BOOK VALUE</b>				
At 31 August 2024	-	-	5,721	11,381,254
At 31 August 2023	-	-	10,011	7,861,982

Freehold property includes non depreciating land costing £2,681,269 (2023: £2,681,269).

A formal valuation of all the Trust's land and buildings was carried out in October 2022 for the purpose for inclusion of St Peters' and Bredenbury's land and building valuation with in the financial statements. The land and building at QEHS was valued at £8.55m, however it's has been deemed appropriate that the value in the financial statement remains at the "on conversion" valuation.

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

13. TANGIBLE FIXED ASSETS - continued

Stoke Prior School joined the trust during the year, its land and building are on a long leasehold from the local authority. At present no formal valuation of the land and buildings is available and therefore has been valued by comparison of the site to another equivalent size and condition, academy already within the trust, which itself was valued in the 2023 accounting year. The trust is in the process of obtaining a formal valuation of the School, which will be considered and amended as appropriate in the 2025 financial statements.

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.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Trade debtors	3,500	15,927
VAT	110,801	48,603
Prepayments and accrued income	264,841	283,604
	<u>379,142</u>	<u>348,134</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Trade creditors	673,040	238,828
Social security and other taxes	149,236	122,879
Deferred income	44,634	95,364
Accrued expenses	68,895	232,610
	<u>935,805</u>	<u>689,681</u>

Deferred Income

	31.8.24	31.8.23
	£	£
Deferred income at 1 September	95,365	18,400
Resources deferred in the year	44,634	95,365
Amounts released from previous years	(95,365)	(18,400)
Deferred income at 31 August	<u>44,634</u>	<u>95,365</u>

Deferred income relates to monies collected in advance for trips taking place after the year end and UIFSM grant received for the next academic year.

16. MEMBERS' LIABILITY

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.24 Total funds £
Fixed assets	-	11,381,254	-	11,381,254
Current assets	256,508	10,318	872,448	1,139,274
Current liabilities	-	-	(935,805)	(935,805)
	<u>256,508</u>	<u>11,391,572</u>	<u>(63,357)</u>	<u>11,584,723</u>

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

	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.23 Total funds £
Fixed assets	-	7,861,982	-	7,861,982
Current assets	210,554	369,549	505,184	1,085,287
Current liabilities	33	(348,512)	(341,202)	(689,681)
	<u>210,587</u>	<u>7,883,019</u>	<u>163,982</u>	<u>8,257,588</u>

18. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
<b>Restricted general funds</b>				
Restricted General Fund	154,182	(221,709)	(3,579)	(71,106)
Other DfE/ESFA grants - Pupil premium	9,800	(2,051)	-	7,749
Conversion and depreciation	7,062,554	3,542,265	-	10,604,819
DfE/YPLA Capital Grants	507,586	(67,070)	40,215	480,731
Capital expenditure from GAG	68,738	(1,713)	-	67,025
Capital expenditure from other donations	244,141	(5,144)	-	238,997
	<u>8,047,001</u>	<u>3,244,578</u>	<u>36,636</u>	<u>11,328,215</u>
<b>Unrestricted fund</b>				
Unrestricted General fund	210,587	82,557	(36,636)	256,508
	<u>210,587</u>	<u>82,557</u>	<u>(36,636)</u>	<u>256,508</u>
<b>TOTAL FUNDS</b>	<u>8,257,588</u>	<u>3,327,135</u>	<u>-</u>	<u>11,584,723</u>

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

18. 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 £
<b>Restricted general funds</b>				
Restricted General Fund	4,119,275	(4,340,984)	-	(221,709)
Other DfE/ESFA grants - Pupil premium	189,541	(191,592)	-	(2,051)
Other DfE/ESFA grants - Teachers' pension	38,417	(38,417)	-	-
Other DfE/ESFA grants - Catch-up premium	32,880	(32,880)	-	-
Other DfE/ESFA grants - Universal infant free school meals	26,660	(26,660)	-	-
Other DfE/ESFA grants	322,717	(322,717)	-	-
Other Restricted	509,565	(509,565)	-	-
Restricted Pension Fund	-	97,000	(97,000)	-
Conversion and depreciation	3,675,000	(132,735)	-	3,542,265
DfE/YPLA Capital Grants	513,370	(580,440)	-	(67,070)
Capital expenditure from GAG	-	(1,713)	-	(1,713)
Capital expenditure from other donations	1,330	(6,474)	-	(5,144)
	<u>9,428,755</u>	<u>(6,087,177)</u>	<u>(97,000)</u>	<u>3,244,578</u>
<b>Unrestricted fund</b>				
Unrestricted General fund	82,654	(97)	-	82,557
	<u>9,511,409</u>	<u>(6,087,274)</u>	<u>(97,000)</u>	<u>3,327,135</u>

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
<b>Restricted general funds</b>				
Restricted General Fund	(3,591)	(156,161)	313,934	154,182
Other DfE/ESFA grants - Pupil premium	9,800	-	-	9,800
Other DfE/ESFA grants	11,703	(11,703)	-	-
Restricted Pension Fund	(102,000)	102,000	-	-
Conversion and depreciation	2,302,540	4,760,014	-	7,062,554
DfE/YPLA Capital Grants	488,382	(21,336)	40,541	507,587
Capital expenditure from GAG	70,452	(1,715)	-	68,737
Capital expenditure from other donations	140,339	103,802	-	244,141
	<u>2,917,625</u>	<u>4,774,901</u>	<u>354,475</u>	<u>8,047,001</u>
<b>Unrestricted fund</b>				
Unrestricted General fund	201,040	364,022	(354,475)	210,587
	<u>3,118,665</u>	<u>5,138,923</u>	<u>-</u>	<u>8,257,588</u>

**18. 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 £
<b>Restricted general funds</b>				
Restricted General Fund	3,387,262	(3,543,423)	-	(156,161)
Other DfE/ESFA grants - Pupil premium	170,769	(170,769)	-	-
Other DfE/ESFA grants - Teachers' pay	631	(631)	-	-
Other DfE/ESFA grants - Teachers' pension	1,783	(1,783)	-	-
Other DfE/ESFA grants - Catch-up premium	28,652	(28,652)	-	-
Other DfE/ESFA grants - Universal infant free school meals	2,080	(2,080)	-	-
Other DfE/ESFA grants	201,858	(213,561)	-	(11,703)
Other Restricted	478,484	(478,484)	-	-
Restricted Pension Fund	-	(55,000)	157,000	102,000
Conversion and depreciation	4,859,999	(99,985)	-	4,760,014
DfE/YPLA Capital Grants	368,327	(389,663)	-	(21,336)
Capital expenditure from GAG	(2)	(1,713)	-	(1,715)
Capital expenditure from other donations	113,422	(9,620)	-	103,802
Other DfE/ESFA grants - School supplimentary grant	98,696	(98,696)	-	-
	<u>9,711,961</u>	<u>(5,094,060)</u>	<u>157,000</u>	<u>4,774,901</u>
<b>Unrestricted fund</b>				
Unrestricted General fund	364,921	(899)	-	364,022
	<u>10,076,882</u>	<u>(5,094,959)</u>	<u>157,000</u>	<u>5,138,923</u>

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

- Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024. General Annual Grant (GAG): must be used for the normal running costs of the Academy.
- 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, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

**Total fund analysis by academy**

Fund balances at 31 August 2024 were as allocated:

	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Queen Elizabeth High School	3,926	9,600
St Peter's Primary School	3,512	-
Bredenbury Primary School	311	-
Stoke Prior	-	-
Three Counties Multi Academy Trust	185,402	364,969
Total before fixed assets and pension reserve	193,151	374,569
Restricted fixed asset funds	11,391,572	7,883,019
Pension reserve	-	-

**18. MOVEMENT IN FUNDS - continued**

11,584,723	8,257,588
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The multi academy trust operates a GAG pooling system, therefore all non specific funding is held in central reserves.

**Total cost analysis by academy**

Expenditure (excluding depreciation and pension interest) incurred by each academy during the year was as follows:

	Teaching staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation and pension) £	2023/24 £
Queen Elizabeth High School	1,611,652	491,598	116,526	440,368	2,660,144
St Peter's Primary School	607,948	416,627	30,867	184,238	1,239,680
Bredenbury Primary School	172,689	122,387	10,983	268,428	574,487
Stoke Prior School	286,429	162,727	16,378	362,776	828,310
Central Trust	347,959	325,239	23,259	129,469	825,926
	<u>3,026,677</u>	<u>1,518,578</u>	<u>198,013</u>	<u>1,385,279</u>	<u>6,128,547</u>
2022/23	<u>2,244,989</u>	<u>1,239,666</u>	<u>287,334</u>	<u>1,109,508</u>	<u>4,881,497</u>

**Transfers between funds**

Transfer between restricted general funds and restricted fixed assets fund represents the transfer of capital expenditure from non capital source of income.

**19. PENSION AND SIMILAR OBLIGATIONS**

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

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

Contributions amounting to £90,387 were payable to the schemes at 31 August 2024 (2023 - £64,292) and are included within creditors.

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Teachers' pension scheme**

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

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

**Valuation of the teachers' pension scheme**

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation and subsequent consultation are:

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

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the period amounted to £557,944 (2023 - £395,347).

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

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

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £284,290 (2023: £260,129), of which employer's contributions totalled £220,473 (2023: £208,831) and employees' contributions totalled £63,817 (2023: £51,298). The agreed contribution rates for future years are 20.1% 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 a parliamentary minute published on GOV.UK.

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

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

The rates payable over a three year period will be the Future Service Rate of 20.1% of payroll.

The pension valuation as at 31 August 2024 showed a surplus of £394,000. Having considered guidance available and acknowledging that the trust would not be entitled to a refund of this amount, the surplus has not been recognised. Therefore the closing valuation has been recognised as nil.

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	(2,718,000)	(1,952,000)
Fair value of plan assets	2,718,000	1,952,000
	<hr/>	<hr/>
Present value of unfunded obligations	-	-
	<hr/>	<hr/>
Deficit	-	-
	<hr/>	<hr/>
Net liability	-	-
	<hr/> <hr/>	<hr/> <hr/>

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	176,000	201,000
Net interest from net defined benefit asset/liability	(237,000)	3,000
Past service cost	-	-
Admin expense	-	3,000
	<hr/>	<hr/>
	(61,000)	207,000
	<hr/>	<hr/>
Actual return on plan assets	524,000	30,000
	<hr/> <hr/>	<hr/> <hr/>

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	1,952,000	1,270,000
Current service cost	176,000	201,000
Contributions by scheme participants	64,000	51,000
Interest cost	106,000	81,000
Actuarial losses/(gains)	278,000	(205,000)
Benefits paid	(67,000)	(24,000)
Business combinations	209,000	578,000
	<hr/>	<hr/>
	2,718,000	1,952,000
	<hr/> <hr/>	<hr/> <hr/>

19. PENSION AND SIMILAR OBLIGATIONS - continued

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	1,952,000	1,168,000
Contributions by employer	-	209,000
Contributions by scheme participants	64,000	51,000
Expected return	343,000	78,000
Actuarial gains/ (losses)	181,000	(48,000)
Benefits paid	(67,000)	(24,000)
Business combinations	245,000	521,000
Administration expenses	-	(3,000)
	<u>2,718,000</u>	<u>1,952,000</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>97,000</u>	<u>157,000</u>
	<u>97,000</u>	<u>157,000</u>

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

	Defined benefit pension plans	
	31.8.24	31.8.23
	£	£
Equities	1,822,000	1,428,000
Bonds - Other	217,000	45,000
Property	652,000	160,000
Cash/Liquidity	-	18,000
Other	27,000	301,000
	<u>2,718,000</u>	<u>1,952,000</u>

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

	31.8.24	31.8.23
Discount rate for scheme liabilities	5.00%	5.40%
Rate of increase in salaries	4.15%	4.30%
Inflation assumption (CPI)	2.65%	2.80%
Rate of increase in pensions	2.65%	2.90%

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

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	31.8.24	31.8.23
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%	46,000	(29,000)
Discount rate -0.1%	(46,000)	29,000
Mortality assumption - 1 year increase	93,000	36,000
Mortality assumption - 1 year decrease	(93,000)	(35,000)
CPI rate +0.1%	45,000	29,000
CPI rate -0.1%	(45,000)	(29,000)

**20. CONTINGENT LIABILITIES**

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

**21. 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	29,958	32,658
Between one and five years	46,337	72,178
	<u>76,295</u>	<u>104,836</u>

**22. RELATED PARTY DISCLOSURES**

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

Income Related Party Transactions

Bromyard Grammar School Foundation - a charity which C Martin and M Farmer (governors of QEHC Academy Trust) are trustees:

- During the year donations of £4,472 (2023: £4,287) were received.

**23. CONVERSION TO AN ACADEMY TRUST**

On 1st November 2023 Stoke Prior School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Three Counties Multi Academy Trust from the Herefordshire Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Charitable activities, transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
Freehold land and buildings	-	-	3,675,000	3,675,000
Current assets				
Cash - representing budget surplus on LA funds	64,325	-	-	64,325
Current liabilities	-	-	-	-
Non-current liabilities				
LGPS pension surplus / (deficit)	-	(37,000)	-	(37,000)
Net assets	<u>64,325</u>	<u>(37,000)</u>	<u>3,675,000</u>	<u>3,702,325</u>