

Company Registration Number: 09175427 (England & Wales)

The Howard Academy Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2024

The Howard Academy Trust
(A company limited by guarantee)

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Reference and Administrative Details
For the Year Ended 31 August 2024

Members	Professor A Reed Mr A Norman Dr C Ude Mr B Gallivant Ms S Mason	(Appointed 26 May 2023) (Appointed 08 May 2024)
Trustees	Mr D McDonald* Mr S Bass* Ms C Nott Mr D Giles* Mr O McColgan Miss H Tait Mrs D Cusack *	(Chair) (Chair Finance, Audit and Resources Committee) (Resigned 31 August 2024) (Chair of the Academic Standard Committee) (Chief Executive & Accounting Officer) (Resigned 19 February 2024)
	* members of the Finance, Personnel & Estates Committee renamed Finance, Audit and Resources Committee	

Company registered number 09175427 (England and Wales)

Principal and registered office Waterfront UTC
 South Side Three Road
 Chatham
 Gillingham
 ME4 4FQ

Senior management team Mr O McColgan, Chief Executive & Accounting Officer
 Ms C Reid, Deputy CEO
 Mr K Taylor, Chief Finance and Operations Officer (CFOO)
 Mr B Symons, Assistant Director of Education

Independent auditors UHY Hacker Young
 Chartered Accountants, Statutory Auditors
 Thames House
 Roman Square
 Sittingbourne
 Kent. ME10 4BJ

Bankers Lloyds Bank
 142-146 High Street
 Chatham
 Kent. ME4 4DQ

Solicitors Anthony Collins LLP
 134 Edmund Street
 Birmingham
 B3 2ES

Actuaries Barnett Waddingham
 Cheapside House
 138 Cheapside
 London
 EC2V 6BW

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Trustees' Report

For the Year Ended 31 August 2024

The Directors present their annual report together with the financial statements and auditor's report of the academy trust for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 7 primary/secondary academies in Medway & Kent. Its academies have a combined pupil capacity of 4,461 (according to Get Information About Schools) and had a roll of 4,270 (excluding Nursery) in the October 2024 school census.

Academy	October 2024 Census
Deanwood Primary School	204
The Howard School	1,525
The Abbey School	1,113
Miers Court Primary School	400
Temple Mill Primary School	236
Thames View Primary School	444
Waterfront UTC	348
Total	4,140

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Howard Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Howard Academy Trust.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Directors' Indemnities

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors'. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the directors or other officers may incur to third parties in the course of acting as directors or officers of the academy trust.

Details of the insurance cover are provided in note 15 to the financial statements.

THAT Academies

There were 7 academies within the Trust on 31 August 2024 as shown below. The Abbey School joined the Trust with effect from 1 April 2023.

- Deanwood Primary School (a 2 – 11 Primary School and Nursery)
- Temple Mill Primary School (a 3 – 11 Primary School and Nursery)
- Miers Court Primary School (a 4 -11 Primary School)
- Thames View Primary School (a 3 – 11 Primary School and Nursery)
- The Howard School (an 11-19 Secondary School)
- Waterfront UTC (an 13-19 free school with licence from the Baker Dearing Trust to operate as a University Technical College)
- The Abbey School (an 11-19 Secondary School)

Method of Recruitment and Appointment or Election of Directors

The management of the academy trust is the responsibility of the Directors who are elected and co-opted under the terms of the Trust deed.

The academy trust has the following Directors and methods of appointment:

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- a) Up to 9 Directors appointed under Article 50 (appointed by the Members by ordinary resolution);
- b) The Chief Executive Officer;
- c) A minimum of two Parent Directors appointed by parents of registered pupils at the Academy, in the event that no Local Academy Boards are established or if no provision is made for at least 2 Parent Directors on each established Local Academy Board.

Policies and procedures adopted for the induction and training of trustees

Upon their appointment, all new Directors are given an induction by the academy trust and Board of Directors. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors.

Organisational Structure

The structure of the organisation has three levels; the Directors, the Academy Trust Executive and the operational Academy Trust Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for overall administration of the academy trust's finances. They are also responsible for ensuring that funding is used for the purposes intended, approve the annual budget and material changes, ensure a scheme of delegation is in place, ensure assets are managed and accounting records are maintained, ensure budget monitoring statements are a true and accurate record on income and expenditure and approve the Annual Statutory Financial Statements.

The operational Academy Trust Leaders are responsible for the day-to-day operation of the academy trust departments, in particular organising staff, facilities and pupils.

The Governance structure within the Trust consists of Members, Board of Directors, and Local Academy Boards within each academy to represent local stakeholder views.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

Trustees, other than staff trustees, are not remunerated. The senior leadership team salaries are determined in line with the Trust's Pay Policy. Total remuneration paid to senior management personnel is set out in note 12(e).

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1% -50%	3
51% -99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	Release is ad hoc as and when required
Provide the total pay bill	£18,156,010.62
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	Not disclosed due to ad hoc and limited nature

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Paid trade union activities

<p>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:</p> <p>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100</p>	<p>Release is ad hoc as and when required</p>
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Related Parties and other Connected Charities and Organisations

There are no connected organisations or related party relationships other than those noted in note 33 to the Financial Statements.

Engagement with employees (including disabled persons)

Regular engagement takes place with all employees within the Trust via an annual employee survey. This is carried out by the Trust Central Team to provide feedback to individual academies about areas of strength and future opportunities. In addition, each academy holds Academy Council meetings three times per year. Representatives from teaching and support staff meet with Executive Leaders from THAT to discuss what is going well within the school and trust and what improvements could be made. This is a valuable mechanism for gaining staff voice across our organisation.

The Trust ensures that engagement with employees by providing them with information on matters of concern to them ensuring that employees and/or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests. All employees play a key role in ensuring that the academy trust performs and achieves positive outcomes for the children that attend our academies.

Engagement with suppliers, customers and others in a business relationship with the trust

Key suppliers and customers for lettings activity are communicated with regularly. Key suppliers hold regular account review meetings to ensure that effective relationships take place between them and the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of the academy trust is specifically restricted to the following:

- 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 (the mainstream Academies) or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them (the alternative provision Academies) or 16 to 19 Academies offering a curriculum appropriate to the needs of its students (the 16 to 19 Academies) or schools specially organised to make special educational provision for pupils with Special Educational Needs (the Special Academies).
- to promote for the benefit of individuals living in the South-East area of England who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, Strategies and Activities

The vision statement for The Howard Academy Trust is “Working together to build a community of successful learners”. This is underpinned by four core values:

- Inclusivity
- Dignity
- Respect
- Ambition

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The mission statement of the Trust consists of:

Learning and growth are at the heart of The Howard Academy Trust ethos. We strongly advocate that all members of our community have the opportunity to become the very best that they can be. We recognise and value the unique talents and expertise within our community and aim to create a culture of dignity, inclusivity, respect and ambition, where all can thrive.

This is achieved through:

- Excellent teaching and learning that celebrates diversity whilst promoting inclusivity;
- Regular opportunities for collaborative high quality CPD to ensure best practice across academies;
- A proactive network for joint working across academies, for staff at various career stages;
- The highest standards of behaviour and conduct achieved through clear expectations and positive relationships;
- The unique character of each academy is valued and contributes to the THAT whole Trust ethos;
- Shared whole trust values of dignity, respect and ambition;
- High aspirations for all involved with the Trust;
- Each academy is a hub for its local community and families;
- Facing outwards and working in collaboration with other organisations and stakeholders;
- A centralised team that allows academy leaders to focus on their core purpose of education.

Public Benefit

The Directors acknowledge the duty to have due regard to the Charity Commission’s published general and relevant sub sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the academy trust are for the public benefit.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission’s general guidance on public benefit’.

STRATEGIC REPORT

Achievement and Performance

The 2023/24 academic year has been very positive for The Howard Academy Trust with key highlights including successful Ofsted visits, significant improvements in the financial position of the organisation and improved performance in academic outcomes across our Primary and Secondary academies. The Howard Academy Trust is made up of a range of academies who have either voluntarily joined the Trust or been matched due to sponsorship arrangements based on their past performance. This means that academic outcomes for some academies is an improving picture overtime.

Ofsted Inspections

During the reporting period two THAT academies received an Ofsted inspection and received excellent judgements.

Academy	Ofsted Judgement	Date of Inspection	Ofsted Judgement on joining THAT
Deanwood Primary School	Good	January 2023	Good
Temple Mill Primary School	Good	May 2023	Inadequate

Temple Mill Primary School joined THAT as a sponsored academy in December 2015. Deanwood Primary School joined THAT in October 2016. Both academies have been inspected twice since joining The Howard Academy Trust and have remained “Good” schools.

Since September 2024 Ofsted have removed the overall effectiveness judgement. Therefore, THAT will report on the sub judgement areas in future reports. The current breakdown of sub judgements is listed below.

Sub Judgement Area	Good	Not Yet Inspected as part of THAT
Quality of Education	6	2
Behaviour & Attitudes	6	2
Personal Development	6	2
Leadership & Management	6	2
Early Years	4	0
Sixth Form	2	2

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Primary Performance (Early Years, Key Stage 1 and 2)

The results for primary academies are summarised below. In most key categories, THAT primary pupils have performed better than the national average in most headline areas and better than local authority averages.

		National	Medway	THAT
Early Years	GLD	67.70%	68.20%	72.60%
Key Stage 1	Y1 Phonics	80.40%	76.40%	79.20%
Key Stage 2	KS2 Combined	61%	59%	61.80%
	KS2 Reading	71%	74%	73.10%
	KS2 Writing	71%	72%	76.30%
	KS2 Maths	73%	71%	71.50%

Performance in Early Years, Key Stage 1 and 2 has continued to improve. Primary performance for Good Level of Development (GLD) has been strong across the Trust with overall performance being 4.9% above the National Average.

Phonics performance has improved in most THAT academies and is close to being in line with National Averages. THAT academies each follow different systematic synthetic phonics schemes. Whilst phonics outcomes have improved when compared to the previous year we have now moved to two different phonics schemes across our 4 primary academies.

At Key Stage 2 each academy has continued to move their outcomes forward from the previous year. Outcomes at Key Stage 2 are mostly above National and Local Authority averages.

Student Outcomes at KS4

Measure	The Howard School		The Abbey School		Waterfront UTC	
	2023	2024	2023	2024	2023	2024
EM 9-4	57%	59%	45%	48%	17%	37%
EM 9-5	31%	34%	23%	26%	7%	15%
ENG 9-4	80%	77%	57%	58%	31%	47%
ENG 9-5	60%	55%	38%	41%	19%	21%
MAT 9-4	58%	64%	50%	57%	39%	59%
MAT 9-5	35%	39%	31%	34%	26%	41%
Entered Ebacc	18%	16%	39%	48%	N/A	N/A
Attainment 8	42.60	42.51	35.70	37.15	28.60	31.57
Progress 8	0.24	0.25	-0.82	-0.56	-1.33	-0.9
P8 English	0.45	0.21	-0.84	-0.71	-1.73	-1.21
P8 Maths	-0.09	-0.1	-0.85	-0.5	-0.83	-0.13
P8 Ebacc	0.18	0.24	-0.94	-0.71	-1.37	-1.11
P8 Open	0.36	0.45	-0.73	-0.45	-1.43	-1.1

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Outcomes at Key Stage 4 have continued to improve across the Trust. Secondary academies are at different stages of their improvement journey. The performance within the reporting period for The Howard School continues to be very strong and places the school as the top achieving non-selective boys’ school in Medway and in the top 5 in Kent. As Medway and Kent are selective local authority areas the outcomes achieved by The Howard School this year are a great achievement and one that THAT and the school are incredibly proud of.

For UTC outcomes data when compared against CAT4 tests show that pupils have made progress when measured against their starting points. Value added was positive in several subjects.

The Abbey School has moved forward significantly in all areas when compared to the previous academic year. Progress 8 has improved from -0.82 to -0.56 and there have been improvements within Maths and English Progress 8 scores.

Student Outcomes at KS5

	The Abbey	The Howard	Waterfront
	2024	2024	2024
Average point score per Academic Entry	27.69 (C-)	24.79 (D+)	28.57 (C)
Average point score per Applied General entry	28.57 (Merit+)	26.68 (Merit +)	N/A
Average point score per Technical entry	N/A	37.73 (Dist +)	23.95 (Merit)

Post 16 performance has remained in line with prior year performance across a range of A Level, Applied General and Technical qualifications. As Medway and Kent operate a selective education system some pupils attend Grammar schools for Post 16 education which impacts on the overall performance within each cohort.

Strategic Priorities

Throughout the reporting period we continued to implement and embed the Strategic priorities which concluded at the end of the reporting period. The priorities are:

- Continuously improving the quality of provision of all our academies and enhance pupil outcome across the Trust.
- Provide excellent teaching and learning that promotes inclusivity
- Continue to build the profile of THAT to support further growth within the Southeast
- Champion our THAT People Strategy to retain, recruit, develop and reward an excellent workforce
- Ensuring a financially viable and sustainable MAT with a strong business infrastructure
- Ensuring effective leadership and governance at all levels.

Key Performance Indicators

The Directors consider the following are the key performance indicators for the Trust via the trust academy review process.

- Latest pupil outcomes
- Ofsted ratings for each THAT Academy
- Pupil Attendance
- Behaviour & Exclusions
- Finance
 - Target Reserves
 - Percentage of Income spent on Teaching Staff
 - Percentage of Income spent on Total Staff Costs
 - General Financial Position of each THAT Academy
- Staff Turnover
- Pupil Numbers

Key performance areas are frequently reported to the Board of Directors via full board meetings or sub committees. The Trust Executive Team are responsible for carrying out the Quality Assurance mechanism within our academies. The Trust uses external School Improvement Advisors for external validation of judgements.

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Going Concern

After making appropriate enquiries, the Directors have 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.

The Directors believe that the Trust is a going concern since there are consistent student numbers and good performance across all our academies, which secures future income for the academies' operations. The Trust currently prepares five-year budget forecasts which enables management to ensure that a secure budget is in place.

Overall the Trust is carrying a net surplus of £1.85m on revenue income reserves, a minor net reduction of £25k from the prior year. Of these revenue income funds £1.46m relate to completely free unrestricted reserves. As disclosed in note 20 all, five of the seven academies carry a revenue surplus, along with the central fund. Deanwood Primary school has a minor deficit that will recover in 2024/25.

Waterfront UTC remains in deficit of £701k, although it did return an in-year surplus of £140k for 2023/24; this is the third year in a row the school have returned a surplus. Three successive years of in-year surpluses are testament to the hard work that has gone into improving the position. Further information about the Trust's planned actions to return Waterfront UTC to surplus is provided in note 20.

Promoting the success of the company

The Trust ensures that any decisions made in line with its daily operations or furthering its strategic aims and objectives have due regard to:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

The strategic objectives of the Trust are agreed by the Board of Directors to ensure that the areas of focus are considered and their implications across the wider Trust for students and staff are assessed.

The Trust regularly gathers the views of stakeholders including staff, students, parents/carers and Governors. It is important to the Trust that staff voice is taken regularly to ensure that this feedback is used to inform our future improvements to our employment offer.

The Howard Academy Trust has a strong reputation within the community we serve and within the local area/region.

Financial review

Most of the Trust's recurrent income is received in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2024 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

The Abbey School joined the Trust part-way through the prior year, on 1 April 2023, making direct comparisons between the two periods difficult.

Total income for 2023/24, as shown by the SoFA, amounted to £31.00m, a reduction compared to £40.27m in the prior year. Last year's income included a notional donation of £16.30m to reflect the transfer of The Abbey School's net assets and liabilities.

Total income for each year also includes day-to-day revenue funding and grant funding for capital projects:

- Capital funding for the current year amounted to £965k (2023: £809k)
- Revenue funding for the year was £30.04m (2023: £23.16m). Much of this increase is because the current year includes a full year for The Abbey School (2023: 5 months).

Most of the revenue income comprises funding for the Trust's academies' educational operations, as detailed in note 6, notably core General Annual Grant (GAG) funding.

The SoFA shows total expenditure for the year of £31.29m, resulting in a net expenditure for the year of £524k before other recognised gains and losses.

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After an actuarial loss of £264k (2023: gain of £1.87m), in respect of the Local Government Pension Scheme (LGPS) fund, the overall movement in funds for year was a reduction of £788k (2023: £18.32m). The actuarial movement is explained further in notes 2 and 24.

These overall fund movements do not reflect the operational result for the day-to-day running of the Trust, with transfers in, capital transactions, depreciation and the movement in the LGPS fund all blurring the more meaningful result on revenue income funds.

The table below has therefore been included to reconcile to the movement in revenue income funds, a decrease of £25k (2023: increase of £1.60m) and then to the operational result:

	2024 (£000s)	2023 (£000s)
Overall net movement in funds for the year per SOFA	(788)	18,322
Decrease attributable to fixed asset fund	763	(15,445)
LGPS deficit for The Abbey transferred in	-	368
LGPS actuarial loss	264	(1,866)
LGPS service and interest costs	(264)	216
Movement in revenue income funds	(25)	1,595
Less revenue balances transferred in with The Abbey School	-	(1,374)
Add: Transfers from revenue to capital to fund fixed asset additions	233	951
Operational surplus on revenue funds before transfers to capital	208	1,172

Transfers from revenue to capital are voluntary contributions to capital representing fixed assets acquired with revenue income funds.

At 31 August 2024 the net book value of fixed assets was £62.7m and movements in tangible fixed assets are shown in note 16 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academies, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

Financial position

The Trust held fund balances at 31 August 2024 of £65.58m (2023: £66.37m). These funds comprised:

- restricted fixed asset funds of £63.73m (2023: £64.50m) which represent the net book value of fixed assets, together with any unspent capital grant money, less associated permitted loans;
- revenue income reserves, which were in overall surplus by £1.85m (2023: £1.87m) split across restricted and unrestricted funds as shown in note 20.
- a pension reserve, although at both 31 August 2024 and 31 August 2023 this show a £nil balance. This reserve relates to the Local Government Pension Scheme (LGPS), a defined benefit multi-employer pension scheme of which the Trust's non-teaching staff are members. The Trust's share of the scheme is calculated each year by the Local Authority appointed actuary and carried on the Balance Sheet in accordance with accounting rules.

The valuation reports indicated that a pension accounting surplus existed at each balance sheet date. However accounting standards state that if an employer has an accounting surplus, it should only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds. There are differing opinions as to the extent to which a pension surplus represents an "unconditional right" of employers and therefore the extent to which the surplus can be recognised as being of economic value, and to date the ESFA have been unable to give any guidance to academy trusts. The Trustees have therefore taken the view that, since the Trust is a long-term employer open to new members, there is not a reasonable expectation of ever reaching a point of cessation and therefore being able to access a return of surplus. Accordingly the surplus has not been included, and a break-even £nil position has been reflected on the Balance Sheet. The pension surplus is disclosed in note 2 and the actuarial assumptions and other movements in the year are disclosed in note 28.

Any pension surplus or deficit is merely an accounting figure calculated under FRS 102 for the purposes of the financial statements, and has no direct effect on the employer contribution rate paid by the Trust, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the Trust are fixed until 1 April 2026.

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Reserves Policy

The Directors review the reserve levels of the trust annually. The policy of the Directors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. The Directors always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

As noted in the financial position section above, revenue income funds were in surplus by £1.85m at 31 August 2024, this is a minor reduction from the prior year.

Waterfront UTC reports a cumulative deficit of £701k at 31 August 2024, for three years the financial position has now improved year on year and pupil numbers continue to grow and are nearing a health position.

The Trust have set a balanced budget for all schools and the central fund for 2024/25 and expect this to be delivered. The Trust has an internal reserves policy by which academies are required to have 5% of their total income. At the year ended 31 August 2024, 4 out of the 7 academies are at or above their reserves target, Miers Court primary school is expected to re-reach its reserves target in 2024/25 and Deanwood Primary School with improved pupil numbers will move into a small surplus, whilst UTC continues to improve upon its deficit. The Central fund remains healthy, with appropriate reserves to support growth and school improvement.

Investment Policy

The Trust's investment policy ensures that funds within the Trust are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook. Funds are used in a way that commands broad public support; Value for money (economy, efficiency and effectiveness) is achieved; Trustees/Directors fulfil their duties and responsibilities as charitable Trustees and company Directors.

The Trust only invests funds in low risk and easily accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 months. Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

Principal Risks and Uncertainties

The principal goal for the Academy Trust is to safeguard its long-term ability to continue to attract high calibre staff, deliver an excellent education to all pupils, and to maintain its physical facilities.

The principal risk for the finances of the Academy Trust is a reduction in pupil numbers. Most of the Trust's income comes from the ESFA, which is principally calculated by reference to the numbers of students enrolled at the Academy. The Directors assess the risk of a substantial reduction in funding to be low.

However, income could still be affected by any changes in government funding. The Government is currently transitioning towards National Funding Formula. Early indications show that all THAT academies will benefit from the new formula. The Directors have mitigated this risk by being mindful of the situation and are therefore constantly monitoring and promoting each academy within the Trust to ensure that it has sufficient pupil numbers.

Despite the reduction in the reflected Local Government Pension Scheme deficit over the past two years, the possibility of a return to a deficit position and the impact on employer contribution levels remains a key risk for the Trust. The pension fund is reviewed on a triennial basis by the scheme actuaries which could cause the pension contribution rate to increase. This creates a substantial risk for the Trust and could cause support staff costs to increase significantly.

Increased cost pressures across the sector are a significant risk to all schools within the academy sector. Increased prices for supplies, utilities and unfunded staff pay awards have resulted in budget pressures in all schools. The Trust finance team continue to monitor the impact of price increases closely and adapt budget plans as a result.

FUNDRAISING

Fundraising within the organisation is limited due to the nature of the organisation. Any funds raised are donated to charities for a specific purpose for example Children in Need. The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

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STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2023 to 31 August 2024	1 September 2022 to 31 August 2023
Energy consumption used to calculate emissions (kWh):		
Gas	2,046,416	2,569,671
Electricity	1,286,816	1,041,031
Transport fuel	22,262	14,589
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	374.29	469.12
Owned transport – mini-buses	7.18	4.48
Total scope 1	381.47	473.60
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	266.44	215.57
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	6.73	4.77
Total gross emissions in metric tonnes CO2e	654.64	693.93
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.16	0.20

Quantification and Reporting Methodology:

We have followed the HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the UK Government’s Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

PLANS FOR FUTURE PERIODS

On 1 September 2024 The Howard Academy Trust welcomed Hurstmere School, an all-boys secondary academy in Bexley, into the Trust.

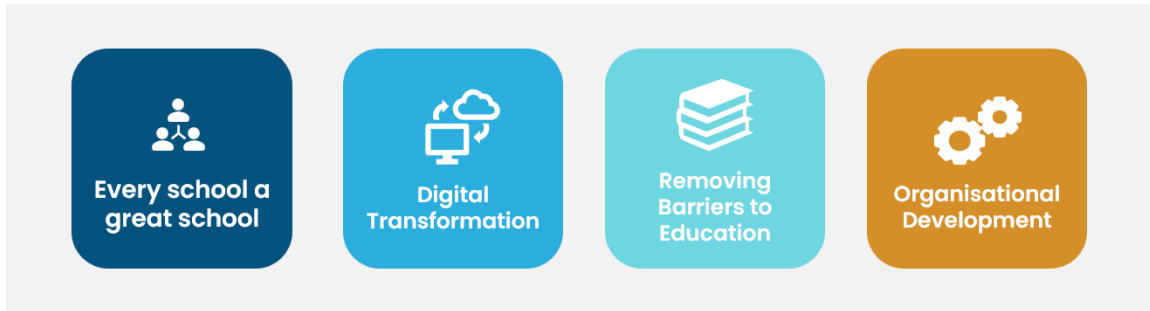
In February 2025 Inspiring Change MAT which consists of The Rowans AP Academy are due to join THAT. Inspiring Change previously received approval from the DfE to open The Beeches which is a Primary SEMH School. There are plans for this to continue under THAT.

In September our new Strategic plan for September 2024 – August 2028 was launched. Our plans centre around ensuring that the young people attending a THAT academy get the best possible educational experience.

The Howard Academy Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2024

Strategic Priorities (2024-2028)



The strategic priorities above are key to The Howard Academy Trust continuing to develop and improve our existing provision for our member academies whilst growing capacity to support further growth within the sector. We have based our priorities around 4 key areas which will support developing the organisation for future growth.

- **Every School a Great School** – takes into consideration that within our 8 academies all schools are currently at different stages of their improvement journey. Our ambition is that by 2028 all academies will be great schools and meet the metrics that we have defined internally to measure success. This includes strong outcomes, pupils’ wider development, experiences and opportunities for pupils, attendance and behaviour.
- **Digital Transformation** – takes into consideration that the world we live in uses digital technology in everyday life. We are making a commitment to explore how digital transformation can be used to enhance learning for pupils, ensure pupils have high levels of digital literacy and reduce workload and increase efficiency for our staff.
- **Removing Barriers to Education** – ensures that barriers that can prevent “every school being a great school” is mitigated. Our schools play a key role within their local community, and we will play a key role in supporting our local communities to ensure that all pupils can achieve their full potential.
- **Organisational Development** – ensures that we as an organisation continue to develop by ensuring that our People Strategy develop our dedicated workforce, further develop our central services and ensure that the THAT Estate is an environment that supports excellent teaching and learning. Our plans have ensured that we have grown capacity internally to support future growth and ensure that our staffing structures can be increased to add additional capacity to support new schools.

The Board of Directors continue to explore growth opportunities that arise and have mapped out a Growth Strategy for THAT to ensure that we have the capacity to support future Growth. The future growth of The Howard Academy Trust will be measured ensuring that any school joining is the correct cultural fit for THAT. Future growth of the Trust will depend on whether it is a maintained school looking to join the Trust, a merger or a sponsored academy joining a strong trust. The risk profile of each will carefully be considered by Directors before progressing.

AUDITOR

In so far as the trustees are aware:

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

The Directors report, incorporating a strategic report, was approved by order of the Board of Directors, and signed on the board’s behalf by:

Signed by:

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Mr D McDonald
 Chair of Directors

DocuSigned by:

3933861E67E54BB...
Mr O McColgan
 Accounting Officer

Date: 10 December 2024

The Howard Academy Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2024

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Howard 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.

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

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

Governance

The information on governance included here supplements that described in the Director’s Report and in the Statement of Directors 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:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr S Bass	6	6
Mr D Giles	5	6
Mr O McColgan – Chief Executive	6	6
Mr D McDonald – Chair of Directors	5	6
Ms C Nott	5	6
Miss H Tait	4	6
Mrs D Cusack	2	6

Governance reviews

The Trust conducted a full external review of Governance in May 2021. This was conducted by a National Leader of Governance and was commissioned via the Confederation Schools Trust.

The review undertaken analysed the impact and the effectiveness of the Board of Directors, Trust Executive Leaders and Local Governance in Local Academy Boards.

The review consisted of:

- A review of key governance documentation.
- Website compliance review
- One-to-one discussions with Members, CEO, Directors, Principals, and LAB Chairs
- A questionnaire for Board attendees.
- A questionnaire for Local Academy Boards
- Observation of a wide range of Trust and LAB meetings
- A report with recommendations.

The main enquiry lines used to evaluate Governance within the review consisted of:

- Strategic governance, leadership, and direction
- The impact and effectiveness of governance
- Members, Directors, the Board, and its committees
- Local Academy Boards

Findings within the report have found that the Board of Directors robustly challenge the Trust Executive Team for implementing the Strategic Priorities of the Trust. Areas of development within the view focussed on strengthening the link between the Board of Directors and Local Academy Boards ensuring that all key stakeholders are aware of their role within the Governance structure of the Trust.

The Board of Directors carry out a self-evaluation of Governance at the end of reporting period and will carry out periodic external reviews of Governance as appropriate. The findings of the external review of Governance have been implemented in full.

The Howard Academy Trust
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Governance Statement
For the Year Ended 31 August 2024

The Finance, Audit and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Reviewing and recommending of the annual budget to the Board of Directors;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, the Charity Commission’s Statement of Recommended Practice: Accounting and Reporting by Charities and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation;
- Reviewing the reports of the Responsibility Officer on the effectiveness of the financial procedures and controls. Reports must also be reported to the Board of Directors;
- Reviewing the financial policies of the Academy and where necessary, make recommendations to the Board of Directors
- Monitor the integrity of the financial statements and any formal announcements relating to financial performance;
- Review internal financial controls and, unless there is a separate board risk committee, review the company’s internal control and risk management systems;
- Monitor and review the effectiveness of the internal audit function;
- Make recommendations to the board in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor;
- Review the auditor’s independence and objectivity; and
- Develop and implement the non-audit services policy.

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr S Bass - Chair	3	3
Mr David Giles	2	3
Mr D McDonald – Chair of Directors	1	3
Mrs D Cusack	3	3

Mr S Bass, a member of the Finance, Audit and Resources Committee, is a qualified accountant.

The Academic Standard Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Review data on academic outcomes, including attainment and achievement data, the overall performance of each of the academies; Leadership standards; Governance effectiveness; Academy’s quality improvement and intervention strategies and plans; Special Educational Needs (SEN) and inclusion; Partnership working; Admissions; Safeguarding arrangements; Attendance – Absence, Persistent Absence and Exclusions figures; Performance Dashboard displayed in a traffic light (RAG) format outlining all key data information by school together with three-year trend outcomes data.
- Review all external monitoring reports and monitor agreed actions
- The Committee will be responsible for the Academies’ statutory requirements in relation to the curriculum offer and other curriculum issues such as spiritual, moral, social and cultural learning.
- Review and monitor the educational needs of the pupils attending the Trust’s academies.
- Monitor and review Extracurricular activities.
- Review and agreed on the Trust’s policies in relation to its Curriculum Statement.
- Determine and update relevant strategies relating to the above.
- Monitor and review the achievement of strategic objectives, in particular, the overview of performance against quantitative and qualitative benchmarks for key indicators/outcomes and the Ofsted framework and provide the appropriate challenge.
- Receive information on curriculum and quality issues for all the Trust’s academies.
- Receive progress reports on the implementation of post-Ofsted action plans and each academy’s actions following on from THAT external quality assurance.

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mrs C Nott	3	3
Mr D Giles	2	3
Mr O McColgan – Chief Executive	1	3
Miss H Tait	2	3

The Howard Academy Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2024

Conflicts of Interest

Conflicts of Interest are checked regularly by way of an annual statement from each trustee as well as confirmation at each Full Board and Committee meeting. Were there to be any conflict of interest declared the individual would not be able to take part in the agenda item discussion or voting. This would be documented by the Clerk to Trustees.

A conflicts of interest register is maintained by the Trust and is updated annually or once a change is declared by a Trustee. The administration of the conflicts of interest is completed by the THAT Governance Professional who sends each Trustee a link with guidance of what a conflict of interest might be.

Declarations of interest is a standing item on all THAT Governance Meetings to ensure that any identified conflicts are not part of the relevant agenda item and decision making. In addition, THAT have procedures in place for example ensuring that new suppliers are not a related party transaction. Any parties who are related parties are clearly marked in the register.

Review of value for money

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

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

- Continuing to deliver high quality and value added central services to THAT academies, including: finance, IT, estates, human resources, marketing and design and lettings and income generation
- Utilising short term surplus cash to generate circa £105k of investment income which has been reinvested back into central services and school improvement
- Numerous Estates and IT large capital projects, which drive energy efficiency and bring down running costs.

Estates Safety and Management

- The Trust has a robust service level agreements in place for Health and Safety and fire protection, with internal systems to monitor and track compliance;
- The Head of Estates is IOSH accredited to oversee the operational aspects of Health and Safety across the site;
- The Trust has assessed all of its buildings to identify signs of RAAC and does not believe that any of its buildings contain RAAC;
- A programme is underway for replacing currently non-compliant fire doors to ensure they are compliant;
- Annual Boiler and Gas compliance service is in place;
- Fire Alarm panels are subject to 6 monthly servicing;
- Building alarms are subject to 6 monthly servicing to uphold site 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 The Howard Academy Trust for the year 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 directors have 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 directors 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 year 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 directors.

The Howard Academy Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2024

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 board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The board of trustees has decided to appoint an internal scrutiny partner to support the Trust in meeting its Internal Scrutiny requirements and to provide assurance to the board of trustees. After a successful tender, McCabe Ford Williams were appointed as Internal Scrutiny partner, they will support on financial audits only. Specialist scrutiny partners will be brought in for services such as educational monitoring assurance.

The Trust complies with the requirement to have a separate internal scrutiny and external audit firm.

The role of McCabe Ford Williams includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period focused on payroll and purchasing internal controls.

On a yearly basis, the external auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' 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 Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external 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 accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.#

Conclusion

Based on the advice of the Finance, Audit and Resources 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 the Board of Directors and signed on its behalf by:

Signed by:

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Dan McDonald
Chairman of Trustees

DocuSigned by:

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Owen McColgan
Accounting Officer

Date: 10 December 2024


The Howard Academy Trust
(A company limited by guarantee)

Statement of Regularity, Propriety and Compliance

As accounting officer of The Howard 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 all 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.

DocuSigned by:

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Mr O McColgan
Accounting Officer

Date: 10 December 2024

The Howard Academy Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2024

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 ESFA/DfE have been applied for the purposes intended.

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 and signed on its behalf by:

Signed by:

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Mr D McDonald
Chair of Trustees

Date: 10 December 2024

The Howard Academy Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of The Howard Academy Trust

Opinion

We have audited the financial statements of The Howard Academy Trust (the 'academy trust') for the year ended 31 August 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

The Howard Academy Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of The Howard Academy Trust
(continued)

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

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

- 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the academy trust 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.

Auditors' responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Academy Trust Handbook, Academies Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

The Howard Academy Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of The Howard Academy Trust
(continued)

We assessed the susceptibility of the academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:


- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of
UHY Hacker Young
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 20 December 2024

The Howard Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Howard Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 April 2021 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 The Howard Academy Trust during the year 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 The Howard Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Howard Academy Trust and 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 The Howard Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Howard Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Howard Academy Trust's funding agreement with the Secretary of State for Education dated 27 November 2015 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 year 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Howard Academy Trust for the year ended 31 August 2024 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

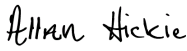
In line with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued March 2024, we have not performed any additional procedures regarding the academy trust's compliance with safeguarding, health and safety and estates management.

The Howard Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Howard Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.

DocuSigned by:

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UHY Hacker Young
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 20 December 2024

The Howard Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2024

	Note	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:						
Donations and capital grants	3	6	-	965	971	17,129
Other trading activities	4	753	149	-	902	806
Investments	5	101	-	-	101	4
Funding for educational operations	6	52	28,977	-	29,029	22,331
Total income		912	29,126	965	31,003	40,270
Expenditure on:						
Raising funds	8	-	242	-	242	197
Charitable activities	9	132	29,192	1,961	31,285	23,617
Total expenditure		132	29,434	1,961	31,527	23,814
Net income/(expenditure)		780	(308)	(996)	(524)	16,456
Transfers between funds	20	(734)	501	233	-	-
Net movement in funds before other recognised gains/(losses)		46	193	(763)	(524)	16,456
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	28	-	(264)	-	(264)	1,866
Net movement in funds		46	(71)	(763)	(788)	18,322
Reconciliation of funds:						
Total funds brought forward	20	1,411	463	64,497	66,371	48,049
Net movement in funds		46	(71)	(763)	(788)	18,322
Total funds carried forward		1,457	392	63,734	65,583	66,371

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 54 form part of these financial statements.

The Howard Academy Trust
(A company limited by guarantee)
Registered number: 09175427

Balance Sheet
As at 31 August 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	16	62,730	63,584
Current assets			
Debtors	17	1,563	1,075
Cash at bank and in hand	25	3,655	3,315
		5,218	4,390
Creditors: amounts falling due within one year	18	(2,303)	(1,522)
Net current assets / liabilities		2,915	2,868
Total assets less current liabilities		65,645	66,452
Creditors: amounts falling due after more than one year	19	(62)	(81)
Net assets excluding defined benefit pension		65,583	66,371
Defined benefit pension scheme liability	28	-	-
Total net assets		65,583	66,371
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	20	63,734	64,497
Restricted income funds	20	392	463
Total restricted funds	20	64,126	64,960
Unrestricted income funds	20	1,457	1,411
Total funds		65,583	66,371

The financial statements on pages 24 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Signed by:

B7BA0A5FEAF4468...
Mr D McDonald
 Chair of Trustees

DocuSigned by:

3933861F67F54BB...
Mr O McColgan
 Chief Executive & Accounting Officer

Date: 17 December 2024

The notes on pages 27 to 54 form part of these financial statements.

The Howard Academy Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	379	2,417
Cash flows from investing activities	24	(20)	(13)
Cash flows from financing activities	23	(19)	48
		<u>340</u>	<u>2,452</u>
Change in cash and cash equivalents in the year		340	2,452
Cash and cash equivalents at the beginning of the year		3,315	863
Cash and cash equivalents at the end of the year	25, 26	<u><u>3,655</u></u>	<u><u>3,315</u></u>

The notes on pages 27 to 54 form part of these financial statements

The Howard Academy Trust
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Howard Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 academy trust 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 authorisation for issue 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.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable 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 year is deducted from income and recognised as a liability.

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

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

• **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, 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 for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

The Howard Academy Trust
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 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.

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs 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.

Where relevant, resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £5,000 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.

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

The Howard Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2024

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 10-49 years
Long-term leasehold property	- 39-125 years
Furniture and equipment	- 15%
Computer equipment	- 33%

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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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.

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

The Howard Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2024

1. Accounting policies (continued)

1.13 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 Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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.

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 31.

The Howard Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2024

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The ultimate responsibility for setting the LGPS assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

Critical areas of judgment:

LGPS pension surplus recognition

FRS 102 section 28.22 allows an entity to recognise a pension asset "only to the extent it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan."

Whilst the LGPS actuarial valuation report for the year ended 31 August 2024 indicates a defined benefit asset of £515k exists at the year end date, the Trustees have considered that there is insufficient evidence that a surplus being recognised would ever result in a repayment or reduction in contributions, given that such a surplus is probably only temporary. Also, as a longer term employer that is open to new members, there isn't a reasonable expectation that the academy trust will ever reach a point of cessation that would enable access to a return of surplus.

The actuarial movement has therefore been restricted in both 2024 and the prior year to instead leave a break-even position on the Balance Sheet with neither an asset or liability recognised.

The Howard Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2024

3. Income from donations and capital grants

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Transfer in of existing academy trust	-	-	-	-	16,302
Donations	6	-	-	6	18
Capital grants	-	-	965	965	809
	<u>6</u>	<u>-</u>	<u>965</u>	<u>971</u>	<u>17,129</u>
<i>Analysis of 2023 by fund</i>	<u>287</u>	<u>737</u>	<u>16,105</u>	<u>17,129</u>	

4. Income from other trading activities

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Lettings income	439	-	439	288
Sports partnership income	-	129	129	113
Sales of goods and services	125	-	125	92
Other income	189	-	189	312
Insurance	-	20	20	1
	<u>753</u>	<u>149</u>	<u>902</u>	<u>806</u>
<i>Analysis of 2023 by fund</i>	<u>692</u>	<u>114</u>	<u>806</u>	

5. Investment income

	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Bank interest	101	101	4

The Howard Academy Trust
(A company limited by guarantee)

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

6. Funding for educational operations

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Educational operations				
DfE/ESFA grants				
General Annual Grant	-	21,710	21,710	16,610
Other DfE/ESFA grants				
16-19 student funding	-	2,361	2,361	1,826
Pupil Premium	-	1,020	1,020	734
Schools supplementary grant	-	-	-	496
Mainstream schools additional grant	-	737	737	307
Trust capacity fund	-	-	-	161
Teachers' pay grant	-	380	380	4
Teachers' pension grant	-	303	303	82
Others	-	602	602	536
	-	27,113	27,113	20,756
Other Government grants				
Local Authority - SEN	-	816	816	459
Local Authority - Early Years	-	300	300	300
Other government revenue grants	-	429	429	509
	-	1,545	1,545	1,268
Other income from educational operations	52	319	371	307
	52	28,977	29,029	22,331
<i>Analysis of 2023 by fund</i>	45	22,286	22,331	

The Howard Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2024

7. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2024	2024	2024	2024	<i>2023</i>
	£000	£000	£000	£000	<i>£000</i>
Expenditure on educational operations					
Direct costs	193	-	49	242	197
Educational operations:					
Direct costs	20,968	1,527	3,018	25,513	18,703
Allocated support costs	2,920	1,452	1,400	5,772	4,914
	<u>24,081</u>	<u>2,979</u>	<u>4,467</u>	<u>31,527</u>	<u>23,814</u>
<i>Analysis of 2023 by type</i>	<u>17,713</u>	<u>2,615</u>	<u>3,486</u>	<u>23,814</u>	

8. Expenditure on raising funds

Fundraising trading expenses

	Restricted	Total	<i>Total</i>
	funds	funds	<i>funds</i>
	2024	2024	<i>2023</i>
	£000	£000	<i>£000</i>
Sports partnership - other costs	49	49	74
Sports partnership and lettings - salaries	159	159	101
Sports partnership and lettings - national insurance	9	9	6
Sports partnership and lettings - pension costs	25	25	16
	<u>242</u>	<u>242</u>	<u>197</u>
<i>Analysis of 2023 by fund</i>	<u>197</u>	<u>197</u>	

The Howard Academy Trust
(A company limited by guarantee)

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total 2024 £000	<i>Total 2023 £000</i>
Educational operations	132	31,153	31,285	23,617
<i>Analysis of 2023 by fund</i>	<i>182</i>	<i>23,435</i>	<i>23,617</i>	

10. Analysis of expenditure by activities

	Direct costs 2024 £000	Support costs 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Educational operations	25,513	5,772	31,285	23,617
<i>Analysis of 2023</i>	<i>18,703</i>	<i>4,914</i>	<i>23,617</i>	

Analysis of support costs

	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Staff costs	2,920	2,467
Technology costs	156	114
Premises costs	1,452	1,307
Catering	490	370
Other support costs	726	632
Governance costs	28	24
	5,772	<i>4,914</i>

The Howard Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2024

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2024	<i>2023</i>
	£000	<i>£000</i>
Operating lease rentals	179	180
Depreciation of tangible fixed assets	1,940	1,610
Fees paid to auditors for:		
- audit	21	18
- other services	5	3
	<u> </u>	<u> </u>

12. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2024	<i>2023</i>
	£000	<i>£000</i>
Wages and salaries	18,046	13,170
Social security costs	1,842	1,335
Pension costs	4,007	3,128
	<u> </u>	<u> </u>
	23,895	17,633
Agency staff costs	186	80
	<u> </u>	<u> </u>
	24,081	17,713
	<u> </u>	<u> </u>

Included in the staff costs above are restructuring costs of £1k (2023 - £40k). For the purposes of this disclosure restructuring costs include severance payments, excluding payments in lieu of notice.

Staff restructuring costs comprise:

	2024	<i>2023</i>
	£000	<i>£000</i>
Redundancy payments	-	24
Severance payments	1	16
	<u> </u>	<u> </u>
	1	40
	<u> </u>	<u> </u>

The Howard Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2024

12. Staff (continued)

b. Severance payments

The academy trust paid 2 severance payments (which here include payments in lieu of notice) in the year (2023 - 1), disclosed in the following bands:

	2024	<i>2023</i>
	No.	<i>No.</i>
£0 - £25,000	2	1
	<u>2</u>	<u>1</u>

c. Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2024	<i>2023</i>
	No.	<i>No.</i>
Teachers	281	215
Administration and Support	326	226
Management	4	3
	<u>611</u>	<u>444</u>

d. Higher paid staff

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

	2024	<i>2023</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	9	5
In the band £70,001 - £80,000	9	5
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	2	-
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

There has been an increase in higher paid staff this year in part due to The Abbey School joining the academy trust mid-year in the prior period, on 1 April 2023.

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £638k (2023 - £439k). The increase compared to the prior year is due to a combination of the appointment of one additional member of key management and general inflationary rises.

The Howard Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2024

13. Trustees' remuneration and expenses

The Accounting Officer has been paid remuneration and received other benefits from his employment with the academy trust trust. He only receives remuneration in respect of services provided undertaking his role under his contract of employment, and not in respect of his role as a trustee. The value of his remuneration and other benefits was as follows:

		2024	<i>2023</i>
		£000	<i>£000</i>
O McColgan	Remuneration	140 - 145	<i>130 - 135</i>
	Pension contributions paid	35 - 40	<i>30 - 35</i>

During the year ended 31 August 2024, no Trustee expenses have been incurred (*2023 - £NIL*).

14. Central services

The academy trust has provided the following central services to its academies during the year:

- Strategic and Educational support and time from the Chief Executive, Director of Education and Education team
- Director of Finance and Operations and operations management team leadership time and support
- Fully centralised HR and Payroll services including HR policy and people strategy development, HR advisory services and employee relations case management, management and system costs. Fully in house payroll processing and management
- Fully centralised finance services including full strategic financial support e.g. budget planning and monitoring, technical and statutory accounting services, exchequer (transactional) services, lettings and income generation services. Systems and internal and external audit fees.
- Estates leadership and support including 5 year planning, compliance management, energy management and Estates development, Estates systems costs
- Centralised IT services including ICT school support, fully managed helpdesk, IT infrastructure and 5 year planning development
- Centralised marketing and design services including school branding, school promotions and social media and website content
- Governance and risk management
- Legal advice and support

The academy trust charges for these services on the following basis:

Each school is charged 7.5% of their GAG funding for each financial year.

The actual amounts charged during the year were as follows:

	2024	<i>2023</i>
	£000	<i>£000</i>
The Howard School	675	<i>627</i>
Temple Mill Primary School	75	<i>67</i>
Deanwood Primary School	67	<i>62</i>
Thamesview Primary School	137	<i>133</i>
Miers Court Primary School	127	<i>123</i>
Waterfront UTC	160	<i>135</i>
The Abbey School	550	<i>244</i>
Total	1,791	<i>1,391</i>

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Notes to the Financial Statements
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15. 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 membership.

16. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2023	37,263	34,249	2,232	2,901	76,645
Additions	51	287	383	365	1,086
At 31 August 2024	<u>37,314</u>	<u>34,536</u>	<u>2,615</u>	<u>3,266</u>	<u>77,731</u>
Depreciation					
At 1 September 2023	5,795	3,460	1,425	2,381	13,061
Charge for the year	722	805	184	229	1,940
At 31 August 2024	<u>6,517</u>	<u>4,265</u>	<u>1,609</u>	<u>2,610</u>	<u>15,001</u>
Net book value					
At 31 August 2024	<u><u>30,797</u></u>	<u><u>30,271</u></u>	<u><u>1,006</u></u>	<u><u>656</u></u>	<u><u>62,730</u></u>
At 31 August 2023	<u><u>31,468</u></u>	<u><u>30,789</u></u>	<u><u>807</u></u>	<u><u>520</u></u>	<u><u>63,584</u></u>

Included within freehold property and long-term leasehold property is land at valuation £7,035,000 and £8,224,000 respectively.

17. Debtors

	2024 £000	2023 £000
Trade debtors	36	54
Other debtors	134	60
Prepayments and accrued income	1,131	843
VAT recoverable	262	118
	<u>1,563</u>	<u>1,075</u>

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18. Creditors: Amounts falling due within one year

	2024	<i>2023</i>
	£000	<i>£000</i>
Other loans	19	19
Trade creditors	432	319
Other taxation and social security	412	402
Other creditors	561	109
Accruals and deferred income	879	673
	<u>2,303</u>	<u>1,522</u>
	2024	<i>2023</i>
	£000	<i>£000</i>
Deferred income at 1 September 2023	232	156
Resources deferred during the year	282	232
Amounts released from previous periods	(232)	(156)
	<u>282</u>	<u>232</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2024-25 academic year for Universal Infant Free School Meals, Early Years Funding and school trips.

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

	2024	<i>2023</i>
	£000	<i>£000</i>
Other loans	62	81
	<u>62</u>	<u>81</u>

Included in other loans in Notes 18 and 19 are two Salix loans totalling £44,000 (2023 - £59,000) and a CIF loan of £37,000 (2023 - £41,000). The Salix loans are repayable over 8 years, both of which commenced on 1 September 2019 and are scheduled to end in March 2027. The loans are interest free. The CIF loan is repayable over 10 years. Repayments started 1 September 2022 and are due to end in August 2032. Interest is charged at a rate of 2.22% per annum.

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

	2024	<i>2023</i>
	£000	<i>£000</i>
Payable or repayable by instalments	14	19
	<u>14</u>	<u>19</u>

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Notes to the Financial Statements
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20. Statement of funds

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Unrestricted funds						
Designated funds						
3G Sports Maintenance fund	225	-	-	25	-	250
Edward Vinson donation	40	-	-	(40)	-	-
Sport England	7	-	-	-	-	7
Youth Sports Trust	4	-	-	-	-	4
Dance fundraising	2	4	(2)	-	-	4
English reading challenge	1	-	(1)	-	-	-
Ollie Slack Reading Garden	8	-	-	(8)	-	-
Pastoral donation	1	-	(1)	-	-	-
Ann Gee Memorial Fund	-	1	-	-	-	1
OSF funding	-	3	-	-	-	3
Benstead Charity donation	-	3	-	-	-	3
	<u>288</u>	<u>11</u>	<u>(4)</u>	<u>(23)</u>	<u>-</u>	<u>272</u>
General funds						
General Funds	1,123	901	(128)	(711)	-	1,185
Total Unrestricted funds	<u>1,411</u>	<u>912</u>	<u>(132)</u>	<u>(734)</u>	<u>-</u>	<u>1,457</u>

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

20. Statement of funds (continued)

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Restricted general funds						
General Annual Grant (GAG)	462	21,710	(22,059)	253	-	366
Other DfE/ESFA grants	-	5,403	(5,589)	212	-	26
Other government grants	1	1,545	(1,546)	-	-	-
Other restricted funds	-	468	(504)	36	-	-
Pension reserve	-	-	264	-	(264)	-
	<u>463</u>	<u>29,126</u>	<u>(29,434)</u>	<u>501</u>	<u>(264)</u>	<u>392</u>
Restricted fixed asset funds						
Fixed assets	63,584	-	(1,940)	1,086	-	62,730
DfE/ESFA capital grants	673	886	(21)	(650)	-	888
Other capital grants	-	73	-	(71)	-	2
Capital improvement fund	-	6	-	(6)	-	-
Salix loans	(59)	-	-	15	-	(44)
CIF loan	(41)	-	-	4	-	(37)
Designated infrastructure improvement fund	340	-	-	(149)	-	191
Edward Vinson donation	-	-	-	2	-	2
Ollie Slack Reading Garden	-	-	-	2	-	2
	<u>64,497</u>	<u>965</u>	<u>(1,961)</u>	<u>233</u>	<u>-</u>	<u>63,734</u>
Total Restricted funds	<u>64,960</u>	<u>30,091</u>	<u>(31,395)</u>	<u>734</u>	<u>(264)</u>	<u>64,126</u>
Total funds	<u><u>66,371</u></u>	<u><u>31,003</u></u>	<u><u>(31,527)</u></u>	<u><u>-</u></u>	<u><u>(264)</u></u>	<u><u>65,583</u></u>

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

20. Statement of funds (continued)

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

Restricted funds:

General Annual Grant must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward as at 31 August 2024.

The other DfE/ESFA grants fund is used to track core non-GAG money received from the DfE/ESFA and connected bodies, as detailed in note 6.

The other government grants fund is used to track grants provided by government departments other than the DfE/ESFA and includes grants received from the Local Authority.

The other restricted funds is used to track income received for school trips and sports partnership.

The pensions reserve is a restricted fund to account for movements in the Local Government Pension Scheme balance.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward as well as the current fixed assets held. This fund is also used to track the loans received in respect of fixed asset purchases. The net transfer to the restricted fixed asset fund of £233k comprises total capital expenditure met from revenue reserves of £158k, loan repayments of £19k as well as funds set aside for future capital projects as described below of £56k (Designated infrastructure improvement fund, Edward Vinson donation and Ollie Slack Reading Garden). The designated fund within the restricted fixed asset fund relates to money set aside to facilitate significant infrastructure improvement projects within schools.

Designated funds:

The 3G Sports Maintenance fund was set up to cover the replacement cost of the 3G pitch facilities at The Abbey School - the anticipated replacement cost currently is £260k. £25k is contributed to the fund each year.

The Edward Vinson donation fund was received from the Edward Vinson Fund in 2019 to fund new tennis and netball courts. As the funds had not been utilised, The Edward Vinson trust gave permission for the trust to spend the funds on any other purpose which will benefit the students. £38k of this grant was spent on capital items in 2023/24 with the remaining £2k transferred to the restricted fixed asset funds for spend in 2024/25.

The Sport England fund represents fund received for sports related projects and extra curricular clubs for FSM, EAL and SEN students to enhance sports take up with these groups.

The Youth Sports Trust fund is used to track spending on enhancing sports facilities.

Dance fund raising income has been ring fenced for The Abbey School's performing arts department who have fund raised for these monies.

English Reading Challenge income was received for The Abbey School's English reading challenge and is ring-fenced for spending by the English department. This fund was fully spent in 2023/24.

The Ollie Slack reading garden has been set up to create a reading garden in memory of Ollie Slack, former Deputy Headteacher of Deanwood Primary School. £6k of this grant was spent on capital items in 2023/24 with the remaining £2k transferred to the restricted fixed asset funds for spend in 2024/25.

The pastoral donation fund comprises donations from two companies and has been ringfenced for the pastoral team at Waterfront UTC. This fund was fully spent in 2023/24.

The Ann Gee memorial fund is a memorial fund in memory of Ann Gee, the funds will be used to develop a mural in the school.

OSF funding is provided by the Department of Education, to support schools with existing sport facilities for the pupils and wider community. These are unspent rolled forward funds.

Benstead charity donation is a donation from the Benstead Charity which has been ring fenced for sports equipment for enrichment.

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Notes to the Financial Statements
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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2022 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2023 £000</i>
Unrestricted funds						
Designated funds						
3G Sports						
Maintenance fund	-	-	-	225	-	225
Edward Vinson donation	-	-	-	40	-	40
Sport England	-	-	-	7	-	7
Youth Sports Trust	-	-	-	4	-	4
Dance fundraising	-	1	-	1	-	2
English reading challenge	-	-	-	1	-	1
Mental health lead grant	-	-	(1)	1	-	-
Ollie Slack Reading Garden	-	-	-	8	-	8
Pastoral donation	-	-	-	1	-	1
Transfer in of existing academy trust	-	238	-	(238)	-	-
	<u>-</u>	<u>239</u>	<u>(1)</u>	<u>50</u>	<u>-</u>	<u>288</u>
General funds						
General Funds	978	757	(180)	(432)	-	1,123
Transfer in of existing academy trust	-	31	-	(31)	-	-
Unallocated amounts	-	-	-	-	-	-
	<u>978</u>	<u>788</u>	<u>(180)</u>	<u>(463)</u>	<u>-</u>	<u>1,123</u>
Total Unrestricted funds	<u>978</u>	<u>1,027</u>	<u>(181)</u>	<u>(413)</u>	<u>-</u>	<u>1,411</u>

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

20. Statement of funds (continued)

	<i>Balance at 1 September 2022 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2023 £000</i>
Restricted general funds						
General Annual Grant (GAG)	(699)	16,610	(15,920)	471	-	462
Other DfE/ESFA grants	-	4,147	(4,203)	56	-	-
Other government grants	-	1,268	(1,269)	2	-	1
Other restricted funds	-	376	(414)	38	-	-
Transfer in of existing academy trust	-	1,105	-	(1,105)	-	-
Pension reserve	(1,282)	(368)	(216)	-	1,866	-
	<u>(1,981)</u>	<u>23,138</u>	<u>(22,022)</u>	<u>(538)</u>	<u>1,866</u>	<u>463</u>
Restricted fixed asset funds						
Fixed assets	49,104	-	(1,610)	16,090	-	63,584
DfE/ESFA capital grants	-	808	-	(135)	-	673
Salix loans	(7)	-	-	(52)	-	(59)
CIF loan	(45)	-	-	4	-	(41)
Designated infrastructure improvement fund	-	-	-	340	-	340
Transfer in of existing academy trust	-	15,296	-	(15,296)	-	-
	<u>49,052</u>	<u>16,104</u>	<u>(1,610)</u>	<u>951</u>	<u>-</u>	<u>64,497</u>
Total Restricted funds	<u>47,071</u>	<u>39,242</u>	<u>(23,632)</u>	<u>413</u>	<u>1,866</u>	<u>64,960</u>
Total funds	<u>48,049</u>	<u>40,269</u>	<u>(23,813)</u>	<u>-</u>	<u>1,866</u>	<u>66,371</u>

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

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2024	<i>2023</i>
	£000	<i>£000</i>
The Howard Academy Trust (central)	140	<i>126</i>
The Howard School	605	<i>691</i>
Temple Mill Primary School	121	<i>155</i>
Deanwood Primary School	(6)	<i>-</i>
Thamesview Primary School	257	<i>289</i>
Miers Court Primary School	84	<i>110</i>
Waterfront UTC	(701)	<i>(841)</i>
The Abbey School	1,349	<i>1,344</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,849	<i>1,874</i>
Restricted fixed asset fund	63,734	<i>64,497</i>
	<hr/>	<hr/>
Total	65,583	<i>66,371</i>
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit
	£000
Waterfront UTC	(701)
Deanwood Primary School	(6)
	<hr/> <hr/>

The deficit at Waterfront UTC is due to historic debt. Deanwood has entered into a small deficit position this year.

The academy trust is taking the following action to return the academies to surplus:

This is the third year in a row that Waterfront UTC has delivered an in-year surplus, as a result of the substantial work undertaken at the school to grow pupil numbers by over 50% in the last three years and stabilise the school financially. The inherited, historic debt for Waterfront UTC remains challenging for the school to resolve, but it is very positive that over the last three years the deficit has reduced by circa £200k and 22%.

Deanwood Primary school has entered into a small deficit position, however at the October 2024 census day the school for the first time in over 10 years was at 99% of its PAN, with 20 pupils more than the October 2023 PAN - this will make a substantial positive impact on the school in future years financially.

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Notes to the Financial Statements
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20. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2024 £000	<i>Total 2023 £000</i>
The Howard Academy Trust (central)	601	628	39	393	1,661	<i>1,623</i>
The Howard School	7,287	999	689	939	9,914	<i>8,927</i>
Temple Mill Primary School	1,091	88	101	165	1,445	<i>1,258</i>
Deanwood Primary School	871	109	67	147	1,194	<i>1,124</i>
Thamesview Primary School	1,673	122	165	316	2,276	<i>2,086</i>
Miers Court Primary School	1,542	139	112	224	2,017	<i>1,831</i>
Waterfront UTC	1,741	166	170	331	2,408	<i>1,956</i>
The Abbey School	6,162	862	670	978	8,672	<i>3,400</i>
Academy trust	20,968	3,113	2,013	3,493	29,587	<i>22,205</i>

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	-	-	62,730	62,730
Current assets	1,457	2,676	1,085	5,218
Creditors due within one year	-	(2,284)	(19)	(2,303)
Creditors due in more than one year	-	-	(62)	(62)
Total	1,457	392	63,734	65,583

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Notes to the Financial Statements
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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £000</i>	<i>Restricted funds 2023 £000</i>	<i>Restricted fixed asset funds 2023 £000</i>	<i>Total funds 2023 £000</i>
Tangible fixed assets	-	-	63,584	63,584
Current assets	1,411	1,966	1,013	4,390
Creditors due within one year	-	(1,503)	(19)	(1,522)
Creditors due in more than one year	-	-	(81)	(81)
Total	1,411	463	64,497	66,371

22. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2024 £000	2023 £000
Net (expenditure)/income for the period (as per Statement of financial activities)	(524)	16,456
Adjustments for:		
Depreciation	1,940	1,610
Capital grants from DfE and other capital income	(965)	(808)
Interest receivable	(101)	(4)
Defined benefit pension scheme obligation inherited	-	368
Defined benefit pension scheme cost less contributions payable	(234)	151
Defined benefit pension scheme finance cost	(30)	65
Increase in debtors	(487)	(468)
Increase in creditors	780	311
Transfer of fixed assets from existing academy trust	-	(15,264)
Net cash provided by operating activities	379	2,417

23. Cash flows from financing activities

	2024 £000	2023 £000
Cash inflows from new borrowing	-	60
Repayments of borrowing	(19)	(12)
Net cash (used in)/provided by financing activities	(19)	48

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Notes to the Financial Statements
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24. Cash flows from investing activities

	2024	<i>2023</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	101	4
Purchase of tangible fixed assets	(1,086)	(825)
Capital grants from DfE Group	892	808
Capital funding received from sponsors and others	73	-
Net cash used in investing activities	(20)	<i>(13)</i>

25. Analysis of cash and cash equivalents

	2024	<i>2023</i>
	£000	<i>£000</i>
Cash in hand and at bank	3,655	3,315

26. Analysis of changes in net debt

	At 1 September 2023 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2024 £000
Cash at bank and in hand	3,315	340	-	3,655
Debt due within 1 year	(19)	19	(19)	(19)
Debt due after 1 year	(81)	-	19	(62)
	3,215	359	-	3,574

27. Capital commitments

	2024	<i>2023</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	71

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Notes to the Financial Statements
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28. Pension commitments

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 Medway 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 31 March 2022.

Contributions amounting to £374k were payable to the schemes at 31 August 2024 (2023 - £nil) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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 outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- 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 revised employer contribution rate, arising from the 2020 valuation, has been implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £3,101k (2023 - £2,073k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust 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.

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28. Pension commitments (continued)

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 £1,495k (2023 - £1,008k), of which employer's contributions totalled £1,184k (2023 - £798k) and employees' contributions totalled £311k (2023 - £210k). The agreed contribution rates for future years are 5.5-12.5 per cent for employees. The current employer's rate of 22.5% has recently been confirmed as continuing until March 2026.

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

Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	3.80	3.85
Rate of increase for pensions in payment/inflation	2.80	2.85
Discount rate for scheme liabilities	5.10	5.30
Inflation assumption (CPI)	2.80	2.85

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

	2024	2023
	Years	Years
<i>Retiring today</i>		
Males	20.7	20.7
Females	23.3	23.2
<i>Retiring in 20 years</i>		
Males	22.0	22.0
Females	24.7	24.6

Sensitivity analysis

	2024	2023
	£000	£000
Discount rate +0.1%	(360)	(316)
Discount rate -0.1%	370	324
Mortality assumption - 1 year increase	529	462
Mortality assumption - 1 year decrease	(514)	(450)
CPI rate +0.1%	353	307
CPI rate -0.1%	(344)	(299)

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28. Pension commitments (continued)

Share of scheme assets

The academy trust's share of the assets in the scheme was:

	At 31 August 2024 £000	<i>At 31 August 2023 £000</i>
Equities	11,071	10,814
Gilts	1,354	100
Corporate bonds	2,817	2,353
Property	1,792	1,717
Cash and other liquid assets	471	180
Other	1,886	1,866
Total market value of assets	19,391	17,030

The actual return on scheme assets was £1,340k (2023 - £77k).

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

	2024 £000	<i>2023 £000</i>
Current service cost	(950)	(949)
Interest income	930	526
Interest cost	(884)	(585)
Administrative expenses	(16)	(6)
Total amount recognised in the Statement of Financial Activities	(920)	(1,014)

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

	2024 £000	<i>2023 £000</i>
At 1 September	17,030	10,738
Transferred in on existing academies joining the trust	-	6,489
Current service cost	950	949
Interest cost	884	585
Employee contributions	311	210
Actuarial losses/(gains)	674	(1,752)
Benefits paid	(458)	(189)
Losses on curtailments	-	-
At 31 August	19,391	17,030

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28. Pension commitments (continued)

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

	2024	<i>2023</i>
	£000	<i>£000</i>
At 1 September	17,030	9,456
Transferred in on existing academies joining the trust	-	6,121
Interest income	930	526
Actuarial gains	410	114
Employer contributions	1,184	798
Employee contributions	311	210
Benefits paid	(458)	(189)
Administrative expenses	(16)	(6)
At 31 August	<u>19,391</u>	<u>17,030</u>

29. Operating lease commitments

At 31 August 2024 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	<i>2023</i>
	£000	<i>£000</i>
Not later than 1 year	124	172
Later than 1 year and not later than 5 years	152	136
	<u>276</u>	<u>308</u>

30. 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

31. Agency arrangements

The academy trust distributes 16-19 bursary funds to the students as an agent of the ESFA. During the year ended 31 August 2024, the trust received £51k (2023 - £28k) and disbursed £25k (2023- £25k) from the fund. £11k was reclaimed during the year for 21/22 unspent funds. As at 31 August 2024, the cumulative unspent 16-19 bursary fund is £56k (2023 - £40k). There was no undistributed funding repayable to ESFA (2023 - £Nil).

32. Controlling party

The academy trust is run by the senior management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

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33. Related party transactions

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. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions entered into and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the year:

Income related party transactions

(1) Medway Academy of Performing Arts hire facilities at The Howard School. They are a related party by virtue of Owen McColgan being a trustee of The Howard Academy Trust and a Partner at Medway Academy of Performing Arts.

The Howard School received £5k (2023 - £3k) for the hire of these facilities.

(2) The Inspiring Change Multi-Academy Trust (ICMAT) leases a building at Miers Court Primary School for the Primary Support Service from 1 September 2021. They are a related party due to Caron Nott being a trustee of The Howard Academy Trust and trustee and executive head at ICMAT. Caron Nott resigned as a trustee on 31 August 2024 and therefore ICMAT ceases to be a related party at this point.

Miers Court Primary School received £12k (2023 - £11k) for the leasing of this building.

(3) Owen McColgan and Catherine Reid, members of the trust's executive and senior leadership team, are qualified Ofsted Inspectors Ofsted pay the Trust for these employees to perform Ofsted Inspections on their behalf and £14k (2023 - £14k) was received during the year.

Expenditure related party transactions

The husband of Mrs C. Reid, a member of the trust's executive and senior leadership team, is employed by the academy trust as a teacher. The appointment was made in open competition and Mrs Reid was not involved in the decision-making process regarding appointment. Mrs Reid's husband is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a member of the senior leadership team.

34. Post balance sheet events

On 1 September 2024, the management of Hurstmere School transferred over from registered company number 07654127 to The Howard Academy Trust.