

The Salterns Academy Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2024

Company Registration Number:  
08921490 (England and Wales)

# The Salterns Academy Trust

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# The Salterns Academy Trust

## Reference and Administrative Details

### Members

C Corcoran (resigned 4 July 2024)

A Cree

D Giles

S Labedz

M Park

### Trustees

A Cree (Chair)

P Hayes (Vice Chair)

R Barlow (appointed 1 January 2024)

A Barrett

N Hardingham

T Henley

E Johnson (appointed 6 November 2023)

A Majekodumni

S Taviner

### Senior Management Team

#### Trust Executive Leadership Team:

N Hardingham Chief Executive Officer

C Copeland Education Director

R Parr Chief Operating Officer

V Bruce Chief Finance Officer (appointed 29 November 2023)

R Davies Chief Finance Officer (resigned 17 November 2023)

#### School Senior Leadership Teams:

##### *Trafalgar School*

C Copeland Executive Headteacher

G Pearce Head of School

A Raeburn Deputy Headteacher

A Ghose Assistant Headteacher

M Cathie Assistant Headteacher

L Clark Assistant Headteacher

P Dudley Assistant Headteacher

A Dudman Assistant Headteacher

C Seal Assistant Headteacher

##### *Admiral Lord Nelson School*

C Doherty Headteacher

M Hutton Deputy Headteacher

K Holness Deputy Headteacher

S Fenner Assistant Headteacher

S Johnson Buildings and Community  
Manager

# The Salterns Academy Trust

## Reference and Administrative Details

### Company Name

The Salterns Academy Trust

### Principal and Registered Office

Admiral Lord Nelson School

Dundas Lane

Portsmouth

Hampshire

PO3 5XT

### Company Registration Number

08921490 (England and Wales)

### Independent Auditor

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

### Bankers

Lloyds Bank Plc

113 Commercial Road

Portsmouth

Hampshire

PO1 1BY

### Aldermore Bank Plc

Apex Plaza

Forbury Road

Reading

RG1 1AX

### Solicitors

Stone King LLP

Boundary House

91 Charterhouse Street

London

EC1M 6HR

# The Salterns Academy Trust

## Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates two academies for students aged 11-16 in the North Island area of Portsmouth. Its academies have a combined student capacity of 2,310 and had a roll of 2,237 in the school census of January 2024.

### 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 Salterns Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Salterns Academy Trust.

Details of the Trustees who served during the year and to the date these accounts are approved 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.

#### Trustees' Indemnities

This is addressed within the Risk Protection Arrangement (RPA), which is operated by the DfE, and details can be found on the DfE website.

#### Method of Recruitment and Appointment or Election of Trustees

The Trust's Articles detail that board membership comprises six Member-appointed Trustees, and an unspecified number of co-opted Trustees (appointed by the member-appointed Trustees). The Members have chosen to appoint the six-member-appointed Trustee positions using the following criteria: five independent Trustees and the Chief Executive Officer. There are currently three co-opted Trustees.

The Trust chooses not to appoint any parent Trustees as there are a minimum of two parent governors on each school's Local Governing Body (LGB).

Through its independent Trustees and co-opted Trustees, the Trust works to maintain a balance of professional and local community input to the Trust board.

The Trust Board determines the relevant skills, experience, quality and capacity, and qualifications that they require a new Trustee to have, in line with the DfE Competency Framework for Governance and DfE Governance Handbook.

# The Salterns Academy Trust

## Trustees' Report

### Method of Recruitment and Appointment or Election of Trustees (continued)

The Trust Board seeks to maintain a balance of professional expertise across different topics, such as Education, Community Leaders, Finance, Legal and HR. Every effort is made to ensure that new Trustees are fully able to support the organisation's ethos and promote the fundamental British values of democracy, the rule of law, individual liberty, and mutual respect and tolerance for those with different faiths and beliefs; and encourage students to respect other people, with particular regard to the protected characteristics set out in the Equality Act 2010 and accompanying guidance.

It is essential that the Trust Board has a proper mix of skills and experience. The Trustees are aware of the need to plan for succession and to support the continued growth of the Trust, seeking to balance continuity of experience and expertise with new ideas and energy.

### Policies and Procedures Adopted for the Induction and Training of Trustees

Trustee appointments will bring a particular skill set to the Trust Board. Each new Trustee will be properly inducted to ensure that they understand the nature and extent of their role and responsibilities. It is the duty of the new Trustee to ensure that they are familiar with the Objects of the Trust; its history and ethos and the nature and extent of its activities; and the content of the Trust's Articles of Association.

The Trustees shall provide each new Trustee with:

- The Trust's Articles of Association
- Standing Orders
- Scheme of Delegated Authority

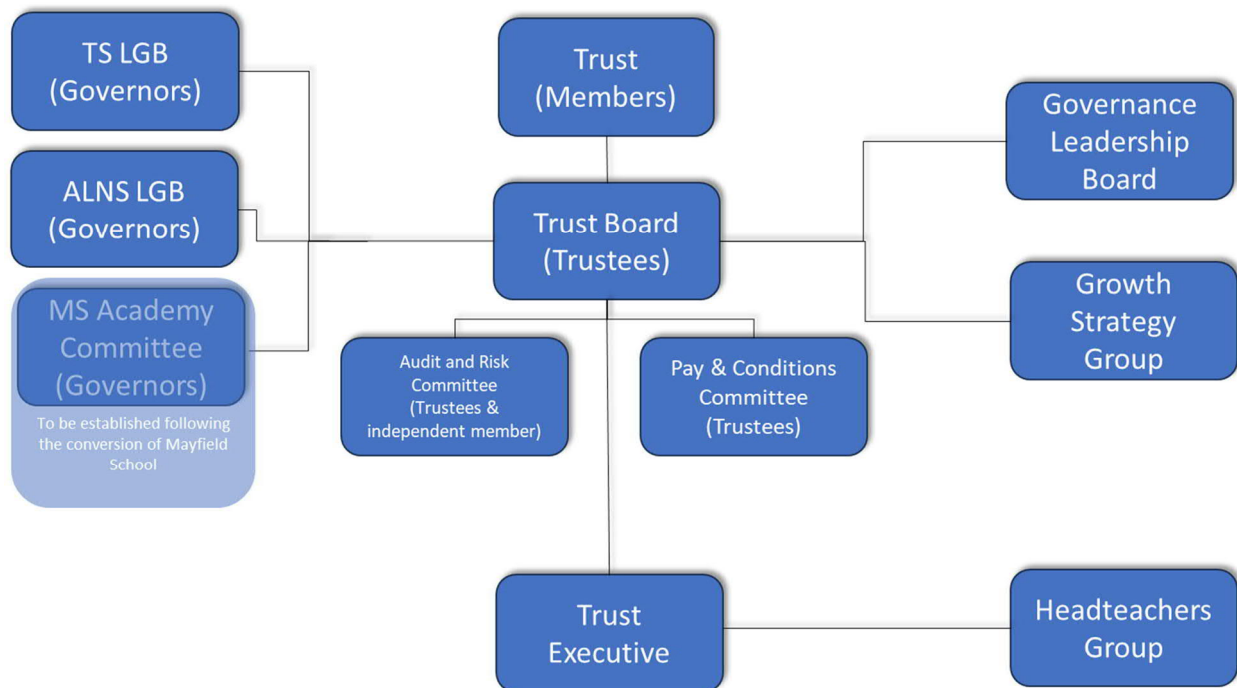
As part of their induction, Trustees understand that there will be a requirement for ongoing training and development in the role. A training programme, utilising core components of the NGA e-learning library, has been adopted.

The Trust fosters links with other governor associations, being members of the National Governors Association (NGA) and Confederation of School Trusts (CST) and having links to Hampshire and Portsmouth's governor information services to ensure Trustees are well informed and up to date.

# The Salterns Academy Trust

## Trustees' Report

### Organisational Structure



The Trustees are responsible for the governance and supervision of the Trust and its Committees (including the Local Governing Bodies). The Trustees have several duties and responsibilities relating to the governance of the Trust and its finances.

Trustees are responsible for:

- Establishing the vision, mission, and values for the Trust.
- Ensuring the Trust is a going concern in accordance with the objects of the Trust as set out in the Articles of Association and for safeguarding the assets of the Trust.
- Designing strategy and structure for the operation of the Trust.
- Delegating the running of the Trust's schools and the direction of the education, pastoral care, financial and other policies of each school to its Headteacher.
- Ensuring sound management and administration of the Trust by the Chief Executive Officer, and ensuring that they are equipped with the relevant skills and guidance.
- Ensuring the financial controls and the financial management of the Trust are in accordance with the provisions of the Academy Trust Handbook.
- Setting standards of conduct and values, monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon.
- Risk management to identify, quantify, and devise systems to minimise the major risks affecting the Trust.
- Ensuring the Trust and the Trust's schools are conducted in compliance with the general law and the Public Sector Equality Duty.

# The Salterns Academy Trust

## Trustees' Report

### Organisational Structure (continued)

The Trust has Terms of Reference outlining the delegated responsibilities of the Audit and Risk Committee and the Pay and Conditions Committee. Formal terms of reference are also in place for the Governance Leadership Board and the Growth Strategy Group. These terms of reference set out the specific remits of these groups and confirm their advisory, rather than decision making, status.

The Audit and Risk Committee's role is to:

- Direct the Trust's programme of internal scrutiny.
- Ensure that risks are being addressed appropriately through internal scrutiny.
- Advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its risk management and governance processes.
- Satisfy itself that satisfactory arrangements are in place to promote economy, efficiency, and effectiveness (value for money).

The Pay and Conditions Committee's role is to:

- Ensure a consistent approach to appraisal and benchmarking of proposed pay awards has taken place.
- Observe all statutory and contractual obligations for both teachers and support staff.
- Agree the staffing structures within each of the Trust schools.
- Make recommendations to the Trust Board, where appropriate.

Full details of the Terms of Reference for these Committees can be found in the Trust Standing Orders.

The Trust's Scheme of Delegated Authority outlines the delegation of responsibilities to the Trust Executive Leadership, the school's Executive Headteacher/Headteacher and the school's Local Governing Body (LGB). The level of delegation is influenced by the maturity of each school LGB and whether the school is rated as good or better by an external agency. Both schools currently hold an OFSTED rating as good providers. The Scheme of Delegated Authority is reviewed annually.

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

The Trust Board has established a Pay and Conditions Committee which makes decisions on all aspects of pay for staff, including the pay ranges, pay scales and the proposals for any performance related pay because of successful appraisals.

This process includes the setting of pay for:

- Trust CEO
- Trust Education Director/Executive Headteacher at Trafalgar school
- Headteacher at Admiral Lord Nelson School



# The Salterns Academy Trust

## Trustees' Report

Arrangements for setting pay and remuneration of key management personnel (continued)

The membership of the Pay and Conditions Committee is outlined in the Trust's Standing Orders. Challenge is brought to the appraisal process for the CEO, Education Director and Headteachers by using external education consultants, who provide independent opinion as part of the evidence relating to annual appraisal and salary review.

Trade union facility time

*Relevant union officials*

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
7	6.5

*Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	-
1%-50%	7
51%-99%	-
100%	-

*Percentage of pay bill spent on facility time*

Total cost of facility time	£11,578
Total pay bill	£13.6m
Percentage of the total pay bill spent on facility time	0.1%

*Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related Parties and other Connected Charities and Organisations

The Trust was the educational provider on the establishment of the University Technical College (UTC) Portsmouth when it was established and as part of our ongoing relationship the Chief Executive Officer sits on the UTC Portsmouth Board of Trustees.

The Trust has benefitted from a service level agreement with another larger multi-academy trust, GLF Schools, to support a partnership agreement for the provision of school improvement support for the Trust. The Trust has also provided school improvement support to GLF Schools, when required.

Three years ago, the Trust formed a partnership, underpinned by service level agreements, with HISP Multi Academy Trust. The Trust is commissioned to lead the Portsmouth delivery of the Early Careers Framework for new entrants to the profession locally and to co-deliver the National Professional Qualifications and other Professional Development opportunities for teachers in Portsmouth. The Trust provides commissioned school improvement support to HISP Multi Academy Trust schools on an ad-hoc basis, as required.

# The Salterns Academy Trust

## Trustees' Report

### Related Parties and other Connected Charities and Organisations (continued)

The Trust has also formed a partnership with Portsmouth City Council involving a service level agreement for the provision of services to offer leadership support to the work of the Portsmouth Education Partnership as it seeks to implement a strategy based upon developing Restorative and Relational Practice with the aim of improving attendance and engagement in education.

During 2023-24, the trust developed a formal relationship with Mayfield School, Portsmouth to provide intensive support whilst the school prepared for academy conversion to formally join the Trust.

The Trust is not involved in any formal wider networks that impact operating policies; neither does it have any other connections to charities who are in anyway involved in the working of the Trust or its schools.

### Engagement with employees (including disabled persons)

The Trust recognises that equality of opportunity in recruitment and selection must be an integral part of good practice, and therefore, has an employment policy of equal opportunity in line with the Public Sector Equalities Duty and relevant equalities legislation, and operates appropriate HR practices.

The Trust supports applications for employment from persons with disabilities and makes necessary arrangements for facilities and additional support where possible in relation to recruitment and retention.

Where existing employees become disabled, it is the Trust's policy to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to employees with a disability as appropriate.

Staff receive a weekly newsletter relating to matters which affect them and are required to attend mandatory training sessions throughout the year for more detailed explanation of changes. Where staffing proposals are being considered, staff consultation takes place with the affected staff, including the opportunity for individual discussions on request. There are regular staff surveys to assess staff views and the Trust's headteachers ensure staff wellbeing is a key focus within their school. Finally, staff can of course discuss any concerns or queries with their line manager during regular supervision meetings.

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

The Trust is committed to effective engagement of all stakeholders, including students, parents, staff, the local community, and suppliers. The Trust is committed to ensuring that all students can fulfil their potential, in line with our vision and objectives. The impact on students, parents and the local community is at the heart of all decisions made by the Trust. In all engagements with stakeholders, we seek to adhere to the values of the Trust.

# The Salterns Academy Trust

## Trustees' Report

### Objectives and Activities

#### Objects and Aims

Our vision at The Salterns Academy Trust is that:

*"We will provide an excellent and inclusive educational experience that prepares our students for the world of tomorrow"*

We aim to deliver this vision for every young person in our Trust schools, alongside working to promote this vision for all young people in Portsmouth through our collaborative work in our city.

Underpinning our vision, we have identified the following core values which shape our work as a Trust:

- Inclusive and student-centred
- High ambition for all
- Curriculum excellence
- Promoting wellbeing
- Community and collaboration
- Continuous improvement
- Professional development

We know that great teaching transforms lives. Young people get one chance at their education: we must make sure that they get the very best one with us. Every lesson, everyday counts!

### Objectives, Strategies and Activities

Our key objectives for 2023/24 are included in the Strategic Report below. Through the existing governance arrangements across the Trust, progress against these priorities is discussed and evaluated.

### Public Benefit

In setting our objectives and planning our activities the Trustees have had regard to the Charity Commission's guidance on public benefit.

We believe that by providing two high achieving schools in our area of Portsmouth we will provide opportunity for the children of residents to receive an excellent education. This in turn will open doors for them to reach their potential, thereby benefiting themselves and the wider Portsmouth community. By deliberately growing the capacity at both schools, we can reach a greater number of young people in the Portsmouth area.

A review of the Trust's partnership working, collaborative approaches, school improvement activities, outreach work and capital investment this year confirmed that the Trust has furthered its charitable purposes for the public benefit.

# The Salterns Academy Trust

## Trustees' Report

### Strategic Report

#### Achievements and Performance

In the timeframe of this report, the Trust's primary considerations were to continue the improvements and growth taking place within each of its two secondary schools and prepare for the next stage of its development through the onboarding of a third school, Mayfield School, into the Trust.

Our Trust Strategic objectives for 2023/24 were to:

- 1) Re-define our Growth Strategy for the next phase of our development, creating sufficient capacity to transition into a Trust of three large schools in 2023/24 and to be ready to welcome more Portsmouth schools into Salterns Trust over the next three years so that more local families and children access our vision of excellent and inclusive education that prepares our students for the world of tomorrow.
- 2) Successfully onboard Mayfield School into Salterns Trust, implementing a sustainable approach to school improvement that rapidly creates a safe, harmonious learning environment in which students experience an aspirational curriculum that empowers them to be successful both academically and socially.
- 3) Continue to focus on building strong effective partnerships and collaborative working with a range of partners that support our ability to deliver high quality school improvement and leadership development as we raise the profile of our schools locally and nationally as centres of excellence for inclusive education.

Examples include:

- Leading on Relational and Restorative Practice in Portsmouth, in partnership with Portsmouth City Council
  - Leading the local Early Careers Framework and National Professional Qualification leadership programmes and Initial Teacher Education, in partnership with HISP MAT (our local Teaching School Hub)
  - Leading the DfE Solent Languages Hub, in partnership with National Consortium for Languages Education (NCLE)
- 4) Continue to improve the academic progress of all students through ensuring high rates of attendance by developing excellent provision for children with SEND or those who are experiencing other barriers to learning (such as financial hardship), so that they feel increasingly successful and we narrow any gaps in comparison with their peers.
  - 5) Strengthen our governance processes as the Trust grows, ensuring best practice in recruitment, development, and succession planning and in the effective interaction between the tiers of governance.

# The Salterns Academy Trust

## Trustees' Report

### Achievements and Performance (continued)

- 6) Continue a programme of capital investment in our school estates, supported by bidding for additional funding, so that our schools have high quality facilities for the delivery of excellent, inclusive education.

The Trust was successful in securing a £200k grant from the DfE Trust Capacity Fund to create additional central capacity in IT, Finance and HR, including appointing new People Director and IT Operations Manager roles. Site contamination issues delayed Mayfield School's academy conversion which adversely impacted the trust's ability to develop new structures to support a larger trust in 2023-24, most of which is now planned for 2024-25.

An ambitious Trust Improvement Plan has been devised for the next 3 years, providing a coherent approach to trust growth and development of our existing trust schools, our central support and readying ourselves to welcome other schools into Salterns Trust in future years.

The Trust worked intensively with Mayfield School throughout 2023-24, formalising arrangements through a service level agreement with Portsmouth City Council from January 2024. In addition to extensive school improvement support through both senior leadership secondments of an Executive Headteacher and a Deputy Headteacher and our partnership agreements with other trusts, leadership of Finance and Human Resources was also provided by the Trust. This intensive support from July 2023 allowed Mayfield School to demonstrate that it had made considerable improvements in safeguarding, behaviour and culture in its Ofsted Monitoring Visit in November 2023.

The trust adopted its 'high challenge and high support' approach in its school improvement work with Mayfield School and unsurprisingly, these raised expectations that all children receive a high-quality educational experience had an impact on staff turnover. The recruitment of stronger practitioners has now put the school in a better position going into 2024-25.

Intensive work on rewriting the curriculum, including the structure of the school day, moving to 100-minute lessons and investment in capital works to ensure departments are better equipped to deliver high quality learning experiences means a more aspirational curriculum is now in place across both primary and secondary phases. Work on assessment ensured that data was rigorous and reliable, evidenced by accurate year 11 predictions. KS2 test results improved significantly from 2023, and improvements were seen across all metrics in the GCSE outcomes. The foundations are now in place to support further rapid improvements at Mayfield School in the year ahead.

Throughout 2023-24, leaders across the Trust have continued to facilitate NPOs for middle leaders, senior leaders and Headteachers, and have also delivered subject ITT training as the Portsmouth delivery partner for HISP, our local Teaching School Hub.

# The Salterns Academy Trust

## Trustees' Report

### Achievements and Performance (continued)

The Trust continues to work with Portsmouth City Council to lead the next phase of the implementation of Relational and Restorative Practice for education settings across the city with our Education Director continuing to lead professional development opportunities for Headteachers across the city.

Our partnership with GLF schools continues to have positive impact on our schools, most notably in 2023-24 in supporting rapid improvements in the primary phase at Mayfield School, specifically in EYFS and the reading curriculum.

We established the Solent Language Hub (funded by DfE and working for NCLE) this academic year, with our strong collaborative working resulting in being unique in engaging all secondary schools across Portsmouth, over half of our primary schools, all local FE providers, our local university (both Education and Languages departments) and our PCC Ethnic Minority Advisory Service.

The Hub has delivered professional development opportunities for Languages leaders in primary and secondary phases, bespoke school improvement support for secondary partner schools and organised curriculum experiences beyond the classroom for learners across the city; recruitment of an established primary languages specialist has led to collaboration with ALL (Association of Language Learners) and Portsmouth City of Languages initiative. Our CEO provides strategic leadership of Solent Language Hub and has been invited to share our collaborative approach at national languages education conferences.

The Trust continues to be approached for school improvement support from other trusts and next year we have agreed to provide support to a small Hampshire-based trust and a Portsmouth trust, sharing our expertise in inclusion, relational practice, and leadership development.

The Trust is proud of the highly inclusive nature of its schools and school headteachers actively choose to avoid permanent exclusions for our children. Both schools continue to develop their considerable expertise in providing high quality bespoke additional curriculum provision to support learners who currently struggle to be successful with our aspirational mainstream curriculum offer. As a result, student migration is low and attendance is steadily recovering from the local impact of the covid pandemic and is now broadly in line with national averages.

Higher than usual levels of vulnerability in our year 11 cohorts in 2023-24 presented challenges yet nonetheless both of our schools saw real successes in narrowing progress gaps in relation to their peers. Trafalgar School achieved its best progress measures in 2024 with a provisional P8 score of -0.20, a three-year trend of improvement. The disadvantaged gap halved (bucking the national trend of further widening of this gap) and the progress of students with SEND remained broadly in line with 2023 outcomes for students with an EHCP but improved for the SEND K group.

# The Salterns Academy Trust

## Trustees' Report

### Achievements and Performance (continued)

Outcomes at Admiral Lord Nelson School were in line with predictions with a provisional P8 of -0.29. The SEND gap narrowed significantly, a key focus area of improvement last year, with progress for the SEND K group continued its improving progress trend and now close to the whole cohort figure and better than national comparators. However, the disadvantaged gap widened slightly, and this continues to be a focus group for all our schools.

The Trust continues to engage all tiers of its governance in driving forward its governance improvement as it drives towards best practice and a sense of a "one organisation" approach to governance which focuses on the schools, outcomes, and the delivery of inclusive education. The Trust implemented an ambitious governance improvement plan for 2023-24, arising from the findings of an external review of governance in summer 2023. A newly formed Governance Leadership Board, supported by an external governance consultant, oversees this plan and promotes strong, effective communication between local governance and the Trust Board. The Trust has developed the role of Link trustees this year in Safeguarding, Finance, HR, and Quality of Education.

The Board was strengthened by the appointments of a Trustee with extensive financial leadership experience in September 2023 and then in January 2024 a Trustee with extensive education leadership experience. The Trust has improved its approach to trustee induction and training, with now succession planning an area of focus for Board leaders.

Significant improvements have been made to the Trust's cyber security arrangements during 2023-24 with cyber essentials accreditation attained. A layered cyber security approach which addresses the wide range of risks that schools are exposed to has been maintained and enhanced. Training and communication tools have been deployed ensuring that cyber security messages are visible across the schools, reinforced by short and targeted learning resources and simulated attacks to ensure learning has been embedded; this has created a position where prioritising cyber security is now accepted as organisational culture.

In addition, new software solutions have been implemented including enhanced anti-virus protection, more rigorous backups of key data and tools to constantly monitor network traffic and automatically act to prevent the spread of malicious software or viruses. The Trust digital strategy, adopted during the year includes workstreams to actively transition to the cloud as part of longer-term development will provide increased opportunities to ensure data is better protected. The Trust has responded to the changes to Keeping Children Safe in Education 2023 guidance with an enhanced focus on filtering and monitoring, with any network vulnerabilities identified being promptly addressed. Cyber response plans have been improved for each school and specific cyber insurance, in addition to that provided through the RPA, has been maintained.

# The Salterns Academy Trust

## Trustees' Report

### Achievements and Performance (continued)

The Trust continues to undertake capital investment in its schools with significant improvements and enhancements being made at both sites. This work has been supported by a refreshed estate strategy which identified priority areas and established a trust focus on ensuring sustainability development across the estate.

Through the Trust's planned programme of capital works for 2023-24, the following has been delivered at Trafalgar School: new hall roof, upgrades to facilities in the school hall, further roof and window repairs. At Admiral Lord Nelson School, the capital programme of works has included: improved classroom environment in six classrooms, new doors to improve student access and egress, and introduction of new intervention teaching spaces.

In addition, the DFE- funded Connect the Classrooms upgrades at Admiral Lord Nelson School have been completed, resulting in improved accessibility and performance for the Trust's IT network. Elements of this work have also been completed at Trafalgar School, with the final stage of the implementation programmed for 2024-25.

A strategy for the implementation of Solar PV panels to reduce carbon usage and energy costs has been devised and this will be work undertaken through a roof lease and power purchase agreement with PCC, meaning the system can be installed with limited risk and no capital outlay from the Trust. It is anticipated that these works will be completed in 2024/25. A Trust Estates, Health and Safety leadership group has been established (comprising Trust, school, and governance leaders) to provide oversight and steer to ongoing estates and health and safety matters in our schools.

### Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### Promoting the success of the company

The Trust undertakes business in a way that best promotes its success in achieving its charitable purposes and in doing so, has regard to matters including:

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

These are embedded in decision-making from the Board of Trustees throughout the Trust.



# The Salterns Academy Trust

## Trustees' Report

Promoting the success of the company (continued)

The Trust has focussed on ensuring it delivers the following so it can be a successful Trust:

- Strong Trust Executive Leadership with local credibility for collegiately and collaboratively working to support the delivery of excellent education in all Portsmouth schools that improves the life chances of all children and families in Portsmouth.
- Evidence of the capacity to effect rapid school improvement through the delivery of inclusive education through a broad and balanced curriculum offer.
- Promoting the personal development of all students and empowering them to become successful learners, confident individuals, and responsible citizens.
- Capacity to provide HR, capital and infrastructure development, ICT support and organisation support under the guidance of the Executive Team.
- Strength in Initial Teacher Education and the ability to provide a pipeline to support teacher recruitment.
- Commitment to valuing the uniqueness of each school.
- Driving school improvement priorities across all schools in our Trust through a collaborative approach.
- Trust School Improvement teams that work within an agreed set of principles to promote best practice and support continuous pedagogical development.
- Tailored school improvement offers from the Trust, drawing upon internal and external expertise to collaborate with school leaders to address identified priorities.
- Capacity to provide peer to peer curriculum development support across a range of subjects.
- Commitment to put people development at the heart of our school improvement strategy, especially leadership development, within a culture that actively promotes wellbeing for all.
- National and local recognition for excellence in the delivery of Arts education.
- Expertise and strength in SEND provision and Inclusion, recognised locally and nationally.
- Sound fiscal management with sufficient reserves.
- Experienced and highly credible leadership of the Trust Board.
- Commitment to the Personal Development Curriculum, to all our Schools becoming UNICEF Rights Respecting Schools, and to education of the whole child so they are well prepared for modern life.
- Commitment to working collaboratively and promoting Relational Practice in all aspects of our work both within our Trust and beyond.

# The Salterns Academy Trust

## Trustees' Report

### Financial Review

The Trust follows the requirements of the DfE's Academies Trust Handbook and Accounts Direction for its fiscal management practices. The Finance Policy is updated annually and presented to the Trust Board for approval in September each year.

General Annual Grant (GAG) from the ESFA constitutes most of the Trust income, together with other central Government payments such as the Pupil Premium Grant and, for capital, the Condition Improvement Fund (CIF) grants. There is subsidiary income from the Local Authority, catering services, lettings of buildings, parental contributions to school trips and events and work that various staff carry out for other organisations.

The Trust operated by top slicing 6.3% of the GAG funding from each academy and spending any surplus on schools within the Trust for investment to improve the life chances of its students. Other income is retained by the schools. As the Trust develops its core capabilities the top slice figure has been varied each year solely to cover the annual central costs.

The Trust Board oversees financial control and value for money. A separate Audit and Risk committee oversees internal control and management of risk. An internal Scrutiny exercise into the Trusts approach to Risk Management returned a finding of substantial assurance. Both schools' Local Governing Bodies have delegated authority to recommend and monitor the school budget, reporting to the Trust. Management accounts are sent to the Chair of the Trust monthly and are reported to each Trust Board meeting. All major financial decisions are referred to the Trust Board.

Expenditure is targeted against the key Trust objectives and the specific school improvement plans all of which are approved and actively monitored by the Trust. A substantial proportion of the money is committed to staffing costs, which includes both teachers and support staff.

Staffing structures are approved annually and any changes in positions or salaries, including the remuneration of all senior staff, require Trust approval, through its delegated Pay and Conditions Committee.

The Trust carries an ongoing liability for the Local Government pension scheme, which is reviewed every three years.

Other expenditure is also targeted, where possible, on improvement objectives and delegated authorities for expenditure are managed in accordance with the Financial Management Protocol. Formal procurement exercises are undertaken for larger items of expenditure, and multiple quotes are required for other items, as per the Finance Policy, to ensure value for money is achieved.

# The Salterns Academy Trust

## Trustees' Report

### Reserves Policy

The Salterns Academy Trust has considered the guidance within the Academy Trust Handbook (and associated DfE guidance), the Accounts Direction, and the Charity Commission guidance. Deciding the level of reserves that the Trust needs to hold is an important part of fiscal management and forward financial planning.

The Trust believes that it is prudent to retain some reserves to protect the Trust from financial risk, generated by, for example:

- Any uncertainty, turbulence or expected reduction in funding arrangements
- Unexpected falls in student numbers
- Cash flow issues due to delays in receipt of funding
- Emergencies
- Unexpected and unplanned events

These reserves would ensure that the Trust can continue to deliver educational provision and fulfil its key purpose. At the same time, the Trust wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

For 2023/24, the retention represents one and half month's expenditure. The Trust believes this is a prudent value to enable the Trust to manage known issues (such as the risks associated with growth and cyber-security), ongoing uncertainties (such as rising energy costs) and emergency events. This level of reserves will enable the Trust to utilise unallocated reserves for investment in major projects which improve the education provision for our students and staff, including capital works at both in its schools. Local Governing Bodies can request expenditure from the Trust remaining reserves for clearly identified and costed purposes, including capital investment in the school site.

The Trust Board will review the Reserves Policy annually and consider the effectiveness of the policy in the light of the changing funding and financial climate and other risks. The Trust Board can also review the reserves level at any time during the academic year if risks change or in response to a recommendation from the Audit and Risk Committee.

The reserves as at 31 August 2024 were as follows:

- Unrestricted (free) reserves of £937,944 (2023: £782,591)
- A restricted fixed asset fund of £25,026,242 (2023: £25,379,460), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £nil (2023: £139,000)
- Other restricted funds of £581,637 (2023: £519,290)
- Total funds of £26,545,823 (2023: £26,542,341)

# The Salterns Academy Trust

## Trustees' Report

### Investment Policy

The Trust's investment objectives are:

- To achieve the best financial return available whilst ensuring that security of deposits takes preference over revenue maximisation.
- To only invest funds surplus to operational need based on all financial commitments being met without the academy bank account becoming overdrawn.
- To exercise care and skill and by complying with this policy, invest only in the best interests of meeting the students' needs.

### Principal Risks and Uncertainties

The Trust considers the major risks to be:

- Impact of Trust growth on financial stability, educational improvement, and good governance across the Trust, specifically the potential for negative impact on the Trust from the acquisition of Mayfield School
- Exposure to cyber risks through failure to maintain the highest standards with regards to IT.
- Failure to monitor the effect of risks over which the school has no or little control such as economic and natural disaster, pandemic, and industrial action.
- Failure to ensure that the management information produced is timely and of a high quality,
- Failure to ensure that the Trust maintains overall financial control in relation to its management of the budget and the prevention of fraud
- Failure of the Trust to recruit senior leaders, Trust Directors or local school Governors who have the correct profile, skills, and experience, potentially bringing a reputational risk and loss of confidence in the Trust.

The Trust is completing the process of bringing a new school into the Trust and has identified this as a significant risk due to the programme of change this requires. The risk is mitigated through the due diligence process, expert support that has been commissioned and role of the Trust board in oversight and decision making. The Trust has also agreed a change of remit for its Audit and Risk Committee to create extra capacity within its governance framework to provide additional focus on mitigation of these risks as a priority for the Trust.

The Trust maintains comprehensive insurance cover through the Risk Protection Arrangement and has business continuity plans in place to help mitigate the impact of any unforeseen events. The Trust has undertaken significant steps to improve its cybersecurity, including undertaking all checks recommended by the National Cyber Security Council (NCSC) and achievement of cyber essentials accreditation in 2023.

With regard to economic risks, the Trust is protected from increasing energy bills due to medium term contracts already in place and a commitment to source more sustainable energy through the installation of solar photovoltaic panels at both of its schools. The impact of inflationary risks and the knock-on impact on goods and services is kept under review, and where necessary, adjustments in financial plans are made. The Trust has 3-year budget forecasts and plans with accuracy so that it has advance knowledge of potential shortfalls or surpluses and can adjust plans accordingly. The Trust is in regular contact with the ESFA about all financial matters.

# The Salterns Academy Trust

## Trustees' Report

### Principal Risks and Uncertainties (continued)

The Trust Estate Strategy is reviewed annually to ensure resources are appropriately prioritised for areas of most need and that key operational risks arising from the estate are addressed. DfE guidance (including Good Estate Management) is used to inform this work as are DfE condition surveys. The Trust submits bids as part of the Condition Improvement Fund process and engages a third-party consultant to advise on these bids and the prioritisation of works. An Estates, Health and Safety Leadership board meets termly to review strategic issues relating to the estate and share best practice across the Trust schools. Site teams are employed at each school to deal with day-to-day maintenance urgent actions to mitigate risks arising from the estate and compliance with relevant regulations.

All risks are closely monitored by the Audit and Risk Committee and recorded in the Risk Register.

### Fundraising

As part of its work within the community the Trust undertakes fundraising activities, for example through non-uniform days and bake sales.

The Trust raises funds to support its own operations and to make donations to local, national, and international charities.

The Trust undertakes all such activities itself, with the help of its students and their families and confirms that, when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the Trust during the year.

# The Salterns Academy Trust

## Trustees' Report

### 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)	2,135,689	2,328,218
Energy consumption break down (kWh)		
• gas	1,474,479	1,535,641
• electricity	661,210	792,577
• transport fuel*	0	0
<i>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</i>		
Gas consumption	271.11	282.36
Owned transport – mini-buses	0.76	0.35
Total scope 1	271.87	282.71
<i>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</i>		
Purchased electricity	154.15	184.78
<i>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</i>		
Business travel in employee-owned vehicles	1.14	-
Total gross emissions in metric tonnes CO <sub>2</sub> e	427.16	467.49
<i>Intensity ratio</i>		
Tonnes CO <sub>2</sub> e per pupil	0.19	0.22

\* includes energy consumption from transport where the academy trust is responsible for purchasing the fuel.

#### *Quantification and Reporting Methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

#### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### *Measures taken to improve energy efficiency*

Energy efficiency measures continue to be implemented as part of ongoing maintenance. The new hall roof at Trafalgar School has had significant improvements to its insulation. Roof and window repairs will remove opportunities of heat loss etc. A new building management system has been implemented at Admiral Lord Nelson School enabling more effective operation of the school heating system.

# The Salterns Academy Trust

## Trustees' Report

### Plans for Future Periods

The Trust improvement plan 2024-27 sets out the planned improvement journey within each of the areas of school improvement and high-quality education, people development, finance, operations, governance and leadership.

These targets and developing action plans which are built around the themes of the DfE Trust Quality Descriptors and approved by the Trust Board, describe a sustained journey of continual improvement across all areas of the trusts work in support of the overarching Trust vision.

There is expansion work planned at Trafalgar School including provision of a new build on the site which will enable an increase in the total number of students on roll at the school.

The acquisition of Mayfield school will require significant work, including bringing school practices in line with Trust ways of working and a rapid programme of improvements to IT provision to ensure the school can deliver excellent, inclusive education to its students.

The Trust is developing its capacity and readying itself for the opportunity of further growth in future that would allow it to have an even greater impact on children's life chances, within or beyond Portsmouth.

The Trust will continue to be a fully engaged participant in the wider educational improvement work both within Portsmouth and beyond.

### Funds Held as Custodian Trustee on Behalf of Others

The Trust holds no funds as a custodian trustee on behalf of others.

### Auditor

Insofar 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 Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2024 and signed on the board's behalf by:



A Cree  
Chair of Trustees

# The Salterns Academy Trust

## Governance Statement

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Salterns 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 trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Salterns Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

### *Trust Board*

The Board of Trustees has formally met seven times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

	Meetings attended	Out of a possible
A Cree (Chair)	6	7
P Hayes (Vice Chair)	7	7
A Barrett	7	7
A Majekodumni	7	7
S Taviner	2	7
N Hardingham	7	7
T Henley	6	7
E Johnson	5	6
R Barlow	1	4

Two new Trustees joined the board during 2023-24. These new trustees brought expertise in relation to finance and quality of education.

The Board has appointed link trustees in the following areas: finance, quality of education, safeguarding, and Estates and H&S. The substantive role of the of trustees is to ensure the effective operation of delegated authority and feed back to the board any issues/concerns for wider Board consideration. The operation of link trustees does not diminish the Board's overall responsibility for the operation of the Trust.



# The Salterns Academy Trust

## Governance Statement

### Governance (continued)

The work of the Trust Board is summarised as:

- Establishing the vision and values for the Trust.
- Ensuring the Trust is a going concern in accordance with the objects of the Trust as set out in the Articles of Association and safeguarding the assets of the Trust.
- Designing strategy and structure for the operation of the Trust.
- Delegating the running of the Academies and the direction of the education, pastoral care, financial and other policies of the Academies to the CEO.
- Ensuring sound management and administration of the Trust by the CEO and ensuring that the Chief Executive Officer is equipped with the relevant skills and guidance.
- Ensuring the financial controls and the fiscal management of the Trust are in accordance with the provisions of the Academy Trust Handbook, which sets out in detail provisions for the fiscal management of the Trust.
- Setting standards of conduct and values, monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon.
- Risk management, which is identifying, quantifying, and devising systems to minimise the major risks affecting the Trust.
- Ensuring the Trust and its academies are conducted in compliance with the general law.

Specific matters considered in 2023-24 included:

- Onboarding a new school into the Trust.
- School Improvement – including Trust School Improvement Framework, headline outcomes and predictions.
- Trust-wide Policies.
- Strategies – including Trust Digital Strategy and Trust Estates Strategy.
- Benchmarking data from a variety of sources, including SRMSAT.
- Finance – Annual Accounts, monthly management accounts, capital plans, 3-year forecasts, and end of year outturn.
- Monitoring improvements from the external review of Governance.
- Large procurement exercises.
- Risk management – receiving the updates and the annual report from Audit and Risk Committee, Internal Scrutiny Report.

### *Conflicts of interest*

The Salterns Academy Trust maintains an up-to-date and complete register of interests, which is used to identify potential conflicts. At every meeting of the Trust Board or any of its committees, including the Local Governing Body meetings, clarification is sought of any potential conflicts of interest linked to the items under discussion. Where any potential conflict is identified, the relevant person would be excused from any decision-making on that matter.

# The Salterns Academy Trust

## Governance Statement

### Governance (continued)

#### *Governance reviews*

The Trust commissioned the National Governance Association to undertake an external review of governance in summer 2023 and has actively work to deliver the recommendations of this report through the operation of the Governance Leadership Board during 2023/24. This work has now been included in the overarching Trust Improvement Plan. A follow up exercise is planned for the summer term of 2025, which will provide independent assurance as to the progress being made to improve the governance arrangements of the Trust and ensure changes made thus far have adequately embedded. This work will be delivered by the same NGA consultant who undertook the initial governance review. Ongoing governance improvement work has included representatives for all tiers of Trust Governance.

#### *Audit and Risk Committee*

The Audit and Risk committee is a sub-committee of the main Board of Trustees. The Committee's role is to:

- Direct the Trust's programme of internal scrutiny.
- Ensure that risks are being addressed appropriately through internal scrutiny.
- Advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its risk management and governance processes.
- Satisfy itself that suitable arrangements are in place to promote economy, efficiency, and effectiveness (value for money).

#### Duties:

- To ensure the Trust has formal and transparent arrangements for conducting corporate reporting and applying internal control principles and to satisfy itself that the system of internal control has operated effectively throughout the year.
- To review and recommend to the Trust Board the annual governance statement and any accompanying statements in the annual report concerning internal control and risk management.
- To ensure that there has been a robust process in preparing the financial statements and annual report, reviewing the findings of the audit with the external auditors.
- To maintain an appropriate relationship with the external auditors and review their effectiveness.
- To consider the Trust's strategic risk register at each meeting and ensure the appropriate identification of risk within the Trust, then monitor the response of the Trust Board in prioritising the level of risk and in adopting appropriate strategies for the management of identified risk.
- To review the adequacy of governance arrangements within the Trust.
- To review the adequacy and security of the Trust's arrangements for its employees or contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- To receive regular reports from the Data Protection Officer of any breaches of data protection.
- To review and assess the Trust's Business Continuity Plan.

# The Salterns Academy Trust

## Governance Statement

Governance (continued)

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
P Hayes (Chair)	3	3
A Majekodumni	3	3
T Henley	1	3
E Johnson	2	3
A Parry (resigned 27 March 2024)	1	1

The independent member (non-trustee) resigned during 2023-24. The Trust is currently seeking a replacement for this role.

The Chief Executive Officer and the Chief Operating Officer attend the Audit and Risk Committee meetings to provide information and discuss relevant matters.

Specific matters considered during the year included:

- 2022-23 Audit Findings report
- 2023-24 Internal Scrutiny Report
- Data Protection reports, covering data breaches, training, and communication campaigns
- Risk Register, including the impact of economic changes and international events
- Indemnities
- Academy Trust Handbook 2023 – information on changes for this academic year and action plan to ensure continuing compliance

### *Pay and Conditions Committee*

The Pay and Conditions committee is a sub-Committee of the main Board of Trustees.

The Committee's role is to:

- Ensure a consistent approach to appraisal and benchmarking of proposed pay awards has taken place.
- To observe all statutory and contractual obligations for both teachers and support staff.
- Make recommendations to the Trust Board, where appropriate.

# The Salterns Academy Trust

## Governance Statement

Governance (continued)

Duties:

- To determine Pay Policy for all staff employed by the Trust, reviewing the Policy annually.
- To review the application of the Pay Policy and monitor its impact from an equalities perspective reporting the actions to the HR Manager to facilitate any changes.
- For Teaching staff: Carry out the annual salary review process for teaching based on outcomes from the Appraisal process. The review will be carried out in the context of the Trust's management structure and its Appraisal and Pay Policies.
- For the Executive Team: Following the relevant performance management review, to agree the salary of the CEO, Director of Education and other members of the Trust Executive Team
- For the Leadership Groups: To review annually the salary of the Leadership Group in accordance with each school's management structure and Appraisal and Pay Policies.
- To ensure the fair application of the Pay Policy, considering all Equalities legislation.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
A Cree (Chair)	3	3
N Hardingham	3	3
S Taviner	3	3
A Barrett	2	3
R Barlow	0	2

Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. Examples of how the Academy Trust has delivered improved value for money during the year are:

- Use of government frameworks to deliver efficiencies in the purchase of key software.
- Obtaining multiple quotes for key purchases in line with the Finance Policy.
- Undertaking due diligence on key purchases.

# The Salterns Academy Trust

## Governance Statement

### 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 Salterns Academy Trust for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

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 Trust Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Identification and management of risks.

The Board of Trustees, through delegation to Audit and Risk Committee, has appointed an external scrutineer to deliver its annual programme of internal scrutiny. A programme of three reviews per year is agreed by the committee and informed by the Trust risk register and discussion with the external scrutineer.

During 2023/24 three internal scrutiny reviews have been undertaken and reported to the committee. These were:

- Risk Management
- Fraud Prevention and detection
- Business continuity planning

# The Salterns Academy Trust

## Governance Statement

The Risk and Control Framework (continued)

The outcome of each report was presented to the Audit and Risk Committee and a management action plan put in place to address any issues raised. Progress against the management action plan is reviewed by the internal scrutineer.

Reviews are also commissioned by the schools in the Trust in relation to the operations of the school. Each review highlights strengths and good practice and includes suggestion and recommendations for consideration. All suggestions and recommendations are carefully considered, and feed into the continuing school and Trust improvement work.

The Audit and Risk Committee receive the annual Internal Scrutiny Report as part of their work.

### Review of Effectiveness

As Accounting Officer, the Chief Executive Officer 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 external scrutineer.
- The work of the external auditor.
- The school resource management self-assessment tool.
- The work of the executive team 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 and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

### Conclusion

Based on the advice of the Audit and Risk Committee and the Accounting Officer, the Board of Trustees is of the opinion that the Academy Trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the Board of Trustees on 11 December 2024 and signed on its behalf by:



A Cree  
Chair of Trustees



N Hardingham  
Accounting Officer

# The Salterns Academy Trust

## Statement of Regularity, Propriety and Compliance

As Accounting Officer of The Salterns Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & 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.

*Nys Hardingham*

N Hardingham  
Accounting Officer  
11 December 2024

# The Salterns Academy Trust

## Statement of Trustees' Responsibilities

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 & 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 in 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 on 11 December 2024 and signed on its behalf by:



A Cree  
Chair of Trustees



# The Salterns Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of The Salterns Academy Trust

### Opinion

We have audited the financial statements of The Salterns Academy Trust ('the charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 & Skills Funding Agency.

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

# The Salterns Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of The Salterns Academy Trust

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# The Salterns Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of The Salterns Academy Trust

### Responsibilities of the Trustees

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, 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, the Academy Trust Handbook 2023, and the Academies Accounts Direction 2023 to 2024.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

# The Salterns Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of The Salterns Academy Trust

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Independent Auditor's Report.

### Use of our report

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

*Michaela Johns*

M Johns FCCA (Senior statutory auditor)  
For and on behalf of Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... 17 Dec 2024 .....

# The Salterns Academy Trust

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

In accordance with the terms of our engagement letter dated 1 September 2022 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 Salterns Academy Trust during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Salterns Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Salterns Academy Trust's funding agreement with the Secretary of State for Education dated 23 March 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 period 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# The Salterns Academy Trust

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

### Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2023) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

# The Salterns Academy Trust

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

### Conclusion

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

*Michaela Johns*

M Johns FCCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... 17 Dec 2024 .....

# The Salterns Academy Trust

## Statement of Financial Activities for the year ended 31 August 2024 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2023/24 Total £	2022/23 Total £
Income and endowments from:							
Donations and capital grants	2	-	53	-	224,989	225,042	139,373
Other trading activities	4	152,650	-	-	-	152,650	134,298
Investments	5	2,703	-	-	-	2,703	294
Charitable activities:							
Funding for the academy trust's educational operations	3	-	17,862,634	-	-	17,862,634	15,346,402
Total		155,353	17,862,687	-	224,989	18,243,029	15,620,367
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	-	17,307,625	(5,000)	1,070,922	18,373,547	16,212,717
Net income / (expenditure)		155,353	555,062	5,000	(845,933)	(130,518)	(592,350)
Transfers between funds	16	-	(492,715)	-	492,715	-	-
Other recognised gains / (losses):							
Actuarial gains on defined benefit pension schemes	25	-	-	134,000	-	134,000	824,000
Net movement in funds		155,353	62,347	139,000	(353,218)	3,482	231,650
Reconciliation of funds							
Total funds brought forward		782,591	519,290	(139,000)	25,379,460	26,542,341	26,310,691
Total funds carried forward		937,944	581,637	-	25,026,242	26,545,823	26,542,341

The notes on pages 41 to 64 form part of these financial statements.



# The Salterns Academy Trust

## Balance Sheet as at 31 August 2024

Company Number 08921490

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	12		25,016,649		25,309,659
Current assets					
Debtors	13	726,681		384,067	
Cash at bank and in hand		<u>1,923,513</u>		<u>1,901,747</u>	
		2,650,194		2,285,814	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(1,110,855)</u>		<u>(881,854)</u>	
Net current assets			<u>1,539,339</u>		<u>1,403,960</u>
Total assets less current liabilities			26,555,988		26,713,619
Creditors:					
Amounts falling due after more than one year	15		<u>(10,165)</u>		<u>(32,278)</u>
Net assets excluding pension liability			26,545,823		26,681,341
Defined benefit pension scheme liability	25		-		(139,000)
Total net assets			<u>26,545,823</u>		<u>26,542,341</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	25,026,242		25,379,460	
Restricted income fund	16	581,637		519,290	
Pension reserve	16	<u>-</u>		<u>(139,000)</u>	
Total restricted funds			25,607,879		25,759,750
Unrestricted income funds	16		937,944		782,591
Total funds			<u>26,545,823</u>		<u>26,542,341</u>

The financial statements on pages 38 to 64 were approved by the Trustees and authorised for issue on 11 December 2024 and are signed on their behalf by:



A Cree  
Chair of Trustees

The notes on pages 41 to 64 form part of these financial statements.

# The Salterns Academy Trust

## Statement of Cash Flows for the year ended 31 August 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	572,575	278,699
Cash flows from financing activities	20	(32,027)	(32,027)
Cash flows from investing activities	21	(518,782)	(800,152)
Change in cash and cash equivalents in the reporting period		<u>21,766</u>	<u>(553,480)</u>
Cash and cash equivalents at 1 September 2023		1,901,747	2,455,227
Cash and cash equivalents at 31 August 2024	22	<u>1,923,513</u>	<u>1,901,747</u>

# The Salterns Academy Trust

## 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), judgements and key sources of estimation uncertainty, is set out below.

#### Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest £1.

#### Going Concern

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

#### 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.

- 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.

- Grants

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

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

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

# The Salterns Academy Trust

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

### Income (continued)

- Other Income

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

- Donated goods, facilities and services

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

### Expenditure

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

- 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.

All resources expended are inclusive of irrecoverable VAT.

# The Salterns Academy Trust

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

### Tangible Fixed Assets

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

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

Freehold Land and Buildings	2%-10% straight line on buildings; not provided on land
Leasehold Land and Buildings	2%-10% straight line on buildings; not provided on land
Furniture and Equipment	20% straight line
Computer Equipment	20% straight line

No depreciation has been provided on long leasehold land as it is similar to freehold land, which does not require depreciation.

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

### 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.

# The Salterns Academy Trust

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

### Provisions

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

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

### Leased Assets

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

### Financial Instruments

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

#### *Financial assets*

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

#### *Cash at bank*

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

#### *Financial liabilities*

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

### 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.

# The Salterns Academy Trust

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

### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

A defined benefit plan asset is recognised only to the extent that the Academy Trust expects to be able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

### 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.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

# The Salterns Academy Trust

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

### Critical accounting estimates and areas of judgement

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

### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions 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 assumptions used are disclosed in note 25.

### *Critical areas of judgement*

A defined benefit plan asset of £196,000 (2023: £nil) has not been recognised as the Academy Trust does not expect to be able to recover the surplus either through reduced contributions in the future or through refunds from the plan. There are no other critical areas of judgement.

## 2 Donations and capital grants

	Unrestricted funds	Restricted funds	2023/24 Total	2022/23 Total
	£	£	£	£
Capital grants	-	224,989	224,989	132,009
Other donations	-	53	53	7,364
	-	225,042	225,042	139,373
<i>Total 2023</i>	-	139,373	139,373	



# The Salterns Academy Trust

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

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2023/24 Total £	2022/23 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	13,841,428	13,841,428	12,244,390
Pupil Premium	-	750,610	750,610	641,153
Trust capacity funding	-	230,000	230,000	-
Rates reclaim	-	76,047	76,047	59,392
Mainstream schools additional grant	-	493,577	493,577	205,658
Teachers' pay grant	-	256,483	256,483	-
Teachers' pension grant	-	135,643	135,643	-
Other DfE grants	-	236,679	236,679	691,171
	-	16,020,467	16,020,467	13,841,764
Other government grants				
Local authority grants	-	630,386	630,386	571,763
Other government grants	-	139,418	139,418	1,295
	-	769,804	769,804	573,058
Other income from the Academy Trust's educational operations				
Trip income	-	274,339	274,339	315,519
Catering income	-	252,843	252,843	205,456
Other income	-	545,181	545,181	410,605
	-	1,072,363	1,072,363	931,580
	-	17,862,634	17,862,634	15,346,402
<i>Total 2023</i>	-	15,346,402	15,346,402	

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2023/24 Total £	2022/23 Total £
Hire of facilities	152,650	-	152,650	134,298
<i>Total 2023</i>	134,298	-	134,298	

# The Salterns Academy Trust

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

### 5 Investment income

	Unrestricted funds	Restricted funds	2023/24 Total	2022/23 Total
	£	£	£	£
Short term deposits	2,703	-	2,703	294
<i>Total 2023</i>	<i>294</i>	<i>-</i>	<i>294</i>	

### 6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2023/24	2022/23
	£	£	£	£	£
Academy's educational operations:					
Direct costs	11,851,997	-	1,098,656	12,950,653	11,212,494
Allocated support costs	1,751,008	1,320,839	2,351,047	5,422,894	5,000,223
	13,603,005	1,320,839	3,449,703	18,373,547	16,212,717
<i>Total 2023</i>	<i>11,671,099</i>	<i>1,113,468</i>	<i>3,428,150</i>	<i>16,212,717</i>	

Net income/(expenditure) for the period includes:

	2023/24	2022/23
	£	£
Operating lease rentals	112,842	67,621
Depreciation	948,892	828,898
(Gain)/loss on disposal of fixed assets	90,592	184,995
Fees payable to auditor for:		
Audit	12,590	12,265
Other services	7,090	8,210

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
Gifts made by the Academy Trust	694	-	-

# The Salterns Academy Trust

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

### 7 Charitable activities

	2023/24	2022/23
	Total	Total
	£	£
Direct costs – educational operations	12,950,653	11,212,494
Support costs – educational operations	5,422,894	5,000,223
	<u>18,373,547</u>	<u>16,212,717</u>

#### Analysis of support costs:

	Educational operations	2023/24	2022/23
		Total	Total
	£	£	£
Support staff costs	1,751,008	1,751,008	1,686,908
Depreciation	948,892	948,892	828,898
Technology costs	216,818	216,818	240,428
Premises costs	1,320,839	1,320,839	1,113,468
Legal costs - conversion	11,157	11,157	-
Legal costs - other	28,392	28,392	30,871
Other support costs	1,130,487	1,130,487	1,077,935
Governance costs	15,301	15,301	21,715
Total support costs	<u>5,422,894</u>	<u>5,422,894</u>	<u>5,000,223</u>
<i>Total 2023</i>	<i>5,000,223</i>	<i>5,000,223</i>	

Premises costs includes £12,043 (2023: £nil) in respect of expenditure on capital projects, which were funded by capital grants from the ESFA.

# The Salterns Academy Trust

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

### 8 Staff

#### a) Staff costs and employee benefits

Staff costs during the period were:

	2023/24	2022/23
	£	£
Wages and salaries	10,286,737	8,771,432
Social security costs	1,079,216	892,949
Pension costs	2,190,572	1,972,618
	<u>13,556,525</u>	<u>11,636,999</u>
Agency staff costs	46,480	34,100
	<u>13,603,005</u>	<u>11,671,099</u>

#### b) Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2023/24	2022/23
	No.	No.
Teachers	133	123
Administration and support	160	146
Management	14	14
	<u>307</u>	<u>283</u>

#### c) Higher paid staff

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

	2023/24	2022/23
	No.	No.
£60,001 - £70,000	10	4
£70,001 - £80,000	5	3
£80,001 - £90,000	2	-
£90,001 - £100,000	-	2
£100,001 - £110,000	2	1
£110,001 - £120,000	1	-

#### d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,618,550 (2023: £1,229,054).

# The Salterns Academy Trust

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

### 9 Related Party Transactions – Trustees’ remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. Remuneration is only paid in respect of services provided undertaking staff roles under contracts of employment.

The value of Trustees’ remuneration and other benefits was as follows:

		2023/24	2022/23
		£000	£000
N Hardingham	Remuneration	100-105	95-100
(Staff trustee)	Employer’s pension contributions paid	25-30	20-25

During the period ended 31 August 2024, travel expenses totalling £877 were reimbursed or paid directly to two Trustees (2023: £682 to two Trustees).

### 10 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 £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

### 11 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Human resources
- Finance
- Governance

The academy trust charges for these services on a flat percentage of income - 6.3% (2023: 2.1%). The actual amounts charged during the year were as follows:

		2023/24	2022/23
		£	£
Admiral Lord Nelson School		452,900	136,178
Trafalgar School		417,172	127,886
		<u>870,072</u>	<u>264,064</u>

# The Salterns Academy Trust

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

### 12 Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost					
At 1 September 2023	12,943,718	15,365,434	808,357	912,632	30,030,141
Acquisitions	172,923	98,019	107,614	367,918	746,474
Disposals	(99,910)	(10,801)	-	-	(110,711)
At 31 August 2024	<u>13,016,731</u>	<u>15,452,652</u>	<u>915,971</u>	<u>1,280,550</u>	<u>30,665,904</u>
Depreciation					
At 1 September 2023	1,487,916	2,367,746	343,481	521,339	4,720,482
Charged in year	284,151	339,076	139,909	185,756	948,892
Disposals	(18,085)	(2,034)	-	-	(20,119)
At 31 August 2024	<u>1,753,982</u>	<u>2,704,788</u>	<u>483,390</u>	<u>707,095</u>	<u>5,649,255</u>
Net book values					
At 31 August 2023	11,455,802	12,997,688	464,876	391,293	25,309,659
At 31 August 2024	<u>11,262,749</u>	<u>12,747,864</u>	<u>432,581</u>	<u>573,455</u>	<u>25,016,649</u>

#### Notes:

- Land and buildings disposals relate to the cost and accumulated depreciation of assets which were replaced during the year.
- Acquisitions include furniture and equipment (£26,710) and computer equipment (£85,227) which was held at Mayfield School at the end of the financial year. Mayfield School joined the Academy Trust on 1 October 2024. These items were funded by DfE sponsored academies funding.

### 13 Debtors

	2023/24 £	2022/23 £
Trade debtors	101,149	4,745
VAT recoverable	101,232	80,061
Other debtors	4,042	-
Prepayments and accrued income	<u>520,258</u>	<u>299,261</u>
	<u>726,681</u>	<u>384,067</u>

# The Salterns Academy Trust

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

### 14 Creditors: amounts falling due within one year

	2023/24	2022/23
	£	£
Trade creditors	572,795	454,547
Loans falling due within one year	25,920	32,027
Other creditors falling due within one year	57,733	28,833
Accruals and deferred income	454,407	366,447
	<u>1,110,855</u>	<u>881,854</u>

	2023/24	2022/23
	£	£
Deferred income at 1 September 2023	198,275	225,444
Released from previous years	(198,275)	(225,444)
Resources deferred in the year	306,152	198,275
Deferred income at 31 August 2024	<u>306,152</u>	<u>198,275</u>

At the balance sheet date the academy trust was holding funds received in advance for trip and grant income relating to the forthcoming financial year.

Loans falling due within one year comprises interest free Salix energy efficiency loans which are repayable in instalments between March 2018 and September 2024.

### 15 Creditors: amounts falling due in greater than one year

	2023/24	2022/23
	£	£
Loans falling due in greater than one year	6,358	32,278
Other creditors falling due in greater than one year	3,807	-
	<u>10,165</u>	<u>32,278</u>

Loans falling due in greater than one year comprises interest free Salix energy efficiency loans which are repayable in instalments between March 2018 and September 2024.

# The Salterns Academy Trust

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

### 16 Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2024 £
Restricted general funds						
General Annual Grant (GAG)	519,290	13,841,428	(13,398,303)	(380,778)	-	581,637
Pupil premium	-	750,610	(750,610)	-	-	-
Sponsored academies funding	-	230,000	(118,063)	(111,937)	-	-
Rates reclaim	-	76,047	(76,047)	-	-	-
MSAG	-	493,577	(493,577)	-	-	-
Teachers' pay grant	-	256,483	(256,483)	-	-	-
Teachers' pension grant	-	135,643	(135,643)	-	-	-
Other DfE grants	-	236,679	(236,679)	-	-	-
Local authority grants	-	630,386	(630,386)	-	-	-
Other government grants	-	139,418	(139,418)	-	-	-
Other educational activities	-	1,072,416	(1,072,416)	-	-	-
	519,290	17,862,687	(17,307,625)	(492,715)	-	581,637
Pension reserve	(139,000)	-	5,000	-	134,000	-
	380,290	17,862,687	(17,302,625)	(492,715)	134,000	581,637
Restricted fixed asset funds						
Fixed asset fund	25,309,659	-	(1,039,484)	746,474	-	25,016,649
ESFA capital grants (DFC)	-	43,973	(12,043)	(31,930)	-	-
Other capital grants	69,801	181,016	(19,395)	(221,829)	-	9,593
	25,379,460	224,989	(1,070,922)	492,715	-	25,026,242
Total restricted funds	25,759,750	18,087,676	(18,373,547)	-	134,000	25,607,879
Total unrestricted funds	782,591	155,353	-	-	-	937,944
Total funds	26,542,341	18,243,029	(18,373,547)	-	134,000	26,545,823



# The Salterns Academy Trust

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

### 16 Funds (continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024.

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

#### General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

#### Sponsored academies funding

This is funding received from the DfE to cover expenses associated with the conversion of Mayfield School to academy status. The grant was fully spent during the year, including expenditure of £111,937 on tangible fixed assets.

#### Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

#### Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

#### Other educational activities

This includes all other educational income/expenditure.

#### Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion. As at 31 August 2024 the Academy Trust's share of the net assets in the scheme is now in surplus, but, as no pension asset has been recognised, the balance on the reserve is £nil.

#### Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

#### DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on capital improvements.

#### Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

# The Salterns Academy Trust

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

### 16 Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2023/24	2022/23
	£	£
Admiral Lord Nelson School	904,417	925,363
Trafalgar School	507,194	447,534
Central services	107,970	(71,016)
Total before fixed assets and pension reserve	1,519,581	1,301,881
Restricted fixed asset fund	25,026,242	25,379,460
Pension reserve	-	(139,000)
Total	26,545,823	26,542,341

#### Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excl. dep- reciation) £	2023/24 Total £	2022/23 Total £
Admiral Lord Nelson School	6,343,829	1,044,871	485,358	1,444,951	9,319,009	8,177,586
Trafalgar School	5,508,168	706,137	613,298	1,278,043	8,105,646	7,206,233
	11,851,997	1,751,008	1,098,656	2,722,994	17,424,655	15,383,819

# The Salterns Academy Trust

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

### 16 Funds (continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2023 £
Restricted general funds						
General Annual Grant (GAG)	1,035,595	12,244,390	(11,890,448)	(870,247)	-	519,290
Pupil premium	-	641,153	(641,153)	-	-	-
Rates reclaim	-	59,392	(59,392)	-	-	-
MSAG	-	205,658	(205,658)	-	-	-
Other DfE grants	-	691,171	(691,171)	-	-	-
Local authority grants	-	571,763	(571,763)	-	-	-
Other government grants	-	1,295	(1,295)	-	-	-
Other educational activities	-	938,944	(938,944)	-	-	-
	1,035,595	15,353,766	(14,999,824)	(870,247)	-	519,290
Pension reserve	(764,000)	-	(199,000)	-	824,000	(139,000)
	271,595	15,353,766	(15,198,824)	(870,247)	824,000	380,290
Restricted fixed asset funds						
Fixed asset fund	25,391,097	-	(1,013,893)	932,455	-	25,309,659
ESFA capital grants (DFC)	-	42,029	-	(42,029)	-	-
Other capital grants	-	89,980	-	(20,179)	-	69,801
	25,391,097	132,009	(1,013,893)	870,247	-	25,379,460
Total restricted funds	25,662,692	15,485,775	(16,212,717)	-	824,000	25,759,750
Total unrestricted funds	647,999	134,592	-	-	-	782,591
Total funds	26,310,691	15,620,367	(16,212,717)	-	824,000	26,542,341

# The Salterns Academy Trust

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

### 17 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	25,016,649	25,016,649
Current assets	937,944	1,702,657	-	9,593	2,650,194
Current liabilities	-	(1,110,855)	-	-	(1,110,855)
Non-current liabilities	-	(10,165)	-	-	(10,165)
Total net assets	937,944	581,637	-	25,026,242	26,545,823

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	25,309,659	25,309,659
Current assets	782,591	1,433,422	-	69,801	2,285,814
Current liabilities	-	(881,854)	-	-	(881,854)
Non-current liabilities	-	(32,278)	-	-	(32,278)
Pension scheme liability	-	-	(139,000)	-	(139,000)
Total net assets	782,591	519,290	(139,000)	25,379,460	26,542,341

### 18 Long-term commitments, including operating leases

#### Operating leases

At 31 August 2024 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023/24	2022/23
	£	£
Amounts due within one year	68,833	74,240
Amounts due between one and five years	62,983	122,790
Amounts due after five years	-	15
	131,816	197,045

# The Salterns Academy Trust

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

### 19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023/24	2022/23
	£	£
Net expenditure for the reporting period	(130,518)	(592,350)
Adjusted for:		
Depreciation	948,892	828,898
(Gain)/loss on disposal of fixed assets	90,592	184,995
Capital grants from DfE and other capital income	(224,989)	(132,009)
Interest receivable	(2,703)	(294)
Defined benefit pension scheme cost less contributions payable	(11,000)	164,000
Defined benefit pension scheme finance cost	6,000	35,000
(Increase) / decrease in debtors	(342,614)	130,450
Increase / (decrease) in creditors	238,915	(339,991)
Net cash provided by Operating Activities	<u>572,575</u>	<u>278,699</u>

### 20 Cash flows from financing activities

	2023/24	2022/23
	£	£
Repayments of borrowing	(32,027)	(32,027)
Net cash used in financing activities	<u>(32,027)</u>	<u>(32,027)</u>

### 21 Cash flows from investing activities

	2023/24	2022/23
	£	£
Dividends, interest and rents from investments	2,703	294
Purchase of tangible fixed assets	(746,474)	(932,455)
Capital grants from DfE Group	43,973	42,029
Capital funding received from sponsors and others	181,016	89,980
Net cash used in investing activities	<u>(518,782)</u>	<u>(800,152)</u>

# The Salterns Academy Trust

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

### 22 Analysis of cash and cash equivalents

	2023/24	2022/23
	£	£
Cash at bank and in hand	1,923,513	1,901,747

### 23 Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2024 £
Cash	1,901,747	21,766	-	-	-	1,923,513
Loans falling due within one year	(32,027)	6,107	-	-	-	(25,920)
Loans falling due after more than one year	(32,278)	25,920	-	-	-	(6,358)
Total	1,837,442	53,793	-	-	-	1,891,235

### 24 Member liability

Each member of the charitable company 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.

# The Salterns Academy Trust

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

### 25 Pension and similar obligations

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

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

Contributions amounting to £nil were payable to the schemes at 31 August 2024 (2023: £50) and are included within creditors.

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four 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). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

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

The employer's pension costs paid to TPS in the period amounted to £1,599,489 (2023: £1,307,036).

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

# The Salterns Academy Trust

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

### 25 Pension and similar obligations (continued)

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was as follows:

	2024	2023
	£	£
Employer's contributions	563,000	504,000
Employees' contributions	188,000	162,000
	<u>751,000</u>	<u>666,000</u>

The agreed contribution rates for future years are 17.9% for employers and 5.5% to 12.5% for employees.

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

#### Principal actuarial assumptions

	2024	2023
Rate of increase in salaries	3.7%	4.0%
Rate of increase for pensions in payment/inflation	2.7%	3.0%
Discount rate for scheme liabilities	5.0%	5.2%
Inflation assumption (CPI)	2.7%	3.0%
Commutation of pensions to lump sums	<u>70.0%</u>	<u>70.0%</u>

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

	2024	2023
<i>Retiring today</i>		
Males	22.0	22.1
Females	<u>24.7</u>	<u>24.7</u>
<i>Retiring in 20 years</i>		
Males	22.5	22.6
Females	<u>25.6</u>	<u>25.7</u>



# The Salterns Academy Trust

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

### 25 Pension and similar obligations (continued)

#### Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2024	2023
	£	£
Discount rate +0.1%	(172,000)	(158,000)
Discount rate -0.1%	172,000	158,000
Mortality assumption – 1 year increase	330,000	309,000
Mortality assumption – 1 year decrease	(330,000)	(309,000)
CPI rate +0.1%	172,000	153,000
CPI rate -0.1%	(172,000)	(153,000)

The Academy Trust's share of the assets in the scheme were:

	2024	2023
	£	£
Equities	4,531,000	4,469,000
Gilts	3,048,000	2,424,000
Property	577,000	455,000
Cash and other liquid assets	82,000	227,000
Total market value of assets	8,238,000	7,575,000

The actual return on scheme assets was a gain of £515,000 (2023: £11,000).

#### Amount recognised in the Statement of Financial Activities

	2023/24	2022/23
	£	£
Current service cost	552,000	668,000
Interest income	(398,000)	(300,000)
Interest cost	404,000	335,000
Total amount recognised in the SOFA	558,000	703,000

# The Salterns Academy Trust

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

### 25 Pension and similar obligations (continued)

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

	2023/24	2022/23
	£	£
At 1 September	7,714,000	7,872,000
Current service cost	552,000	668,000
Interest cost	404,000	335,000
Employee contributions	188,000	162,000
Actuarial gain	(17,000)	(1,113,000)
Benefits paid	(603,000)	(210,000)
At 31 August	<u>8,238,000</u>	<u>7,714,000</u>

Changes in the fair value of Academy Trust's share of scheme assets:

	2023/24	2022/23
	£	£
At 1 September	7,575,000	7,108,000
Interest income	398,000	300,000
Actuarial gain / (loss)	117,000	(289,000)
Employer contributions	563,000	504,000
Employee contributions	188,000	162,000
Benefits paid	(603,000)	(210,000)
At 31 August	<u>8,238,000</u>	<u>7,575,000</u>

A defined benefit plan asset of £196,000 (2023: £nil) has not been recognised as the Academy Trust does not expect to be able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

### 26 Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

### 27 Events after the end of the reporting period

On 1 October 2024 Mayfield School joined the Academy Trust. As the date of transfer was subsequent to the end of the financial year, this has been treated as a non-adjusting post balance sheet event. The values transferred on conversion in respect of both the land and buildings and the Academy Trust's share of the deficit (if any) in the Local Government Pension Scheme relating to Mayfield School are not known at the date of approval of these financial statements.