

Company registration number 08083620 (England and Wales)

BALMORAL LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

BALMORAL LEARNING TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of trustees' responsibilities	18
Independent auditor's report on the accounts	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 50

BALMORAL LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Chair of Directors

P Chapman
H Jobes
P Maclellan
J Poulton
L Francis
P Cheers

Trustees

P Chapman (Chair of Directors)
D Brown
J M Robe
T Hambleton
S Bell (Accounting Officer)
P D Sandersfield

Senior management team

- Chief Executive Officer S Bell
- Head of School (EHPA) N Hair
- Head of School (HLPS) K Bushby
- Director of Finance & Operations S Chapman

Company secretary

S Chapman

Company registration number

08083620 (England and Wales)

Registered office

Balmoral Terrace
Sunderland
Tyne & Wear
SR3 3PR
United Kingdom

Academies operated

East Herrington Academy
Hetton Lyons Academy

Location

Sunderland
Sunderland

Principal

N Hair
K Bushby

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB
United Kingdom

Bankers

Lloyds Bank plc
5th Floor
102 Grey Street
Newcastle Upon Tyne
Tyne And Wear
NE1 6AG
United Kingdom

BALMORAL LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle Upon Tyne
Tyne And Wear
NE1 4BF
United Kingdom

BALMORAL LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

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

The trust operates 2 primary schools (including one with a nursery class) for pupils aged 3 to 11 years in Sunderland. Its academies have a combined pupil capacity of 900 and a roll of 897 in the school census on 16 May 2024.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee (registration no.8083620) 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 Balmoral Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Balmoral Learning Trust, with the academies also trading under their individual school names: East Herrington Primary Academy and Hetton Lyons Primary School.

Details of the trustees who served throughout the period between 1 September 2023 and 31 August 2024, and to the date these accounts are approved, are included in the Reference and Administrative Details section 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

Every trustee of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him / her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the academy trust.

Method of recruitment and appointment or election of trustees

Membership is determined in accordance with the composition set out in Articles 48-49 and 53 of the Articles of Association and shall comprise of:-

- a. up to 5 Trustees, appointed under Article 50
- b. any Staff Trustees, if appointed under Article 50AA and subject to Article 50B;
- c. the Chief Executive Officer, if appointed under Article 57; and
- d. a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.

The Academy Trust may also have any Co-opted Trustee appointed under Article 58.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Policies and procedures adopted for the induction and training of trustees

The Trust carries out a comprehensive induction programme with new appointments as agreed, which includes face to face meetings with key members of both the board of trustees and the relevant Executive Leadership / Senior Leadership Team members. A programme of CPD runs throughout the year for all trustees and local board members. Trustees and local board members are encouraged to participate in relevant training arranged by external training providers including the Governance Support Officer at the Local Authority. During the reporting period, trustees attended various external training sessions deemed applicable to their role, including safeguarding and cyber-security.

Organisational structure

Balmoral Learning Trust is a multi-academy trust whose board of trustees meets regularly across the year to discuss its strategic objectives with the Chief Executive, who is the Accounting Officer of the Trust. For the period ending 31 August 2024, the structure consists of three levels: The Trustees, Chief Executive Officer and the Executive Leadership Team.

The Trustees are responsible for determining strategic policy, adopting an annual plan following a self-evaluation review, monitoring the practices adopted by each academy, determining the strategic direction of the academy trust, high value capital expenditure and senior staff appointments.

The Chief Executive Officer leads and develops the strategic vision of all schools in the Trust. Each individual academy has a Head of School who is responsible for the day-to-day management of the academy supported by a senior management team comprising of teaching and non-teaching staff.

The Executive Leadership Team consists of the Heads of School of each academy, and the Director of Finance and Operations. The Executive Leadership Team controls the academies at an executive level, implementing the policies laid down by the Trustees and reporting to them. The Heads of School and local board members are responsible for the authorisation of spending within agreed budgets and the appointment of staff as stated in the scheme of delegation and the Trust's finance manual.

The Director of Finance and Operations is responsible for the management of the financial systems, sourcing additional funds, and ensuring efficient and effective use of resources. The Trust Central Team is responsible for the authorisation of spending up to agreed limits as stated in the scheme of delegation and the finance manual, alongside the management of all administrative and facilities staff.

Arrangements for setting pay and remuneration of key management personnel

The term "key management personnel" refers to the Chief Executive Officer, Director of Finance and Operations, and the Heads of School of Balmoral Learning Trust. Arrangements for setting the pay and remuneration of key management personnel are agreed and reviewed annually by the trust's Personnel Committee which feeds back to the board of trustees. Remuneration is regularly benchmarked and the rules for determining pay are published in the trust's pay policy which has been set in accordance with the nationally agreed School Teacher's Pay and Conditions Document (for teaching staff) and adheres to Local Government pay arrangements (for non-teaching staff) following the National Joint Council pay spine.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	4,244,005
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

Trustees and Executive Leadership Team members are required to declare any business or related interests that may impact on the academy trust. The adopted policy is that if interests are declared then the relevant party will remove themselves from the decision-making process. A register of declared business and pecuniary interests is published on the trust's website, and further information is held on file by the Trust Central Team.

For the period ending 31 August 2024, 4 trustees and Executive Leadership Team members declared connections to organisations or related party relationships. During the reporting period no transactions were carried out that would be impacted by these declared relationships.

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of Balmoral Learning Trust to provide education for pupils of different abilities within a range of age groups. Our mission is to create a safe and welcoming learning environment within which all children are able to realise their potential. This has included joint staff working, creation of the Executive Leaders Board and joint working of leadership teams on a regular basis.

Objectives, strategies and activities

During the period ending 31 August 2024 Balmoral Learning Trust has built on the structures and processes previously established to foster good governance and transparency. This has included continued work with an external consultant to further develop leadership structures, roles and responsibilities and accountabilities. This has been shared at all levels of governance and leadership. During the year this included the development of a new facilities role within the central team, and a review of the effectiveness of local board sub-committees.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The main objectives during the 2023-24 financial year are summarised below:-

Consolidate the structure and function of the Central Team

The addition of a Business Support Officer has allowed the central team to increase capacity and improved the shared services support to schools. This new role supports the Director of Finance and Operations, the HR and Governance Manager and Business Manager (Estates) roles already within the Central Team. The Business Support Officer also provides training and support to the admin teams within our schools.

Explore opportunities for growth and partnership

Balmoral Learning Trust is proud of its collaboration with other schools, academies and academy trusts. Our Directors recognise the expertise our staff are able to provide and are keen to begin working with others on a more formal basis with a view to growing the Trust. Work across the year has moved from purely educational collaboration to collaboration of back-office services. Executive Leadership Team members have worked closely with other local trusts with a view to forming formal partnerships going forward.

Continue to promote effective community involvement

Directors have pledged to assist the academies within the Trust to build on its strong record of community involvement at all levels and will promote all aspects of engagement with our communities wherever possible. Directors and local board members will be positively involved in creating a distinctive BLT approach to the communities it serves. Across the year, our schools have been involved in a number of community events including, including a joint venture with a local community group to host an event during summer term.

This business plan is continuously evolving and is currently being reviewed to take into account the growth of the Trust. The objectives of the business plan will link closely with the educational objectives agreed by trustees having given careful consideration to the Charity Commission's general guidance.

Public benefit

The charitable purpose of the Trust relates to the provision of early years and primary education to children within our local communities. All material decisions made during the period have been consistent with the purposes of the Trust and, where necessary, have been made to minimise risks of detriment to our beneficiaries and the public in general. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in exercising their powers or duties.

Strategic report

Achievements and performance

Balmoral Learning Trust contains two Ofsted rated 'Good' academies. Hetton Lyons Primary School was inspected during November 2021 and East Herrington Primary Academy was inspected during October 2022. Both received high praise from inspectors regarding the outcomes for children. End of key phase results have again been impressive over recent years, and each academy has met the floor standards set by the Department for Education.

End of key stage results consistently indicate that by the time pupils leave academies within the Trust they have made good progress and results are consistently better than national results and in the top 20% of all schools nationally. To ensure that standards are continually raised, the Trust operates a programme of internal and external reviews of curriculum areas and works closely with external providers to monitor the impact of teaching and learning. Additionally, our Trust works collaboratively with other local schools to support monitoring and teacher assessment.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

School Profile 2022-2024

Sum24

Balmoral Learning Trust

EYFS (Rec)	EYFS 2022 - TA			EYFS 2023 - TA			EYFS 2024 - TA		
	Boys 61-1.6%	Girls 61-1.6%	All 122-0.8%	Boys 71-1.4%	Girls 47-2.1%	All 120-0.8%	Boys 70-1.1%	Girls 49-2%	All 119-0.8%
GLD	57.1	67.2	62.3	63.0	74.5	67.5	61.4	75.5	67.2
NAT	54	72	65	61	74	67	**	**	**
PHONICS	56-1.9%	61-1.6%	115-0.9%	55-1.8%	58-1.7%	113-0.9%	72-1.4%	46-2.2%	118-0.8%
Y1 Phonics Summer	72.3	85.2	78.2	85.5	82.8	84.1	75.0	95.7	83.1
NAT	72	79	75	76	82	79	**	**	**

KS1 (Y2)		2022 - TA			2023 - TA			2024 - TA		
		Boys 57-1.6%	Girls 52-1.9%	All 119-0.8%	Boys 59-1.5%	Girls 50-1.8%	All 117-0.8%	Boys 54-1.5%	Girls 61-1.6%	All 115-0.9%
Reading TA	EKS	52.4	70.7	62.3	64.6	78.2	70.8	74.1	72.1	73.0
	NAT	63	71	67	65	72	68	**	**	**
GDS	NAT	7.9	20.0	14.5	16.9	23.6	20.0	27.8	18.0	22.6
	NAT	16	20	18	17	21	19	**	**	**
Writing TA	EKS	41.3	58.7	50.7	63.1	76.4	69.2	70.4	77.0	73.9
	NAT	52	64	58	54	66	60	**	**	**
GDS	NAT	1.6	5.3	3.6	9.2	12.7	10.8	14.8	14.8	14.8
	NAT	6	10	8	6	10	8	**	**	**
Maths TA	EKS	66.7	66.7	66.7	73.8	78.2	75.8	83.3	68.9	75.7
	NAT	69	67	68	71	70	70	**	**	**
GDS	NAT	9.5	13.3	11.6	16.9	18.2	17.5	25.9	9.8	17.4
	NAT	18	12	15	19	11	16	**	**	**

KS2 (Y6)		2022 - TEST			2023 - TEST			2024 - TEST		
		Boys 57-1.6%	Girls 50-1.7%	All 117-0.9%	Boys 70-1.4%	Girls 50-2%	All 120-0.8%	Boys 51-2%	Girls 52-1.7%	All 110-0.9%
Reading Test	EKS	76.2	88.1	82.0	87.1	88.0	87.5	70.6	83.1	77.3
	NAT	69	81	75	70	76	71	**	**	**
HS	NAT	20.6	35.6	27.9	31.4	32.0	31.7	17.6	20.3	19.1
	NAT	23	33	28	27	31	29	**	**	**
Writing TA	EKS	77.8	93.2	85.2	88.6	88.0	88.3	76.5	89.8	83.6
	NAT	63	76	69	65	76	71	**	**	**
GDS	NAT	9.5	15.3	12.3	12.9	24.0	17.5	9.8	22.0	16.4
	NAT	10	16	13	10	17	13	**	**	**
GPS Test	EKS	76.2	79.7	77.9	81.4	88.0	84.2	68.6	86.4	78.2
	NAT	69	77	72	68	77	72	**	**	**
HS	NAT	30.2	30.5	30.3	28.6	32.0	30.0	23.5	33.9	29.1
	NAT	26	29	28	27	33	30	**	**	**
Maths Test	EKS	79.4	83.1	81.1	90.0	80.0	85.8	80.4	86.4	83.6
	NAT	72	71	71	71	72	73	**	**	**
HS	NAT	28.6	32.2	30.3	24.3	22.0	23.3	21.6	18.6	20.0
	NAT	16	24	22	22	21	24	**	**	**
RWM Combined	EKS	65.1	79.7	72.1	75.7	76.0	75.8	58.8	76.3	68.2
	NAT	52	63	55	56	63	59	**	**	**
HS	NAT	3.2	15.3	9.0	7.1	10.0	8.3	5.9	10.2	8.2
	NAT	6	5	7	7	9	6	**	**	**
No of Disadvantaged		23	18	39	16	13	29	19	12	31
RWM Comb Disadvantaged	EKS	50.0	60.0	54.8	62.5	61.5	62.1	31.6	58.3	41.9
	NAT	35	47	43	41	47	44	**	**	**
HS	NAT	6.3	13.3	9.7	6.3	7.7	6.9	0.0	0.0	0.0
	NAT	4	5	3	3	4	3	**	**	**

The curriculum in our schools is broad and balanced and based on the best available evidence and celebrating the opportunities available in our locality. As well as the National Curriculum, children have the opportunity to take part in musical and sporting activities. There is a programme that develops children as young citizens with a great emphasis on keeping themselves safe. Our schools are recognised across the region for their choir and brass band and links with local community groups. We are proud to have implemented the OPAL (Outdoor Play and Learning) programme across the Trust to support exploration and promote resilience in our pupils.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Finance

The main financial performance indicators of the Trust relate to the management of spending against the General Annual Grant (GAG) and the use of these funds for the benefit of the pupils in our academies. It is the Trust's policy that, in general terms, the income received in any one year is spent for the benefit of those children attending school during that academic year.

Financial benchmarking against similar schools indicates that total expenditure at both East Herrington Primary Academy and Hetton Lyons Primary School is on a par with other schools within the sample, as is expenditure on staffing, premises, and supplies and services costs. The Department for Education's Financial Benchmarking and Insights Tool (based on information from the Academy Accounts Return 2022-23) has highlighted 7 high priority costs for the Trust to investigate. These priorities include expenditure on Teaching and Teaching support staff, Catering, Administrative Supplies and Utilities. During the academic year 2023-24, East Herrington Primary Academy has completed a boiler and heating system replacement which will help to reduce expenditure on utilities. The Trust believes that additional expenditure on staffing contributes to improved outcomes for our pupils.

The board of trustees has a robust strategy in place to mitigate financial pressures. Budgets are closely monitored and spending is linked to Trust objectives and school improvement plans with the aim of improving outcomes for pupils. The academy 100-day plans are regularly scrutinised by local boards and progress against objectives is shared with Directors. The plans are also scrutinised by both internal and external auditors during the year. During the 2023-24 financial year, both schools faced additional pressure from expenditure to support pupils with high needs. Both schools have increased numbers of pupils with EHCPs and we need to ensure that we're able to meet their needs, as well as the needs of all our other pupils, whilst achieving value for money.

Additional financial performance objectives set by Directors that have been met during the period are as follows:-

- to maintain an operating surplus to support the strategic development of the schools within the academy trust;
- to have at least 1 month's cash in hand as working balances to cover salaries and monthly expenditure.

Pupil Recruitment

Local trends suggest that the birth rate is in a period of decline. Despite this, pupil numbers have remained relatively stable with the 2023-24 intake. There have been a number of in-year applications that have helped to stabilise numbers. Forecast figures for September 2024 indicate that the reception class at both schools will be full for the new academic year, with waiting lists in a number of year groups. The stability in the pupil population has contributed to both the positive learning environment in school and the financial stability.

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. The trustees have considered potential material uncertainties such as new schools joining the trust, however they are confident in the robust budget setting procedures the academy trust currently has in place. For this reason, the trust 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.

Financial review

The majority of the Trust's income is obtained from the Department for Education (DfE) and the Education Skills and Funding Agency (ESFA) in the form of recurrent grants, most of which is restricted to particular purposes. This funding, including the General Annual Grant (GAG), was received during the period ended 31 August 2024 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2024, total expenditure of the Trust was met by recurrent grant funding from the ESFA, together with other incoming resources.

At 31 August 2024 the in-year revenue surplus for the Trust was £244,297. The total value of reserves held at 31 August 2024 is £1,587,973, of which £891,060 relates to restricted funds not available for general purposes of the trust.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The board of trustees has adopted the following policies relating to Finance and Governance during 2023-24:-

- Scheme of Delegation
- Finance Manual
- Articles of Association
- Funding Agreement

The trust reserves at present are being held for refurbishment and extension purposes, as well as to fund improvements to classroom and kitchen ceilings and lighting which need to be replaced. During 2023-24, the replacement of the boiler and heating system at East Herrington Primary Academy was successfully completed with support from Condition Improvement Funding and £87k from Trust reserves. A further successful CIF bid has been awarded relating to the replacement of modular classrooms at Hetton Lyons Primary School. Work is due to start during spring term 2025 with a contribution of £114k from reserves and additional grant funding from external sources. An application has been made for CIF funding to replace the curtain walling and hall floor in the main school hall at East Herrington Primary Academy in the current round of applications.

An application was made in relation to the schools rebuilding programme at East Herrington Primary Academy during the last round of applications, however this application was not successful. A key challenge for the Trust going forward will be maintaining the school estate with funding from Devolved Formula Capital grants and CIF applications. An estates management plan will be drawn up, taking into account priorities from the most recent Condition Data Collection reports (Hetton Lyons is due a CDC2 visit during Autumn 2024) and surveys commissioned by the Trust.

Funds received by the Trust follow the accepted principles of regularity and best practice. Internal control is rigorous with internal audit reviews carried out twice yearly and a full external audit of the main accounts carried out on an annual basis. The Audit and Finance Committee directs the internal audit focus and links this to risk priorities. During the period ending 31 August 2024 all action points relating to internal audit have been addressed / implemented for the start of the next financial year.

Voluntary income has increased in 2023-24 due to increased demand for wrap around childcare and school meals. East Herrington Primary Academy runs its own catering provision and both schools run highly successful wraparound breakfast and after school clubs. These functions have been able to break even during 2023-24, however we are mindful that food costs in particular have greatly increased which may begin to put strain on budgets going forward. We will continue to take necessary decisions on pricing to ensure that these functions do not impact on budgets available for educational provision. Income collection has been improved during the period due to the consolidation of online booking and payment systems for wraparound childcare.

Reserves policy

The Directors conduct an annual review of the Trust's reserve levels. This review considers the nature of income and expenditure, the need to align income with financial commitments, and the structure of the reserves. The Directors will ensure that any reserves carried forward at the end of the financial year comply with the guidance from the Department for Education (DfE) regarding the treatment of General Annual Grant (GAG) income and other grants.

The Directors aim to match income with expenditure within the current period, while retaining reserves deemed necessary for future financial needs. The Audit and Finance Committee has agreed that our academies should maintain a prudent level of reserves to cover unplanned expenditure in the future. This reserve level should be at least equivalent to one month's working capital, with a preference for two months. This ensures sufficient working capital to address delays in grant payments, and provides a buffer for unexpected emergencies such as urgent maintenance. Trust academies may also request the use of reserves for planned projects which may not be fully funded through annual revenue funding via a business case application.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The pension surplus or deficit does not constitute an immediate liability or realisable asset, and does not mean that the equivalent amount is already committed or no longer available to the Trust. A surplus or deficit position of the pension schemes employed by the Trust would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust does not set aside a designated reserve to cover the pension liability.

The total value of reserves held at 31 August 2024 is £1,587,973, of which £891,060 relates to restricted funds not available for general purposes of the trust. It is estimated that £200,000 of unrestricted funds will be spent on capital projects over the next 3 years to 5 years as previously mentioned above.

Investment policy

Under the Memorandum and Articles of Association, the Trust is authorised to invest funds that are not immediately needed for its operations in a manner the Directors deem appropriate. The Trust maintains a positive cash balance to cover contingencies and unforeseen expenses, and its banking arrangements are reviewed regularly.

The Trust's objective is to make low-risk investments of funds not immediately required, with the goal of maximising income and increasing the resources available for the education of its pupils. Investment of surplus funds is not a primary activity for the Trust but is rather a by-product of good financial practice, undertaken when the circumstances permit.

Principal risks and uncertainties

The Trust evaluates all risks associated with its academies, and the Directors have implemented an online management system to assess potential risks that could impact the Trust both in the short and medium term. Specific risks identified include those related to teaching, ICT security management, safeguarding, health and safety, estates, and financial uncertainty. To mitigate these risks, the Trust has established operational procedures and internal financial controls, particularly for ordering and online banking. Additionally, the Trust subscribes to an online risk assessment tool that enables senior leaders to monitor and address potential threats across all areas of academy operations. The Directors are confident that appropriate systems are in place to reduce exposure to significant risks and regularly seek advice from external experts.

Key Risks Identified during 2023-24:-

Financial - The Trust relies on continued Government funding through the Education and Skills Funding Agency (ESFA). Like most schools, the majority of the Trust's financial resources come from Government funding. While this level of funding is expected to persist, there is no guarantee that Government policy or funding levels will remain unchanged, nor that funding will continue on the same terms. The Trust is concerned about the ongoing impact of unfunded staff pay awards, rising energy costs, and the general future levels of education funding. A key risk is the potential effect of declining birth rates, which are expected to impact primary schools in the medium term. Both basic funding and grant allocations from the ESFA are linked to pupil numbers, and the Trust also faces the challenge of a 'bulge' year group in one of its schools, which will graduate in the next two years.

The most significant financial risk to the Trust's balance sheet is related to the Local Government Pension Scheme (LGPS). However, the Directors are confident that each academy is currently able to meet its annual contribution commitments. Additionally, as Parliament has agreed that in the event of an academy closure, the Department for Education would cover the LGPS liabilities, the risk posed by this liability is considered to be minimised.

Reputational - The ongoing success of the Trust relies on its ability to attract a sufficient number of pupils by maintaining the highest educational standards. The Directors are aware of local schools planning to increase their Published Admission Numbers (PAN) at the request of the local authority. The impact of these changes on Trust schools will be closely monitored. To mitigate any associated risks, the Directors will ensure that pupil success and achievement are regularly tracked and reviewed, and that the education provided aligns with the needs of the local communities served by the Trust.

Plans for Growth / Expansion – Balmoral Learning Trust is a successfully run trust. Directors agree that key to the ongoing survival of the trust is continuing the collaborative relationships with other schools and trusts within our region. There are risks involved in pursuing growth however thorough due diligence will help to mitigate these risks to a manageable level. The trust has built strong relationships with a group of local schools and it is hoped that with the change of Government we may now be able to progress further in a more formal capacity.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Estates – The schools in Balmoral Learning Trust have very different building characteristics. Hetton Lyons Primary School is housed in a modern building which, at present, places little pressure on capital reserves. East Herrington Primary Academy opened in 1964, is of CLASP construction, and has numerous areas of identified asbestos. There are great challenges in ensuring the ongoing maintenance and standards of this building. The trust doesn't qualify for SCA funding and must bid for additional funds via the CIF grant programme. This places delays on necessary capital projects and leads to higher costs. Directors will review the Trust's current policy on capital income and investigate the possibility of pooling capital grants going forward. During 2024-25, Hetton Lyons will see the replacement of the modular classroom buildings. This will be a big capital project, however the new facilities will free up more funding in the maintenance budget going forward.

Fundraising

The Trust does not directly pursue fundraising activities, however individual academies within the Trust may occasionally hold fundraising events during the course of the academic year, for example coffee mornings and summer fairs. Occasionally these events are run in conjunction with Friends of the School which is a PTA charity in its own right. The Trust does not currently use any external fundraisers. All fundraising undertaken during the year was monitored by Trustees via delegated authorities.

Fundraising activities conformed to the provisions of the Charities (Protection and Social Investment) Act 2016. Directors are conscious that fundraising should reflect the Trust's values and aim to ensure that monies raised are used for their stated purpose. Staff and volunteers involved in fundraising understand the boundaries they must work within to ensure that the Trust's reputation is protected.

Individual academies within the Trust have open and accessible complaints procedures to be followed should concerns be raised regarding fundraising activities. The aim of the Trust when undertaking fundraising activity is to ensure that no member of the public is subjected to behaviour which is unreasonably intrusive or persistent, or involves putting undue pressure on a person to donate.

Plans for future periods

- Balmoral Learning Trust will actively pursue opportunities to expand by inviting other schools to join the Trust, and working with other trusts with a view to potential merger. Despite national uncertainties, the Trustees and Members are committed to ensuring ongoing financial stability and policy continuity.
- We will work in partnership with other schools to further develop Balmoral Learning Trust and maximise the benefits it can provide to its pupils and local communities.
- The Trust will continue to support other schools in improving educational opportunities for all children, contributing to local and national forums, and facilitating a networking group for new leaders within our collaborative group.
- The Trust will open a 16 place ASD resourced provision from September 2025 at the request of the local authority.
- The Trust aims to develop as a highly effective organisation while preserving the unique identity and culture of each school, ensuring that the individuality of our schools benefits the entire Trust.
- The Trust will continue to strengthen and expand the Central Team, enhancing the services offered to both our schools and those outside of Balmoral Learning Trust.
- The Trust is committed to providing staff with high-quality professional development opportunities across the trust to support the implementation of a curriculum that equips all children with the cultural capital and ambition to succeed in life.
- We will collaborate with staff to improve well-being and reduce workload.
- The Trust will ensure there are blended learning opportunities for schools, allowing students to seamlessly transition between home and school-based learning across the curriculum.
- The Trust will continue to develop as a strong and effective organisation while respecting the unique context and culture of each school, ensuring that the individuality of our schools contributes to the overall success of the Trust.

BALMORAL LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Auditor

Insofar as the trustees are aware:

- There is no relevant audit information of which the 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 its behalf by:



P Chapman

Chair of Directors

BALMORAL LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Balmoral Learning Trust has an effective and appropriate system of control, both 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 the DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Balmoral Learning 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. The board of trustees has formally met 10 times during the year, with Members also invited to attend meetings termly (3 in total). Attendance during the year at meetings of the board of trustees was as follows:-

Trustees	Meetings attended	Out of possible
P Chapman (Chair of Directors)	10	10
D Brown	9	10
J M Robe	6	8
T Hambleton	6	8
S Bell (Accounting Officer)	10	10
P D Sandersfield	8	10

In line with the ongoing development of the multi-academy trust, there is now a strong emphasis on enhancing the strategic capabilities of academy trustees as outlined in the Academy Trust Governance Guide (March 2024). In response to the challenge of growing into a larger trust in the medium to long term, the Board of Trustees at Balmoral Learning Trust has developed a strategic business plan to guide planning and decision-making over the next 3-5 years.

The Trust regularly conducts reviews of its strategic leadership, management, teaching, and overall performance. During the reporting period, an external evaluation of governance structures, including the scheme of delegation, was carried out. Directors, Local Boards, and the Executive Leadership Team worked alongside EPM to review and update governance procedures, with new practices set to be implemented from September 2024. External evaluations were also completed by school improvement partners and Ofsted, which included interviews with board members to assess the impact of governance on the daily operation of the Trust's schools.

The Directors will continue their cycle of evaluation to assess the impact and effectiveness of the board in the upcoming financial year as the Trust continues to grow. Based on the findings of an annual skills audit, a programme of continuous professional development (CPD) has been put in place for directors, ensuring they are well-equipped to fulfil their roles and responsibilities effectively.

In order to manage conflicts of interest, Members, Directors, Local Board members and all staff are required to annually declare their business and pecuniary interests to the Trust. Maintaining an up-to-date register of interest is vital to support the management and governance of the Trust on a day-to-day basis. Balmoral Learning Trust uses an electronic form to collect this information and a link to this is available all year round which allows for updates to be made as necessary during the year. Any declared interests are highlighted and shared with relevant staff in the schools and central team to facilitate decision making and procurement. Interests are declared / reconfirmed at the beginning of all governance meetings, and participants remove themselves from discussions as required. In these instances, a note reflecting this would be included within the minutes of the meeting to ensure this has been recorded. Conflicts of interest are tested during audit visits to provide assurance that any conflict is mitigated as far as possible.

BALMORAL LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The **Audit and Finance Committee** is a sub-committee of the main board of directors and for the period ending 31 August 2024 comprised of 5 directors. Its purpose is to ensure the efficient and effective use of resources both at a Trust and individual school level. Attendance at meetings in the period was as follows:-

Trustees	Meetings attended	Out of possible
P Chapman (Chair of Directors)	3	3
J M Robe	3	3
T Hambleton	3	3
S Bell (Accounting Officer)	3	3
P D Sandersfield	3	3

The Director of Finance and Operations, although not a director, also attends meetings of the Audit and Finance Committee. There is no separate Audit and Risk committee. These functions are undertaken by the Audit and Finance Committee.

Review of value for money

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

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

Development of Trust Central Team – As we continue to evolve and grow our MAT, we have made improvements to the staffing structure of the central team and the services it provides to our schools. During 2023-24, the Trust appointed a Business Support Officer to the central team. This appointment has facilitated an improvement in relationships with our schools in terms of capacity, and the ability of the central team to provide CPD to our school-based admin teams.

Educational Outcomes – In addition to usual grant income, during 2023-24 the Trust has received further grant funding to support educational outcomes. Both of our schools have applied for and been successfully awarded Tesco community grants which have been facilitated by community engagement. Hetton Lyons Primary School has applied for and received an £8k grant from the Foyle Foundation to support the purchase of reading books for their new library. The aim of the library is to promote reading for pleasure which has been seen in the educational outcomes at the end of summer term.

Estates / Improving the Educational Environment - The Trust has been successful in securing additional condition improvement funding for both East Herrington Primary Academy and Hetton Lyons Primary School. The East Herrington Primary Academy building is of CLASP construction, difficult to maintain, and has many original fixtures that are past their end of life. During 2023-24 we were able to replace the boiler and heating system that had been in place for over 30 years. The work was successfully completed and has dramatically improved the day-to-day maintenance needed / reduced our heating bills. Hetton Lyons Primary School was successful in a CIF bid to replace the demountable classrooms with new modular units which will provide upgraded classrooms and a multi-use space for a new resourced provision to support additional needs across the Coalfields area.

A future area of focus in terms of value for money will be the further development of shared procurement across the Trust. Using the apprenticeship levy, a number of admin staff will undertake projects in line with their qualifications that will link to procurement priorities. The central team will benchmark current expenditure and work with school staff to identify additional areas in which to achieve efficiencies.

BALMORAL LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing 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 at Balmoral Learning 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 ongoing 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 control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:-

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed JGT Internal Audit as internal auditor. This option has been chosen to provide further external assurance to the board of trustees.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial systems. On a timetabled basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. During the period 1 September 2023 and 31 August 2024 two internal audit reviews were carried out in addition to the year-end annual external audit. Actions arising as a result of the internal auditor's work have been addressed and the trust will aim to adopt recommendations of best practise over the next financial period. In particular the checks carried out in the current period included:-

- testing payroll systems
- testing of purchase systems
- testing of control account / bank account reconciliations
- testing of the scheme of delegation and minutes of board and committee meetings
- testing of HR processes
- a review of the business continuity plan
- a review of safeguarding procedures

On a termly basis, reports are presented to the board of trustees through the Audit and Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The internal auditor has delivered their schedule of work as planned to 31 August 2024.

BALMORAL LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Review of effectiveness

As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:-

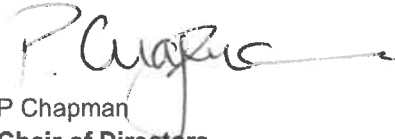
- the work of the internal auditor;
- the work of the external auditor;
- the school resource management assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to 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 board of trustees on 11 December 2024 and signed on its behalf by:



P Chapman
Chair of Directors



S Bell
Accounting Officer

BALMORAL LEARNING TRUST

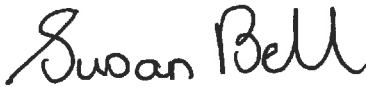
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As accounting officer of Balmoral Learning Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place 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's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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



S Bell
Accounting Officer

11 December 2024

BALMORAL LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees (who are also the directors of Balmoral Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

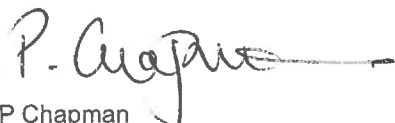
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts 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:



P Chapman
Chair of Directors

BALMORAL LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALMORAL LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

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

In our opinion the accounts:

- 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 prepared in accordance with the Charities SORP 2019 and the 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

Emphasis of matter - LGPS Disclosure

We draw your attention to note 2 to the financial statements which describes how the LGPS balance has been accounted for. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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.

BALMORAL LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALMORAL LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

BALMORAL LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALMORAL LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our 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.



Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

Statutory Auditor

16/12/2024
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Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

BALMORAL LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BALMORAL LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2024

In accordance with the terms of our engagement letter dated 21 August 2024 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 Balmoral Learning 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 Balmoral Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Balmoral Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Balmoral Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Balmoral Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Balmoral Learning Trust's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

BALMORAL LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BALMORAL LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of internal assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample basis including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated:16/12/2024

BALMORAL LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2024 £	Total 2023 £
Income and endowments from:						
Donations and capital grants	3	7,828	3,756	201,737	213,321	62,134
Charitable activities:						
- Funding for educational operations	4	155,030	5,187,040	-	5,342,070	4,896,007
Other trading activities	5	317,859	-	-	317,859	216,347
Investments	6	205	-	-	205	154
Total		<u>480,922</u>	<u>5,190,796</u>	<u>201,737</u>	<u>5,873,455</u>	<u>5,174,642</u>
Expenditure on:						
Raising funds	7	274,385	4,936	-	279,321	196,226
Charitable activities:						
- Educational operations	9	205,026	4,915,074	217,395	5,337,495	5,208,767
Total	7	<u>479,411</u>	<u>4,920,010</u>	<u>217,395</u>	<u>5,616,816</u>	<u>5,404,993</u>
Net income/(expenditure)		1,511	270,786	(15,658)	256,639	(230,351)
Transfers between funds	18	-	(226,679)	226,679	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	221,000	-	221,000	807,000
Adjustment for restriction on pension assets	20	-	(249,000)	-	(249,000)	(135,000)
Net movement in funds		1,511	16,107	211,021	228,639	441,649
Reconciliation of funds						
Total funds brought forward		<u>695,402</u>	<u>416,457</u>	<u>7,340,222</u>	<u>8,452,081</u>	<u>8,010,432</u>
Total funds carried forward		<u>696,913</u>	<u>432,564</u>	<u>7,551,243</u>	<u>8,680,720</u>	<u>8,452,081</u>

BALMORAL LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £
Income and endowments from:					
Donations and capital grants	3	1,756	4,116	56,262	62,134
Charitable activities:					
- Funding for educational operations	4	146,004	4,750,003	-	4,896,007
Other trading activities	5	202,937	13,410	-	216,347
Investments	6	154	-	-	154
Total		<u>350,851</u>	<u>4,767,529</u>	<u>56,262</u>	<u>5,174,642</u>
Expenditure on:					
Raising funds	7	192,268	3,958	-	196,226
Charitable activities:					
- Educational operations	9	143,414	4,849,367	215,986	5,208,767
Total	7	<u>335,682</u>	<u>4,853,325</u>	<u>215,986</u>	<u>5,404,993</u>
Net income/(expenditure)		15,169	(85,796)	(159,724)	(230,351)
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	807,000	-	807,000
Adjustment for restriction on pension assets	20	-	(135,000)	-	(135,000)
Net movement in funds		15,169	586,204	(159,724)	441,649
Reconciliation of funds					
Total funds brought forward		<u>680,233</u>	<u>(169,747)</u>	<u>7,499,946</u>	<u>8,010,432</u>
Total funds carried forward		<u>695,402</u>	<u>416,457</u>	<u>7,340,222</u>	<u>8,452,081</u>

BALMORAL LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Intangible assets	13		19,471		24,873
Tangible assets	14		7,073,276		6,847,682
			<u>7,092,747</u>		<u>6,872,555</u>
Current assets					
Debtors	15	570,075		595,181	
Cash at bank and in hand		1,451,502		1,341,581	
		<u>2,021,577</u>		<u>1,936,762</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(433,604)		(357,236)	
Net current assets			<u>1,587,973</u>		<u>1,579,526</u>
Net assets excluding pension asset			8,680,720		8,452,081
Defined benefit pension scheme asset	20		-		-
			<u>8,680,720</u>		<u>8,452,081</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			7,551,243		7,340,222
- Restricted income funds			432,564		416,457
			<u>7,983,807</u>		<u>7,756,679</u>
Total restricted funds			7,983,807		7,756,679
Unrestricted income funds	18		696,913		695,402
			<u>8,680,720</u>		<u>8,452,081</u>
Total funds			<u>8,680,720</u>		<u>8,452,081</u>

The accounts on pages 24 to 50 were approved by the trustees and authorised for issue on 11 December 2024 and are signed on their behalf by:



P Chapman
Chair of Directors

Company registration number 08083620 (England and Wales)

BALMORAL LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		345,566		(381,515)
Cash flows from investing activities					
Dividends, interest and rents from investments		205		154	
Capital grants from DfE Group		201,737		56,262	
Purchase of intangible fixed assets		(9,818)		(13,489)	
Purchase of tangible fixed assets		(427,769)		(33,602)	
Net cash (used in)/provided by investing activities			<u>(235,645)</u>		<u>9,325</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			109,921		(372,190)
Cash and cash equivalents at beginning of the year			<u>1,341,581</u>		<u>1,713,771</u>
Cash and cash equivalents at end of the year			<u><u>1,451,502</u></u>		<u><u>1,341,581</u></u>

BALMORAL LEARNING 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.

1.1 Basis of preparation

The accounts 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.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it 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.

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.

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software: length of contract terms

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

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

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

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

Land	125 years
Buildings	50 years
Leasehold improvements	50 years
Computer equipment	4 years
Fixtures, fittings and equipment	10 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

1.11 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 and the assets are held separately from those of the academy trust.

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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are 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 or 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.

1.12 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 Education and Skills Funding Agency/Department for Education.

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 UK corporate bond yields at 31 August 2024 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

- There is a minimum funding requirement in relation to LGPS
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period
- The present values in the above calculations are calculated using an annuity representing participation into perpetuity.

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Academy Trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset to £nil based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at 31 August 2024.

Land and buildings

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The land and buildings are valued on the basis of valuations provided by the ESFA/local authority

Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Capital grants	-	201,737	201,737	56,262
Other donations	7,828	3,756	11,584	5,872
	<u>7,828</u>	<u>205,493</u>	<u>213,321</u>	<u>62,134</u>

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

4 Funding for the academy trust's educational operations

Educational operations	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,809,884	3,809,884	3,629,477
Other DfE/ESFA grants:				
- UIFSM	-	132,434	132,434	122,947
- Pupil premium	-	292,092	292,092	279,567
- PE and sports premium	-	39,220	39,220	39,310
- Rates	-	20,475	20,475	17,152
- Teachers pension grant	-	33,550	33,550	4,495
- Teachers pay grant	-	66,639	66,639	1,591
- National tutor grant	-	12,420	12,420	29,484
- Mainstream schools additional grant	-	129,231	129,231	53,847
- Supplementary grant	-	28,058	28,058	105,763
- Others	-	13,391	13,391	11,371
	-	4,577,394	4,577,394	4,295,004
Other government grants				
Local authority grants	-	607,521	607,521	427,268
Special educational projects	-	2,125	2,125	-
	-	609,646	609,646	427,268
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	-	-	27,731
Other incoming resources	33,926	-	33,926	40,370
Total funding for educational operations	33,926	5,187,040	5,220,966	4,790,373
Catering income	121,104	-	121,104	105,634
Total funding	155,030	5,187,040	5,342,070	4,896,007

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Hire of facilities	4,635	-	4,635	3,751
Catering income	566	-	566	966
Music tuition	19,373	-	19,373	24,957
Trips	39,654	-	39,654	39,477
Other income	253,631	-	253,631	147,196
	<u>317,859</u>	<u>-</u>	<u>317,859</u>	<u>216,347</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Short term deposits	205	-	205	154
	<u>205</u>	<u>-</u>	<u>205</u>	<u>154</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2024 £	Total 2023 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	204,514	-	74,807	279,321	196,226
Academy's educational operations					
- Direct costs	3,249,323	-	236,851	3,486,174	3,286,832
- Allocated support costs	815,356	563,996	471,969	1,851,321	1,921,935
	<u>4,269,193</u>	<u>563,996</u>	<u>783,627</u>	<u>5,616,816</u>	<u>5,404,993</u>

Net income/(expenditure) for the year includes:

	2024 £	2023 £
Operating lease rentals	13,632	11,425
Depreciation of tangible fixed assets	201,460	201,807
Loss on disposal of fixed assets	715	-
Amortisation of intangible fixed assets	15,220	14,179
Fees payable to auditor for:		
- Audit	13,500	12,750
- Other services	4,350	4,000
Net interest on defined benefit pension liability	(12,000)	20,000
	<u>238,977</u>	<u>264,161</u>

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services.

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

- 6% of GAG, EYFS and GAG related grants

The amounts charged during the year were as follows:

	2024	2023
	£	£
East Herrington Academy	114,641	119,876
Hetton Lyons Academy	112,053	112,595
	<u>226,694</u>	<u>232,471</u>

9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Direct costs				
Educational operations	41,494	3,444,680	3,486,174	3,286,832
Support costs				
Educational operations	163,532	1,687,789	1,851,321	1,921,935
	<u>205,026</u>	<u>5,132,469</u>	<u>5,337,495</u>	<u>5,208,767</u>

	2024	2023
	£	£
Analysis of support costs		
Support staff costs	815,356	798,422
Depreciation and amortisation	217,395	215,986
Technology costs	26,358	34,296
Premises costs	346,601	440,136
Other support costs	420,455	406,749
Governance costs	25,156	26,346
	<u>1,851,321</u>	<u>1,921,935</u>

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

10 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2024 £	2023 £
Wages and salaries	3,169,082	2,930,682
Social security costs	307,123	280,719
Pension costs	706,599	705,349
Staff costs - employees	4,182,804	3,916,750
Agency staff costs	53,884	32,049
Staff restructuring costs	32,505	-
Staff development and other staff costs	4,269,193 26,967	3,948,799 32,717
Total staff expenditure	4,296,160	3,981,516
Staff restructuring costs comprise:		
Redundancy payments	32,505	-

Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs is a special severance payment totalling £16,252 (2023: £nil).

Staff numbers

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

	2024 Number	2023 Number
Teachers	42	41
Administration and support	67	58
Management	4	5
	113	104

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

10 Staff

(Continued)

Higher paid staff

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

	2024 Number	2023 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	2	3
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £361,014 (2023: £371,370).

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

S Bell (headteacher)	
Remuneration:	£55,001 - £60,000 (2023: £75,001 - £80,000)
Employer's pension contributions:	£10,001 - £15,000 (2023: £15,001 - £20,000)

Other related party transactions involving the trustees are set out in note 24.

12 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 trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2023	64,691
Additions	9,818
Disposals	(17,445)
At 31 August 2024	<u>57,064</u>
Amortisation	
At 1 September 2023	39,818
On disposals	(17,445)
Charge for year	15,220
At 31 August 2024	<u>37,593</u>
Carrying amount	
At 31 August 2024	<u>19,471</u>
At 31 August 2023	<u>24,873</u>

14 Tangible fixed assets

	Land	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2023	6,931,097	907,914	276,984	223,981	8,339,976
Additions	-	361,828	24,375	41,566	427,769
Disposals	-	-	-	(3,573)	(3,573)
At 31 August 2024	<u>6,931,097</u>	<u>1,269,742</u>	<u>301,359</u>	<u>261,974</u>	<u>8,764,172</u>
Depreciation					
At 1 September 2023	1,029,592	101,949	229,525	131,228	1,492,294
On disposals	-	-	-	(2,858)	(2,858)
Charge for the year	132,490	20,164	27,001	21,805	201,460
At 31 August 2024	<u>1,162,082</u>	<u>122,113</u>	<u>256,526</u>	<u>150,175</u>	<u>1,690,896</u>
Net book value					
At 31 August 2024	<u>5,769,015</u>	<u>1,147,629</u>	<u>44,833</u>	<u>111,799</u>	<u>7,073,276</u>
At 31 August 2023	<u>5,901,505</u>	<u>805,965</u>	<u>47,459</u>	<u>92,753</u>	<u>6,847,682</u>

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

15 Debtors

	2024	2023
	£	£
Trade debtors	7,824	2,426
VAT recoverable	63,449	44,155
Other debtors	494	1,059
Prepayments and accrued income	498,308	547,541
	<u>570,075</u>	<u>595,181</u>

16 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	206,984	34,850
Other creditors	691	-
Accruals and deferred income	225,929	322,386
	<u>433,604</u>	<u>357,236</u>

17 Deferred income

	2024	2023
	£	£
Deferred income is included within:		
Creditors due within one year	90,650	101,467
	<u>90,650</u>	<u>101,467</u>
Deferred income at 1 September 2023	101,467	88,474
Released from previous years	(101,467)	(88,474)
Resources deferred in the year	90,650	101,467
	<u>90,650</u>	<u>101,467</u>
Deferred income at 31 August 2024	<u>90,650</u>	<u>101,467</u>

Deferred income comprises Universal Infants' Free School Meals and trip income for the 2024-25 academic year received in advance.

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	416,457	3,809,884	(3,567,098)	(226,679)	432,564
UIFSM	-	132,434	(132,434)	-	-
Pupil premium	-	292,092	(292,092)	-	-
Other DfE/ESFA grants	-	13,391	(13,391)	-	-
Other government grants	-	609,646	(609,646)	-	-
Teachers pension	-	33,550	(33,550)	-	-
Teachers pay grant	-	66,639	(66,639)	-	-
PE and sports premium	-	39,220	(39,220)	-	-
Rates	-	20,475	(20,475)	-	-
Supplementary grant	-	28,058	(28,058)	-	-
MSAG	-	129,231	(129,231)	-	-
National tutor grant	-	12,420	(12,420)	-	-
Other restricted funds	-	3,756	(3,756)	-	-
Pension reserve	-	-	28,000	(28,000)	-
	<u>416,457</u>	<u>5,190,796</u>	<u>(4,920,010)</u>	<u>(254,679)</u>	<u>432,564</u>
Restricted fixed asset funds					
Inherited on conversion	5,983,449	-	(133,447)	-	5,850,002
DfE group capital grants	545,825	201,737	(27,649)	-	719,913
Capital expenditure from GAG	602,133	-	(45,721)	226,679	783,091
Other income	208,815	-	(10,578)	-	198,237
	<u>7,340,222</u>	<u>201,737</u>	<u>(217,395)</u>	<u>226,679</u>	<u>7,551,243</u>
Total restricted funds	<u>7,756,679</u>	<u>5,392,533</u>	<u>(5,137,405)</u>	<u>(28,000)</u>	<u>7,983,807</u>
Unrestricted funds					
General funds	<u>695,402</u>	<u>480,922</u>	<u>(479,411)</u>	<u>-</u>	<u>696,913</u>
Total funds	<u>8,452,081</u>	<u>5,873,455</u>	<u>(5,616,816)</u>	<u>(28,000)</u>	<u>8,680,720</u>

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. 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.

Other DfE/ESFA grants include pupil premium, PE grant, universal free school meals income and other grants received from the DfE group.

Other government grants include income for pupils with special educational needs, universal free schools meals funding, music tuition, contribution to schools funds, university placements, recharge income and salary sacrifice received from the local authority.

DfE/ESFA Capital Grants consist of the CIF and devolved capital grant which has been partly spent on non capitalised items and asset additions in the year. Capital funds of £458,496 have been carried forward into 2024/25.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from Local Authorities on conversion. Depreciation on these assets is charged against this fund.

At 31 August 2024 the academy had restricted general and unrestricted funds of £1,129,477.

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

(Continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	412,253	3,629,477	(3,625,273)	-	416,457
UIFSM	-	122,947	(122,947)	-	-
Pupil premium	-	279,567	(279,567)	-	-
Other DfE/ESFA COVID-19 funding	-	27,731	(27,731)	-	-
Other DfE/ESFA grants	-	11,371	(11,371)	-	-
Other government grants	-	427,268	(427,268)	-	-
Teachers pension	-	4,495	(4,495)	-	-
Teachers pay grant	-	1,591	(1,591)	-	-
PE and sports premium	-	39,310	(39,310)	-	-
Rates	-	17,152	(17,152)	-	-
Supplementary grant MSAG	-	105,763	(105,763)	-	-
National tutor grant	-	53,847	(53,847)	-	-
Other restricted funds	-	29,484	(29,484)	-	-
Pension reserve	(582,000)	-	(90,000)	672,000	-
	<u>(169,747)</u>	<u>4,767,529</u>	<u>(4,853,325)</u>	<u>672,000</u>	<u>416,457</u>
Restricted fixed asset funds					
Inherited on conversion	6,119,359	-	(135,910)	-	5,983,449
DfE group capital grants	515,947	56,262	(26,384)	-	545,825
Capital expenditure from GAG	646,399	-	(44,266)	-	602,133
Other income	218,241	-	(9,426)	-	208,815
	<u>7,499,946</u>	<u>56,262</u>	<u>(215,986)</u>	<u>-</u>	<u>7,340,222</u>
Total restricted funds	<u>7,330,199</u>	<u>4,823,791</u>	<u>(5,069,311)</u>	<u>672,000</u>	<u>7,756,679</u>
Unrestricted funds					
General funds	<u>680,233</u>	<u>350,851</u>	<u>(335,682)</u>	<u>-</u>	<u>695,402</u>
Total funds	<u>8,010,432</u>	<u>5,174,642</u>	<u>(5,404,993)</u>	<u>672,000</u>	<u>8,452,081</u>

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

(Continued)

Total funds analysis by academy

	2024	2023
	£	£
Fund balances at 31 August 2024 were allocated as follows:		
East Herrington Academy	447,420	487,481
Hetton Lyons Academy	653,290	539,883
Central services	28,767	84,495
	<u>1,129,477</u>	<u>1,111,859</u>
Total before fixed assets fund and pension reserve	1,129,477	1,111,859
Restricted fixed asset fund	7,551,243	7,340,222
Pension reserve	-	-
	<u>7,551,243</u>	<u>7,340,222</u>
Total funds	<u><u>8,680,720</u></u>	<u><u>8,452,081</u></u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2024	Total 2023
	£	£	£	£	£	£
East Herrington Academy	1,700,857	426,683	100,169	380,809	2,608,518	2,472,580
Hetton Lyons Academy	1,590,813	417,401	106,103	416,249	2,530,566	2,375,486
Central services	136,734	39,672	3,612	108,319	288,337	250,941
	<u>3,428,404</u>	<u>883,756</u>	<u>209,884</u>	<u>905,377</u>	<u>5,427,421</u>	<u>5,099,007</u>

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2024 are represented by:				
Intangible fixed assets	-	-	19,471	19,471
Tangible fixed assets	-	-	7,073,276	7,073,276
Current assets	696,913	866,168	458,496	2,021,577
Current liabilities	-	(433,604)	-	(433,604)
	<u>696,913</u>	<u>432,564</u>	<u>7,551,243</u>	<u>8,680,720</u>
Total net assets	<u><u>696,913</u></u>	<u><u>432,564</u></u>	<u><u>7,551,243</u></u>	<u><u>8,680,720</u></u>

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Intangible fixed assets	-	-	24,873	24,873
Tangible fixed assets	-	-	6,847,682	6,847,682
Current assets	695,402	773,693	467,667	1,936,762
Current liabilities	-	(357,236)	-	(357,236)
Total net assets	695,402	416,457	7,340,222	8,452,081

20 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 South Tyneside Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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 academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Pension and similar obligations

(Continued)

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

The employer's pension costs paid to the TPS in the period amounted to £506,458 (2023: £432,138).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18% 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2024 £	2023 £
Employer's contributions	218,000	199,000
Employees' contributions	70,000	63,000
Total contributions	288,000	262,000

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2024	2023
	%	%
Rate of increase in salaries	4.0	4.1
Rate of increase for pensions in payment/inflation	2.5	2.6
Discount rate for scheme liabilities	4.9	5.0
Inflation assumption (CPI)	2.5	2.6

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

	2024	2023
	Years	Years
Retiring today		
- Males	20.8	21.0
- Females	24.0	24.1
Retiring in 20 years		
- Males	21.6	22.2
- Females	25.1	25.5

Sensitivity analysis

Scheme liabilities would have been affected by changes in assumptions as follows:

	2024	2023
	£	£
Discount rate + 0.1%	4,598,000	4,232,000
Discount rate - 0.1%	4,791,000	4,409,000
Mortality assumption + 1 year	4,575,000	4,210,000
Mortality assumption - 1 year	4,809,000	4,426,000
CPI rate + 0.1%	4,776,000	4,396,000
CPI rate - 0.1%	4,612,000	4,245,000

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Pension and similar obligations	(Continued)	
The academy trust's share of the assets in the scheme	2024 Fair value £	2023 Fair value £
Equities	2,543,000	2,292,000
Government bonds	61,000	58,000
Corporate bonds	944,000	842,000
Cash	41,000	76,000
Property	528,000	459,000
Other assets	959,000	726,000
	<u>5,076,000</u>	<u>4,453,000</u>
Total market value of assets	5,076,000	4,453,000
Restriction on scheme assets	(384,000)	(135,000)
	<u>4,692,000</u>	<u>4,318,000</u>
Net assets recognised	4,692,000	4,318,000

The actual return on scheme assets was £426,000 (2023: £88,000).

Amount recognised in the statement of financial activities	2024 £	2023 £
Current service cost	202,000	269,000
Interest income	(228,000)	(176,000)
Interest cost	216,000	196,000
	<u>190,000</u>	<u>289,000</u>
Total amount recognised	190,000	289,000

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

Changes in the present value of defined benefit obligations	2024 £	2023 £
At 1 September 2023	4,318,000	4,817,000
Current service cost	202,000	269,000
Interest cost	216,000	196,000
Employee contributions	70,000	63,000
Actuarial gain	(23,000)	(895,000)
Benefits paid	(91,000)	(132,000)
	<u>4,692,000</u>	<u>4,318,000</u>
At 31 August 2024	4,692,000	4,318,000

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Pension and similar obligations	(Continued)		
Changes in the fair value of the academy trust's share of scheme assets			
	2024		2023
	£		£
At 1 September 2023	4,453,000		4,235,000
Interest income	228,000		176,000
Actuarial (gain)/loss	198,000		(88,000)
Employer contributions	218,000		199,000
Employee contributions	70,000		63,000
Benefits paid	(91,000)		(132,000)
	<u>5,076,000</u>		<u>4,453,000</u>
At 31 August 2024	5,076,000		4,453,000
Restriction on scheme assets	(384,000)		(135,000)
	<u>4,692,000</u>		<u>4,318,000</u>
Net assets recognised	4,692,000		4,318,000
21 Reconciliation of net income/(expenditure) to net cash flow from operating activities			
	2024		2023
	£		£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	256,639		(159,755)
Adjusted for:			
Capital grants from DfE and other capital income	(201,737)		(56,262)
Investment income receivable	(205)		(154)
Defined benefit pension costs less contributions payable	(16,000)		70,000
Defined benefit pension scheme finance (income)/cost	(12,000)		20,000
Depreciation of tangible fixed assets	201,460		201,807
Amortisation of intangible fixed assets	15,220		14,179
Loss on disposal of fixed assets	715		-
Decrease in debtors	25,106		361,342
Increase/(decrease) in creditors	76,368		(762,076)
	<u>345,566</u>		<u>(310,919)</u>
Net cash provided by/(used in) operating activities	345,566		(310,919)
22 Analysis of changes in net funds			
	1 September	Cash flows	31 August
	2023		2024
	£	£	£
Cash	1,341,581	109,921	1,451,502
	<u>1,341,581</u>	<u>109,921</u>	<u>1,451,502</u>

BALMORAL LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

23 Long-term commitments

Operating leases

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

	2024	2023
	£	£
Amounts due within one year	3,516	7,863
Amounts due in two and five years	623	2,845
	<u>4,139</u>	<u>10,708</u>

24 Related party transactions

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

Expenditure related party transactions

I Hair - the daughter of N Hair, member of the leadership team:

- The academy trust purchased services totalling £560 from I Hair during the period. There are no amounts outstanding to I Hair at the year end.
- The academy trust made the purchase at arms' length in accordance with its financial regulations, which N Hair neither participated in, nor influenced.
- In entering into the transaction, the academy trust has complied with the requirements of the Academy Trust Handbook.

P Chapman, a trustee and chair of directors, is the father of S Chapman, who is employed by the academy trust as the chief financial officer. S Chapman's appointment was made in open competition and P Chapman was not involved in the decision making process regarding appointment. S Chapman is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

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