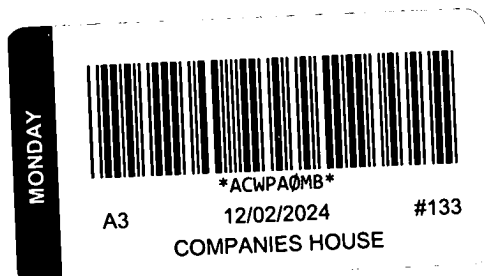


Company registration number 09148900 (England and Wales)

POND MEADOW ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023



POND MEADOW ACADEMY TRUST

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POND MEADOW ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr M W Gambold Ms A C Walsh Mr A A Page
Trustees	Mrs E L Hayward (Headteacher and Accounting Officer) Mrs T Moroney Dr A A Page (Chair) Dr P J Gibson Mr H F D Sturges Ms S Balmbro (Appointed 1 March 2023 and resigned 27 September 2023) Mr C Digby-Bell Ms R Fearn Mrs K Thoden van Velzen Mr R Walton Mr J Chapman Ms A C McGovern (Appointed 1 March 2023)
Senior leadership team	Ms E Hayward - Headteacher Ms R Greig - Deputy Headteacher Ms M Harnes - Deputy Headteacher Mr A Carlin - School Business Manager (appointed 3 November 2022) Ms S Nash - Assistant Headteacher (appointed 1 January 2023)
Company registration number	09148900 (England and Wales)
Registered office	Larch Avenue Guildford Surrey GU1 1DR United Kingdom
Independent auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ United Kingdom
Bankers	Lloyds Bank Plc 147 High Street Guildford Surrey GU1 3AG United Kingdom

POND MEADOW ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the Financial Statements and Independent Auditor's reports of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 3 to 19 serving a catchment area in South West Surrey. The school has a DfE pupil capacity of 149 and, for the academic year 2022/23, there were 149 students on roll.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 09148900) and is an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The trustees of Pond Meadow Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy Trust has opted in to the Government's Risk Protection Arrangements for Academies (RPA) and this arrangement insures the Governors' liability expense. Further details of the full scheme can be found at:

<https://www.gov.uk/guidance/academies-risk-protection-arrangement-rpa>

Method of recruitment and appointment or election of Trustees

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 45-50 and 59, the Academy Trust shall have the following Governors:

- up to 13 Governors, appointed under Article 50;
- a minimum of 2 and up to 4 Parent Governors appointed under Articles 53-58;
- up to 2 Staff Governors, subject to Article 50A;
- the Headteacher;
- any further Governors, if appointed under Article 49

The Academy Trust may also have up to 3 Co-opted Governors appointed under Article 59.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the office, to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

Potential Governors are identified based on the skill set required by the skills register kept by the Governors.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. All new Trustees are given a tour of the School and the chance to meet with staff and pupils. As there are normally only two or three new Trustees a period, induction tends to be done informally and is tailored specifically to the individual.

POND MEADOW ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

The structure is organised in four levels: members, trustees, senior leadership team and senior management team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The role of the member is to maintain oversight of the board of trustees and to hold them to account for governance of the trust.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and participate in senior staff appointments.

The Senior Leadership Team comprises the Headteacher, Deputy Headteacher (Whole School Curriculum + Secondary Department Lead), Deputy Headteacher (Safeguarding and Pastoral), Assistant Headteacher (Primary Department Lead + Curriculum) and School Business Manager. This supervises the Senior Management Team, implementing the policies laid down by the trustees. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts will include the chair of trustees where possible. Some spending control is devolved to the Senior Leadership as outlines in the Finance Policy 2022. The Finance, Property and Human Resources Committee monitors all spending.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management is based on the Surrey County Council pay structure, reviewed annually through a performance management process linked by the headteacher and approved by the Trustees. The headteacher's remuneration is set through a performance management process overviewed by the Chair and Vice-Chair of Trustees and an independent SEN Consultant. The pay and remuneration of the School Business Manager is based on the Surrey County Council pay structure.

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

£3,660,000

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

-

Related parties and other connected charities and organisations

The Academy Trust has a related party in the form of a separate charity, Destination Pond Meadow, Charity No. 1123416. The Charity fundraise on behalf of the pupils at the Academy Trust for specialised minibuses, sensory equipment, support for fayres and festivals, and support for the specialised aspects of school visits, outings and Duke of Edinburgh Award field trips. The value of these services is disclosed in note 21.

POND MEADOW ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

Objects and aims

The object of the Academy Trust is specifically restricted to the following: to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an Academy offering a broad and balanced curriculum being Pond Meadow Academy Trust.

Objectives, strategies and activities

Pond Meadow Academy Trust is a mixed Special Needs Academy for pupils aged 2 -19, which sees pupil progress at its centre. We aim for all pupils to reach their full potential and we foster a genuine sense of respect for the individual.

Safeguarding runs through everything we do in school, from recruitment and training to working with children and families.

The ethos and values of the school can be summarised in four words:

Learning, Independence, Respect and Equality

The curriculum is tailored to meet the individual needs of each pupil and supports independent learning and the development of independence skills.

Equal Opportunities Policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all its activities including creating a working environment in which the contributions of all people are fully valued.

The Academy Trust complies fully with the Equality Act 2010 regulations and is equipped to welcome and/or teach any child or young person who has a disability where possible. Trustees have adopted and updated the Equality Policy and Single Equality Scheme.

<https://www.gov.uk/guidance/equality-act-2010-guidance>

Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

'Public Benefit' can be seen through the offer of places to the community that the academy trust serves. The basic catchment area for Pond Meadow Academy Trust is South West Surrey, centred on Guildford but can offer places to pupils beyond this if circumstances permit. All pupils admitted to Pond Meadow Academy Trust must have a statement of special educational need, or be an emergency admission because they have just moved to the area or a placement at another Academy or School has broken down. This is subject to a place being available at the Academy Trust. The Admissions Authority for the Academy Trust remains with Surrey Local Authority (LA).

POND MEADOW ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

A progressive Curriculum which is based on the aims of the National Curriculum has been embedded and is the vehicle to facilitate pupils to meet their personalised end points based on their EHCP outcomes. Our offer has been further expanded to ensure pupils on all pathways are offered a broad range of personalised experiences and strategies that build knowledge, core skills and progress towards our aspirations over time. There have been significant changes in school leadership and management to meet the needs of a growing and changing school, including improved governance. A full review of governance was completed and a strategic plan formulated in line with the Ofsted Inspection framework and our vision and values that sets out our goals and targets for the next 3-4 years and the strategies for achieving these.

In terms of overall effectiveness the academy trust is outstanding as judged at our last Ofsted inspection (June 2023) and has been judged so over the last 11 years. We continue to offer outstanding pupil outcomes and achievements.

Key achievements during 2022/23 have been:

- Continuing to grow Pond Meadow as a Centre of Excellence, ensuring the continuation of outstanding L&M within the school by working with the LA and other schools in the development of our provision.
- Embedding our vision and values in all that we do, to guide and provide direction for all.
- Deliver a progressive curriculum that equips pupils with the knowledge and cultural capital they need to succeed in life and that staff and parents and carers fully understand.
- Ensuring all that we do creates a more open and outward facing school that is committed to our local community.
- Outstanding Ofsted Inspection 2023

Key performance indicators

The Academy Trust's income is directly related to its number of pupils on roll and its expenditure is driven by c85-90% of the budget being staff related. Key financial indicators therefore rest with these two areas with the exception of capital risks identified and a reserve being set against them.

The general expenditure profile of the Academy (from the ESFA SRM) indicates that compared to similar Surrey special schools: - our teaching staff salaries are in the highest 10% of similar schools. The rest of our costs are broadly in line with similar schools.

The comparisons reflect the historic policy of the Academy Trust to focus its resources on class-based staff and as part of the succession plan a full review of staffing across the school to ensure its efficiency for the provision of outstanding education.

Staff Category	Cost	% of expenditure	% of income
Teachers	1,436,349	36%	35%
Curriculum Support	1,451,130	37%	35%
Admin	316,233	8%	8%
Total	3,203,713	81%	79%

The Trustees are aware of the budget pressure caused by increases in expenditure through increased staff costs (pay and pension increases) whilst income remains level. Although currently manageable, a continuation of this position could result in in-year deficit budgets or would require a review of staffing levels and ratios.

With respect to pupil numbers, there is higher demand than places but we cannot accommodate more pupils in the current building. An expression of interest to expand the school by up to 50 places has been agreed and is due for delivery September 2024. The succession plan will ensure a thorough benchmarking exercise of income and expenditure is undertaken to ensure that the financial outlook for the foreseeable future is strong. The school is adjusting to a changing Special Educational Needs (SEN) population alongside this increase in roll with Autistic Spectrum Disorder now being the most prevalent SEN within the school.

POND MEADOW ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees 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 academy trust's income is partly obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the ESFA. For the year ended 31 August 2023 a total of £211k (2022: £nil) Condition Improvement Fund income was received, as well as £34k (2022: £11k) in the form of Devolved Formula Capital grants. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2023, total expenditure of £4,414k (2022: £4,694k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and LGPS pension costs) was £98k (2022: (£72k)).

At 31 August 2023 the net book value of fixed assets was £11,410k (2022: £11,606k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

At 31 August 2023 the Academy Trust's share of the Local Government Pension Fund was a deficit of £118k which is a decrease of £990k on the deficit of £1,108k at the previous year end.

Reserves policy

The trustees review the reserve levels of the Academy Trust at least termly. The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature and substance of the reserves.

The trustees have determined that the minimum level of reserves the Academy Trust should hold is four weeks expenditure (approximately £332k) to cover delays in between spending and the receipt of grants and also to provide a cushion to deal with unexpected demands or liabilities.

As a further precaution the trustees have determined that the Academy Trust should, if possible, aim to hold a further sum of £50k as an additional reserve to provide both further financial security and also to allow for unplanned one-off opportunities that would benefit to the education of the students.

Total targeted reserves are therefore approximately £382k.

The Academy Trust's free reserves (total funds less the amounts held in fixed assets and restricted funds) at the balance sheet date were £448k (2022: £391k) but additional net current assets of £202k (2022: £169k) are held in the restricted fund giving total net current assets (net assets less fixed assets and the pension liability provision) of £650k (2022: £560k).

Investment policy

Under the Memorandum and Articles of Association, the academy trust has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

POND MEADOW ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

The principal risks and uncertainties that Pond Meadow Academy Trust faces are mitigated by the risk management process that the Academy Trust has in place.

The principal risks to the school are as follows:

- A short to medium term funding gap due to fall in pupil numbers. There is a risk of pupil numbers falling by 8 pupils in any one year. This would lead to a reduction in funding of approximately £160k.
- Approximately 85-90% of our funding is spent on staffing costs and any variance in pupil numbers affects our funding and therefore our employment of staff. A reduction of 8 pupils could lead to a loss of 7 staff members.
- Due to the limitations of the current building due to increasing pupil numbers and the complexity of pupil need we are not in a position to increase numbers until a review of the accommodation has taken place.
- A benchmarking exercise has identified that we are currently not receiving the funding needed for the provision of some of our most complex pupils which we are addressing with the LA.
- To offer the progressive curriculum and associated spaces that pupils need to maintain an outstanding provision a review if the accommodation is urgent.
- Staff costs are currently predicted to outstrip income. With 85-90% of costs related to staff this would create a very high pressure on budget.

A risk also arises in relation to the Local Government defined benefit pension scheme, in that should the school's share of the liabilities continue to increase, this would indicate an increase of contributions needed in years ahead.

The trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust and its finances. The trustees have implemented a number of systems to assess risks that the school faces in relation to the control of finance. The trustees have introduced systems, including operational procedures and internal financial controls, in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 10.

Fundraising

The Academy Trust received donations through fundraising via direct donations from Destination Pond Meadow towards the costs of the christmas hampers, DPM raffle and Meadowfest; the summer fund-raising event.

Funds through these sources are clearly shown in our accounts and noted at trustees meetings, including any related party income.

POND MEADOW ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Current areas of the School Development Plan have been mentioned in previous sections but the trustees and Headteacher are aware of future trends beyond this period. Specific aims for the coming year are part of our long term strategic plan which will focus on:

- Developing an innovative financial plan ensures we can pursue the highest aspirations for every learner
- A continuing evaluation of property and infrastructure and the need to bring about a rolling programme of renovations and replacement of fixtures and fittings
- Continuing to implement a clear and consistent process that supports all staff to have high levels of attendance and share our vision and values.
- Ensuring an inclusive highly skilled and motivated workforce is empowered to give outstanding support to our pupils and invested in the school vision and values.
- Thinking creatively in relation to recruitment of support staff and creating internal opportunities for career progression where possible.
- Ensuring the current building is fit for purpose by working with Surrey officers and consultants including exploration of options for expansion. Consultation with stakeholders and subsequent business case to RCS of off-site proposal for 14-19 year olds. Ensuring admissions in the interim are appropriate.
- Following a full review of governance, succession planning Chair of Governors and training and recruitment of additional governors as necessary and /or modification of responsibilities to ensure the SLT are effectively supported and challenged.
- Forward planning to meet the changing needs of the school by continuing to review the staffing structure, roles & responsibilities within the context of expansion, budget planning & future income.

The school development plan will also enable the academy trust to:

- Evaluate curricular progression and opportunities to ensure that all pupils are appropriately prepared for life beyond school
- Establish organisational, managerial and staffing structures to meet the needs of a growing and changing school
- Establish a clear strategy for the school in terms of the DfE stated aims of all schools to become part of a MAT

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 07/12/2023 and signed on its behalf by:



Dr AA Page
Chair

POND MEADOW ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Pond Meadow Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Pond Meadow Academy Trust and the Secretary of State for Education. The accounting officer is 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs E L Hayward (Headteacher and Accounting Officer)	5	5
Mrs T Moroney	2	5
Dr A A Page (Chair)	4	5
Dr P J Gibson	3	5
Mr H F D Sturges	4	5
Ms S Balmbro (Appointed 1 March 2023 and resigned 27 September 2023)	2	2
Mr C Digby-Bell	3	5
Ms R Fearn	4	5
Mrs K Thoden van Velzen	4	5
Mr R Walton	0	2
Mr J Chapman	4	4
Ms A C McGovern (Appointed 1 March 2023)	2	2

Pond Meadow Academy Trust oversees the accounts of a single academy, Pond Meadow School, where there are no overlapping complexities in funding and finance that occur in larger, Multi-Academy trusts. The trust is confident that it provides sufficient oversight through its four board meetings supplemented by three Finance, Audit, Property and HR committee meetings together with three additional standards focussed committees. The board also allocates specific monitoring strands to individual trustees who report into the committees or board as appropriate.

POND MEADOW ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Having overseen the introduction of a new school development plan (SDP) in summer 2022, the work of the governing body focussed principally on ensuring successful delivery of the first phase of these aims. In addition, following an external review of governance in spring 2021, our second major focus was the formation of two working groups implementing specific action plans in terms of [a] governance and leadership, and [b] investigating options in relations to multi academy trusts (MATs). The former was a focus of internal scrutiny which recognised the success of the governance and leadership working group's plan and an Ofsted inspection in summer 2023 rated governance and leadership as outstanding. We reviewed in the SDP and our own governance on our strategy day in May, setting amended and even more ambitions aims for the next phase the SDP. In addition, we are in position to enter a trust partnership with Learning Partners MAT in autumn 2023 which will enable further support our governance and progress towards the school's strategic aims. Though funding and building work remain ongoing challenges, the trust board has developed high quality data and monitoring of our objectives and key results through use of the SDP and risk registers as live documents, detailed budgetary forecasting in addition to oversight of management accounts, as well as self-evaluation forms for both governance and school operations, and improved use of triangulation and evidence-based reporting in and out of board and subcommittee meetings. Within the 2023/4 academic year, the governing body should be in a position to decide whether it wishes to go further with MAT membership and once this has been determined we will establish a date for an external review of our governance in addition to our annual self-evaluations described above.

Conflict of Interests

Trustees (including the headteacher) are required to register their pecuniary, business and any other interest that has the potential to be or might be perceived to be a conflict on our governance portal. They are formally asked to review and confirm the register is correct annually and are expected to keep it up to date should anything change. There is an agenda item at the beginning of each meeting where trustees are expected to declare any changes to the register or any conflict of interest in respect of any item on the agenda. Trustees with any form of interest are excluded from the discussion and decision-making processes on any matter where they may be, or may be perceived to be, conflicted.

The Finance, Property and Human Resources Committee is a sub-committee of the main Board of Trustees. Its terms of reference are as follows:

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs E L Hayward (Headteacher and Accounting Officer)	3	3
Dr A A Page (Chair)	3	3
Mr H F D Sturges	3	3
Mr C Digby-Bell	0	3
Mr J Chapman	3	3

Review of value for money

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

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

- Ensuring staff have evidenced, effective and targeted CPD programmes and targets linked to the schools strategic plan to maximise pupil outcomes for all
- Maintaining high levels of scrutiny in the procurement of goods and services to ensure school funds are well spent
- Undertook a significant piece of work to ensure that individual pupil funding is matched to need

POND MEADOW ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pond Meadow Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

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 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with monthly BMR budget monitoring tool, budget holder spend reports, annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Property and HR 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;
- an academy trust finance manual provides clear financial processes and controls.

In the period 2022-2023 two areas of internal control were reviewed by external consultants:

- Governance and Estate Management by TSO Education Limited in Spring Term 2023
- Integrated Curriculum Financial Planning (ICFP) by TSO Education Limited in Summer Term 2023

The results of each review are set out below:

Governance and Estate Management

Recommendations of the review were

- Discussion of skills audit at Trustee meetings and improving any weaker areas identified
- Review of risk register to include school closure risk
- Development of long term Estate Vision

Integrated Curriculum Financial Planning (ICFP)

Recommendations of the review were

- Ensuring forecasts are accurate and assumptions are appropriate
- Review of curriculum support structure
- Review the processes for self-generated income

POND MEADOW ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

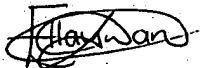
Review of effectiveness

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

- the work of the internal audit review
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 7/12/2023 and signed on its behalf by:



Mrs E L Hayward
Headteacher and Accounting Officer



Dr A A Page
Chair

POND MEADOW ACADEMY TRUST

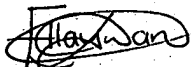
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Pond Meadow Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 2022, 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 2022.

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.



Mrs E L Hayward
Accounting Officer

POND MEADOW ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Pond Meadow Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 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 2022 to 2023;
- 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 7/12/2023 and signed on its behalf by:



Dr AA Page
Chair

POND MEADOW ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POND MEADOW ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Pond Meadow Academy Trust for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023.

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.

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.

POND MEADOW ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POND MEADOW ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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:

- 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.

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.

POND MEADOW ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POND MEADOW ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Extent to which the audit was considered capable of detecting 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.

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 2022 to 2023 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.

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.

Azets Audit Services

Debra Saunders Bsc FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

4 January 2024
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Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

POND MEADOW ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO POND MEADOW ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 6 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pond Meadow Academy Trust during the period 1 September 2022 to 31 August 2023 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 Pond Meadow Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Pond Meadow Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pond Meadow Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Pond Meadow Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Pond Meadow Academy Trust's funding agreement with the Secretary of State for Education dated 28 October 2014 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the Financial Statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

POND MEADOW ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 31 August 2023 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

Ashcombe Court

Woolsack Way

Godalming

Surrey

GU7 1LQ

United Kingdom

Dated: 4 January 2024

POND MEADOW ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Donations and capital grants	3	-	3	245	248	27
Charitable activities:						
- Funding for educational operations	4	51	4,001	-	4,052	3,654
Investments	5	6	-	-	6	-
Total income and endowments		<u>57</u>	<u>4,004</u>	<u>245</u>	<u>4,306</u>	<u>3,681</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	-	4,104	310	4,414	4,694
Total expenditure	6	<u>-</u>	<u>4,104</u>	<u>310</u>	<u>4,414</u>	<u>4,694</u>
Net income/(expenditure)		57	(100)	(65)	(108)	(1,013)
Transfers between funds		-	(8)	8	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes		-	1,131	-	1,131	4,138
Net movement in funds		<u>57</u>	<u>1,023</u>	<u>(57)</u>	<u>1,023</u>	<u>3,125</u>
Reconciliation of funds						
Total funds brought forward		<u>391</u>	<u>(939)</u>	<u>11,602</u>	<u>11,054</u>	<u>7,929</u>
Total funds carried forward		<u>448</u>	<u>84</u>	<u>11,545</u>	<u>12,077</u>	<u>11,054</u>

POND MEADOW ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		Funds £'000	General £'000	Fixed asset £'000	2022 £'000
Income and endowments from:					
Donations and capital grants	3	-	8	19	27
Charitable activities:					
- Funding for educational operations	4	35	3,619	-	3,654
Total income and endowments		<u>35</u>	<u>3,627</u>	<u>19</u>	<u>3,681</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	4,415	279	4,694
Total expenditure	6	<u>-</u>	<u>4,415</u>	<u>279</u>	<u>4,694</u>
Net income/(expenditure)		35	(788)	(260)	(1,013)
Transfers between funds		-	(13)	13	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	17	-	4,138	-	4,138
Net movement in funds		35	3,337	(247)	3,125
Reconciliation of funds					
Total funds brought forward		356	(4,276)	11,849	7,929
Total funds carried forward		<u>391</u>	<u>(939)</u>	<u>11,602</u>	<u>11,054</u>

POND MEADOW ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023	2022
	Notes	£'000	£'000
Fixed assets			
Tangible assets	11	11,410	11,606
Current assets			
Debtors	12	66	173
Cash at bank and in hand		1,040	578
		1,106	751
Current liabilities			
Creditors: amounts falling due within one year	13	(321)	(195)
Net current assets		785	556
Net assets excluding pension liability		12,195	12,162
Defined benefit pension scheme liability	17	(118)	(1,108)
Total net assets		12,077	11,054
Funds of the Academy Trust:			
Restricted funds	15		
- Fixed asset funds		11,545	11,602
- Restricted income funds		202	169
- Pension reserve		(118)	(1,108)
Total restricted funds		11,629	10,663
Unrestricted income funds	15	448	391
Total funds		12,077	11,054

The accounts on pages 20 to 41 were approved by the Trustees and authorised for issue on 7/12/2023 and are signed on their behalf by:

AA.P.

Dr A A Page
Chair

Company Number 09148900

POND MEADOW ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	£'000	2022 £'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	18		325		(165)
Cash flows from investing activities					
Dividends, interest and rents from investments		6		-	
Capital grants from DfE Group		245		11	
Capital funding received from sponsors and others		-		8	
Purchase of tangible fixed assets		(114)		(39)	
Net cash provided by/(used in) investing activities			137		(20)
Net increase/(decrease) in cash and cash equivalents in the reporting period			462		(185)
Cash and cash equivalents at beginning of the year			578		763
Cash and cash equivalents at end of the year			1,040		578

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Pond Meadow Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and are rounded to the nearest £.

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 receivable

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.

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 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:

Leasehold land and buildings	over the term or the lease and 50 years
Computer equipment	33% Straight line
Fixtures, fittings & equipment	20% Straight line
Motor vehicles	20% Straight line

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.

1.6 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.

1.7 Leasing commitments

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 Fund accounting

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

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

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

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.12 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

The Academy Trust also acts as an agent for Destination Pond Meadow, a connected charity.

The funds received and paid and any balances held are disclosed in note 25.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

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 18, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Capital grants	-	245	245	11
Other donations	-	3	3	16
	<u>-</u>	<u>248</u>	<u>248</u>	<u>27</u>

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	1,491	1,491	1,491
Other DfE/ESFA grants:				
- Pupil premium	-	39	39	35
- Teachers pay and pension grants	-	99	99	99
- Others	-	108	108	63
	<u>-</u>	<u>1,737</u>	<u>1,737</u>	<u>1,688</u>
Other government grants				
Local authority grants	-	2,264	2,264	1,931
	<u>-</u>	<u>2,264</u>	<u>2,264</u>	<u>1,931</u>
Other incoming resources	51	-	51	35
	<u>51</u>	<u>-</u>	<u>51</u>	<u>35</u>
Total funding	<u>51</u>	<u>4,001</u>	<u>4,052</u>	<u>3,654</u>

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Short term deposits	6	-	6	-
	<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Academy's educational operations					
- Direct costs	3,035	-	181	3,216	3,115
- Allocated support costs	408	551	239	1,198	1,579
	<u>3,443</u>	<u>551</u>	<u>420</u>	<u>4,414</u>	<u>4,694</u>

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2023 £'000	2022 £'000
Operating lease rentals	2	4
Depreciation of tangible fixed assets	310	279
Fees payable to auditor for:		
- Audit	12	8
- Other services	2	2
Net interest on defined benefit pension liability	49	80

7 Charitable activities

All from restricted funds:	2023 £'000	2022 £'000
Direct costs		
Educational operations	3,216	3,115
Support costs		
Educational operations	1,198	1,579
	<u>4,414</u>	<u>4,694</u>

	2023 £'000	2022 £'000
Analysis of support costs		
Support staff costs	408	868
Depreciation	310	279
Premises costs	241	204
Legal costs	4	-
Other support costs	224	218
Governance costs	11	10
	<u>1,198</u>	<u>1,579</u>

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Staff

Staff costs

Staff costs during the year were:

	2023 £'000	2022 £'000
Wages and salaries	2,495	2,380
Social security costs	210	193
Pension costs	591	1,087
Staff costs - employees	3,296	3,660
Agency staff costs	147	118
Total staff expenditure	3,443	3,778

Staff numbers

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

	2023 Number	2022 Number
Teachers	23	23
Administration and support	81	85
Management	5	4
	109	112

Higher paid staff

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

	2023 Number	2022 Number
£60,000 - £70,000	2	1
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £421k (2022: £375k).

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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:

Mrs E L Hayward (Headteacher):

- Remuneration £100,000 - £105,000 (2022 - £90,000 - £95,000)
- Employer's pension contributions £20,000 - £25,000 (2022 - £20,000 - £25,000)

Ms R Fearn (staff trustee)

- Remuneration £45,000 - £50,000 (2022 - £40,000 - £45,000)
- Employer's pension contribution £10,000 - £15,000 (2022 - £5,000 - £10,000)

During the year, educational supplies totalling to £374 (2022 - £459) were reimbursed to 2 trustees.

Other related party transactions involving the Trustees are set out within the related parties note.

10 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy 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.

11 Tangible fixed assets

	Leasehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2022	13,165	228	100	70	13,563
Additions	-	16	98	-	114
At 31 August 2023	13,165	244	198	70	13,677
Depreciation					
At 1 September 2022	1,694	157	66	40	1,957
Charge for the year	238	47	17	8	310
At 31 August 2023	1,932	204	83	48	2,267
Net book value					
At 31 August 2023	11,233	40	115	22	11,410
At 31 August 2022	11,471	71	34	30	11,606

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Debtors

	2023 £'000	2022 £'000
Trade debtors	2	1
VAT recoverable	31	25
Prepayments and accrued income	33	147
	<u>66</u>	<u>173</u>

13 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	62	57
Other taxation and social security	63	47
Other creditors	122	69
Accruals and deferred income	74	22
	<u>321</u>	<u>195</u>

14 Deferred income

	2023 £'000	2022 £'000
Deferred income is included within:		
Creditors due within one year	<u>7</u>	<u>5</u>
Deferred income at 1 September 2022	5	6
Released from previous years	(5)	(6)
Resources deferred in the year	<u>7</u>	<u>5</u>
Deferred income at 31 August 2023	<u>7</u>	<u>5</u>

Deferred income includes funding for Universal Infant Free School Meals received in advance.

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	162	1,491	(1,443)	(8)	202
Pupil premium	-	39	(39)	-	-
Other DfE/ESFA grants	5	207	(212)	-	-
Other government grants	2	2,264	(2,266)	-	-
Other restricted funds	-	3	(3)	-	-
Pension reserve	(1,108)	-	(141)	1,131	(118)
	<u>(939)</u>	<u>4,004</u>	<u>(4,104)</u>	<u>1,123</u>	<u>84</u>
Restricted fixed asset funds					
Inherited on conversion	11,470	-	(236)	-	11,234
DfE group capital grants	15	245	(19)	-	241
Capital expenditure from GAG	56	-	(33)	8	31
SCC - expansion	7	-	(5)	-	2
Private sector capital sponsorship	54	-	(17)	-	37
	<u>11,602</u>	<u>245</u>	<u>(310)</u>	<u>8</u>	<u>11,545</u>
Total restricted funds	<u>10,663</u>	<u>4,249</u>	<u>(4,414)</u>	<u>1,131</u>	<u>11,629</u>
Unrestricted funds					
General funds	<u>391</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>448</u>
Total funds	<u>11,054</u>	<u>4,306</u>	<u>(4,414)</u>	<u>1,131</u>	<u>12,077</u>

The inherited fixed assets fund has been set up to recognise the tangible fixed assets gifted to the Academy Trust upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy Trust via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2023.

Other DfE/ESFA grants includes PE and Sports Premium, Universal Infant Free School Meals, Teachers Pay and Pension and Recovery Premium grants.

The pension reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Funds

(Continued)

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	249	1,491	(1,565)	(13)	162
Pupil premium	-	35	(35)	-	-
Catch-up premium	23	-	(23)	-	-
Other DfE/ESFA COVID-19 funding	-	31	(31)	-	-
Other DfE/ESFA grants	17	131	(143)	-	5
Other government grants	-	1,931	(1,929)	-	2
Other restricted funds	-	8	(8)	-	-
Pension reserve	(4,565)	-	(681)	4,138	(1,108)
	<u>(4,276)</u>	<u>3,627</u>	<u>(4,415)</u>	<u>4,125</u>	<u>(939)</u>
Restricted fixed asset funds					
Inherited on conversion	11,686	-	(216)	-	11,470
DfE group capital grants	24	11	(9)	(11)	15
Capital expenditure from GAG	68	-	(32)	20	56
SCC - expansion	12	-	(5)	-	7
Private sector capital sponsorship	59	8	(17)	4	54
	<u>11,849</u>	<u>19</u>	<u>(279)</u>	<u>13</u>	<u>11,602</u>
Total restricted funds	<u>7,573</u>	<u>3,646</u>	<u>(4,694)</u>	<u>4,138</u>	<u>10,663</u>
Unrestricted funds					
General funds	<u>356</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>391</u>
Total funds	<u>7,929</u>	<u>3,681</u>	<u>(4,694)</u>	<u>4,138</u>	<u>11,054</u>

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	11,410	11,410
Current assets	448	523	135	1,106
Current liabilities	-	(321)	-	(321)
Pension scheme liability	-	(118)	-	(118)
Total net assets	448	84	11,545	12,077
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	11,606	11,606
Current assets	577	174	-	751
Current liabilities	(186)	(5)	(4)	(195)
Pension scheme liability	-	(1,108)	-	(1,108)
Total net assets	391	(939)	11,602	11,054

17 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 Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £119k (2022: £56k) were payable to the schemes at 31 August 2023 and are included within creditors.

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.

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations

(Continued)

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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £251k (2022: £232k).

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 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 17.1% for employers and 5.5% to 7.5% 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	2023 £'000	2022 £'000
Employer's contributions	244	250
Employees' contributions	74	73
Total contributions	318	323

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.95	3.95
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023 Years	2022 Years
Retiring today		
- Males	20.7	22.1
- Females	24.1	24.5
Retiring in 20 years		
- Males	21.7	23.1
- Females	25.2	26.2

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

	2023 £'000	2022 £'000
Discount rate - 0.1%	100	122
Salary increase rate + 0.1%	7	8
Pension increase rate + 0.1%	95	115

Defined benefit pension scheme net liability	2023 £'000	2022 £'000
Scheme assets	3,656	3,286
Scheme obligations	(3,774)	(4,394)
Net liability	(118)	(1,108)

The Academy Trust's share of the assets in the scheme	2023 Fair value £'000	2022 Fair value £'000
Equities	2,779	2,497
Bonds	439	460
Cash	146	66
Property	292	263
Total market value of assets	3,656	3,286

The actual return on scheme assets was £106,000 (2022: £(164,000)).

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2023 £'000	2022 £'000
Current service cost	336	851
Interest income	(145)	(55)
Interest cost	194	135
Total operating charge	<u>385</u>	<u>931</u>
Changes in the present value of defined benefit obligations		2023 £'000
At 1 September 2022		4,394
Current service cost		336
Interest cost		194
Employee contributions		74
Actuarial gain		(1,170)
Benefits paid		(54)
At 31 August 2023		<u>3,774</u>
Changes in the fair value of the Academy Trust's share of scheme assets		2023 £'000
At 1 September 2022		3,286
Interest income		145
Actuarial loss		(39)
Employer contributions		244
Employee contributions		74
Benefits paid		(54)
At 31 August 2023		<u>3,656</u>

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per the statement of financial activities)		(108)	(1,013)
Adjusted for:			
Capital grants from DfE and other capital income		(245)	(19)
Investment income receivable	5	(6)	-
Defined benefit pension costs less contributions payable	17	92	601
Defined benefit pension scheme finance cost	17	49	80
Depreciation of tangible fixed assets		310	279
Decrease/(increase) in debtors		107	(115)
Increase in creditors		126	22
Net cash provided by/(used in) operating activities		325	(165)

19 Analysis of changes in net funds

	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash	578	462	1,040

20 Capital commitments

	2023 £'000	2022 £'000
Expenditure contracted for but not provided in the accounts	325	-

21 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

POND MEADOW ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Related party transactions

(Continued)

Expenditure related party transactions

The Academy Trust has a connected charity, Destination Pond Meadow, of which a members of the senior leadership team, Ms R Greig, is a trustee. The charity's year end is 31 March.

The charity undertakes fundraising activities on behalf of the Academy Trust and makes donations towards specific equipment requirements. During the year, the Academy Trust received £1k (2022 - £23k) from the charity. At the year end, the charity owed £1k (2022 - £1k) to the Academy Trust.

The latest financial statements for the charity showed the following:

Assets	£7k
Retained funds	£7k
Income	£5k
Expenditure	(£1k)
Surplus	£4k

22 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.

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £10k and disbursed £10k from the fund. An amount of £1k (2022: £1k) is included in other creditors relating to undistributed funds that is repayable to ESFA.