

HALES VALLEY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

HALES VALLEY TRUST
(A company limited by guarantee)

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HALES VALLEY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | Mark Simpson (Chair) Brett Field Derek Baillie Diane Morrison (appointed 20 October 2023) |
| Trustees | Rebecca Cox Robert Gregory Gillian Harper Christopher James (resigned 16 February 2024) Robert Lane (resigned 18 December 2023) Mark Simpson (Chair) Wendy Jackson (appointed 13 February 2024) Angela Hannaway (appointed 8 April 2024) Sarah Moore (appointed 31 January 2024) |
| Company registered number | 10476114 |
| Company name | Hales Valley Trust |
| Principal and registered office | Woodside Primary School And Nursery Highgate Road Dudley DY2 0SN |
| Senior Leadership team | Rebecca Cox, Chief Executive Officer Lisa-Jane Garfield, Director of Finance & Operations Kate Hall, Director of Education |
| Independent auditor | Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG |
| Bankers | Lloyds Bank 3 Queen Square Wolverhampton WV1 1RF |
| Solicitors | Browne Jacobson Victoria House Victoria Square Birmingham B2 4BU |

HALES VALLEY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

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

The Multi Academy Trust (or the "Trust") operates 7 primary schools for pupils aged 2 to 11, serving the catchment area of Dudley. In the academic year 23/24 it is now a pupil capacity of 3,142 (inc the 2 new conversions) and had a roll of 2,193 in the October 2023 school census. The Trust also operates 5 nurseries, including 2 settings with 'Time for Twos' provision, a specialist ASD based and a Swimming Pool.

Structure, governance and management

a. Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of Hales Valley Trust are also the Directors of the Charitable Company for the purposes of Company law. The Charitable Company is known as Hales Valley Trust.

Details of the Trustees who served during the , and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the trustees which by virtue of any rule of Law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. This is provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was breach of trust or breach of duty or not and provided that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Trust.

The Trustees have liability insurance under the Risk Protection Arrangement (RPA) for academy trusts. There is a limit of indemnity of £10,000,000.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Members may appoint up to a total of 7 Trustees by ordinary resolution, with the total number of Trustees (including the Chief Executive Officer) who are employees of the Trust not exceeding one third of the total number of Trustees.

Member and Trustee recruitment for Hales Valley Trust is achieved by firstly identifying gaps in knowledge and experience and then actively recruiting people with those required skills, knowledge and experience from other charitable companies in the education sector or, where appropriate, from industry or the voluntary sector.

The Members appointed the Chief Executive Officer as a Trustee. Any future Trustee appointments by the Members would be expected to take place at a meeting of the Members or by written resolution. The term of office for any Trustee shall be 4 years, however this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at a General Meeting.

The Members may either pass a special resolution in writing (i.e. a 75% majority vote) or a written unanimous resolution to appoint additional Members and to remove any such additional Members, provided that such appointment or removal is in the best interests of the Trust. The Members may also agree to remove any Member who was a signatory to the Memorandum (if the Member concerned is not required) and provided such removal is in the best interests of the Trust.

e. Policies adopted for the induction and training of Trustees

Upon appointment, all new Trustees are provided with documents relating to their role. This includes information relating to the schools and services within the Trust. The Trust follows the same training and induction procedures for all new Trustees. A Trust Induction programme has been developed for all new Trustees with which full participation is expected.

Annually all Trustees receive the link to the Academy Trust Handbook or a hard copy of the most up to date version, the calendar for submissions to ESFA and the up to date Governance Handbook issued by the DFE. Documentation is made available via Governor Hub and papers are distributed electronically. Trustees' declarations of any business and pecuniary interests in their work within the Trust is recorded electronically. A skills matrix is undertaken by each new Trustee, and then annually, to ensure all Trustees have an appropriate skillset and to identify any training requirements.

Trustees take part monthly in relevant training guided by Trust needs this is provided by: NGA, National Online Safety and they also have access to the Local Authority training programme. Trustees should sign up to governance associations in order to receive electronic updates from key agencies in order to keep the Trust compliant and working efficiently and effectively.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

f. Organisational structure

Members

Members are responsible for appointing the Trustees, delegating policies and procedures to the Board of Trustees, undertaking the duties for financial responsibility as described in the Academy Trust Handbook, reviewing the Articles of Association and Scheme of Delegation to ensure regularity within the Academy Trust and approving the Annual Accounts return and the Audited Financial Statements.

The Members will assume overall responsibility for the Trust. A Board Member will also be part of the Board of Directors (The Trustees).

Board of Trustees

As a Charity and Company limited by guarantee, the Trust is governed by a board of trustees (the Trust Board). The Trust Board is responsible for establishing the overall strategic direction of the Trust, and for holding its executive leaders to account for delivery of the strategic plan and for ensuring the financial integrity of the Trust. As at 31 August 2024, the Trust Board was responsible and accountable for 7 schools.

Each year the Board reviews and approves a formal scheme of delegation, which sets out how responsibility for decision making is cascaded down the organisation. Full details of the scheme of delegation can be found on the Trust website.

In order to support the effective operation of the Trust and the schools, the Trust Board has established a number of committees to which it has delegated certain of its powers and functions. These powers and functions are set out in the terms of reference, and include the constitution, membership and proceedings of the committees. All committees established by the Trust Board comply with The School Governance (Role, Procedures and Allowances) (England) Regulations 2013.

In summary, the Board has established 2 different types of committee, which operated during the year:

- Main Board Committees, which are established to deal with Trust-wide matters and include: Finance, Audit & Risk Committee; Curriculum and Standards Committee; and Remuneration Committee.
- Local Governing Committees (LGCs), which are established by the board to support the effective operation of each school. From May 24 the governance arrangements changed as the Trust introduced Anchor meetings. This consists of senior leaders from the school and Executives from the Trust plus attendance of a Trustee member.

The Board reviews the terms of reference together with the membership of these Committees at least once every twelve months. Each committees' terms of reference may be found on the Trusts website.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

Chief Executive Officer/Accounting Officer

Responsibility for day to day management of the trust is delegated to the Chief Executive Officer (CEO), who is also the Accounting Officer of the Trust, with responsibility both for educational development across the Academies and for developing support operations and ensuring financial probity.

In discharging day to day management responsibilities, the CEO is supported by a central executive team, including:

- Director of Education
- Director for Finance and Operations
- 2 Executive Headteachers

The aim of this management structure is to align responsibility and accountability, whilst also seeking to encourage the involvement of all staff in decision making to support continual improvement and excellence.

g. Arrangements for setting pay and remuneration of key management personnel

The Trustees are responsible for setting the general policy, budget monitoring and making major decisions regarding the direction of the Trust and expenditure relating to staff salaries.

Oversight of the pay award process is the responsibility of the Remuneration Committee, which will be advised of the nationally agreed contractual pay awards and individual pay proposals. The review of pay for key personnel is carried out by the Trustees and the Remuneration Committee in line with the fixed group size and individual salary ranges.

The Remuneration Committee carries out the appraisal of the CEO annually.

The CEO carries out the appraisal of the central executive team, including the Director of Education, Executive Headteacher and Headteachers of schools.

The Trust does not currently engage in any bonus or share schemes for any of its employees.

The Trust has adopted a Pay Policy for teachers and support staff which identifies how pay progression is available to staff. The policy is reviewed annually.

The Trust Pay Policy delivers on the following:

- supports the recruitment and retention of a high-quality workforce
- complements the Trust's Appraisal policy which is supportive and developmental and ensures his employees have the skills and support to do their job effectively
- complements the delivery of the statutory appraisal process and make robust decisions on teacher and leadership pay
- enables us to recognise and reward staff appropriately for their contribution to the Trust
- helps to ensure that decisions on pay are managed in a fair, just and transparent way whilst eliminating unnecessary bureaucracy for all concerned. The use of evidence in this process will be proportionate and clearly rooted in the appraisal process
- ensures that there is no pay discrimination in decision making and that decisions on pay (where applicable) are based on evidence and can be justified

Pay decisions for school-based staff are made locally by the Executive Headteacher/Headteacher and the CEO, based on evidence which is linked to appraisal outcomes and other indicators.

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Structure, governance and management (continued)

Executive Headteacher/Headteacher can request changes to staffing levels. However, the central executive team are responsible for authorisation.

The CEO is the only Trustee who is also an employee of the Trust and is remunerated for their work. No Members are employees of the Trust.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, there were no employee hours incurred by the Trust in union time last year.

h. Related parties and other connected charities and organisations

Details of related parties are collated and monitored throughout the year. There were no recorded related party transactions in the year ended 31 August 2024.

Further details in relation to related parties are shown in note 28

i. Engagement with employees (including disabled persons)

The Trust is committed to engaging positively with all staff. The Trust adheres to DMBC Union Recognition Agreement which defines which unions are recognised for the purposes of collective bargaining, consultation and individual staff representation on behalf of the workforce.

The agreement promotes and assists in the establishment of:

- jointly agreed pay and conditions of employment;
- good practice with regard to matters of employment and health and safety;
- participation and involvement of staff;
- effective and prompt resolution of issues and disputes;
- equal opportunities in employment;

The Trust has a Wellbeing Champions' staff forum that meets regularly with the CEO and the central executive team in order to address staff wellbeing and concerns.

The Trust runs a significant number of staff forums with regard to leadership and curriculum, providing staff with a voice on key strategies and initiatives.

The Trust has an intranet which provides staff with a one-stop online portal of key documents and signposting to relevant areas.

The management of absences and staff health and wellbeing has been a focus across the Trust during and since the COVID pandemic. The Trust now provides all staff with access to the Employee Assistance Programme which offers a wealth of benefits including access to GPs, counselling, wellbeing support and also shopping benefits.

The Trust is committed to equality and valuing diversity and actively supports practices that promote genuine equality of opportunity for all staff and students. All employees, whether part-time, full-time, temporary or permanent are treated fairly and equally. We avoid unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and selection for redundancy. Selections are made on the basis of aptitude, ability and/or merit, where appropriate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

Engagement with employees (including disabled persons) (continued)

We actively seek to make reasonable adjustments (including during recruitment and selection), where there is a need to ensure that a disabled person has the same access to everything as a non- disabled person, as far as is reasonable. We take positive and proactive steps to remove, reduce or prevent the obstacles faced by a disabled individual, as far as is reasonable.

j. Gender Pay Gap Reporting

As part of our obligations under Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 we have included the following statistics on our website for staff working at the Trust:

- Gender pay gap as a mean average
- Gender pay gap as a median average
- Bonus gender pay gap as a mean average
- Bonus gender pay gap as a median average
- Proportion of males receiving bonus payment and proportion of females receiving a bonus payment
- Proportion of males and females when divided into four groups ordered from lowest to highest pay

Objectives and activities

a. Objects and aims

Our Trust aims for all schools in our partnership to be good or better. We want to ensure that no child, no teacher and no school gets left behind. We feel that as an Academy Trust we are able to work more creatively to best serve the needs of our children and our communities.

Our academies are all located in Dudley, hence we are able to use our staff in a more flexible and responsive manner – we share our expertise and resources and grow our own teachers and leaders. We ensure that our staff have opportunities to grow within and across our Trust, ensuring that we retain our high levels of expertise and ensuring that our succession planning is secure.

The communities that we serve across the Trust encompass stakeholders from both affluent and disadvantaged families, drawn from a wide variety of ethnicities and religious backgrounds. Our ethos is one of inclusivity, promoting an equality of opportunity for every child across the Trust.

Our Vision is ***Success for All.***

Our Mission is **to ensure that we improve outcomes for all our pupils, by working together.**

Our Culture is driven by our shared values and our 3 core principles:

Respect

- We are honest and kind to ourselves and to each other
- We listen to and consider each other's points of view
- We look after our environment

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Resourceful

- We think of new ways of solving problems
- We work well with others
- We aim to be the best we can

Resilient

- We always try our best
- We embrace new challenges and opportunities
- We have a positive attitude

The Trust has developed a 3-year Strategic Plan, which clearly sets out the priorities, milestones and key performance indicators (KPIs) for the period 2023 – 2026.

Key objectives:

1. **Leadership & Governance:** to ensure high quality Leadership and Governance at all levels across the Trust.
2. **Workforce:** to embed a self-sustaining and collaborative approach to school improvement.
3. **High Quality and Inclusive Education:** to ensure that our children are equipped with the necessary skills to maximise their life choices and be successful.
4. **School Improvement:** to ensure that all schools are enabled to reach good or better outcomes.
5. **Business & Efficiency:** to align all business areas around its objectives, enabling efficient and effective decision making which helps maintain financial viability and probity.

b. Public benefit

The primary purpose of Hales Valley Trust is the advancement of education through its schools. Hales Valley Trust also aims to provide support within the local area and wider community.

The Trustees consider that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Trustees consider that the Trust's aims and objectives demonstrate that it acts to the benefit of the public. In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report

Achievements and performance

Hales Valley Trust has enjoyed another successful year that has included a reorganisation of the Trust school improvement team in order to further develop and support improving teaching, leading to better outcomes for our pupils.

The Trust has engaged with 2 local schools in a Trust partnership, which has led to them applying to convert into the Trust during the academic year 2023/24. These schools have benefitted from joining the Trust professional forums which always focus on improving teaching, based on quality research.

The Trust continue to improve the buildings that our children learn in and have successfully implemented two funded condition improvement programmes, alongside the Trust's own investment in improving the school sites from existing Trust reserves.

The Trust is proud that leadership has been deemed good or better by Ofsted in all schools in the Trust.

a. Key performance indicators

The Trustees regularly review the performance of the Trust. Progress towards the KPIs is evaluated annually by the Trustees.

In the academic year 2023/24 Woodside Primary School was judged to be good in all areas.

Leadership across the Trust is judged at least good or better in all schools.

Trustees evaluate progress by comparing previous results across all end of year outcomes to the current year, to help identify where progress had been made.

The coronavirus pandemic had a major impact on end-of-year outcomes between 2020 and 2022, particularly in writing. This continues to be a focus for schools as the catch up from the pandemic has caused longer term impact.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Early years – Good Level of Development:

| HVT EYFS Data | | 2023 | 2024 |
|---------------|---------------|------------------|------|
| Lutley | % at expected | 75 | 66 |
| | | | |
| Lapal | % at expected | 86 | 80 |
| | | | |
| Woodside | % at expected | 47 | 50 |
| | | | |
| Hurst Hill | % at expected | 72 | 67 |
| | | | |
| Priory | % at expected | 65 | 65 |
| | | | |
| Withymoor | % at expected | Not yet in Trust | 58 |
| | | | |
| Gig Mill | % at expected | Not yet in Trust | 72 |

The National % is around 68% and 2 of our schools have exceeded this in 2024. It still remains a challenge at Woodside, Hurst Hill and Priory due to their low starting points and still seeing the impact of the pandemic. Lutley and Withymoor had a high number of children with SEND needs in their cohorts which affected their outcomes in 2024.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Year 1 phonics

Year 2 phonics

| HVT Y1 Phonics | |
|----------------|------|
| | 2024 |
| Lutley | >94 |
| | |
| | |
| Lapal | <86 |
| | |
| | |
| Woodside | <58 |
| | |
| | |
| Hurst Hill | >76 |
| | |
| | |
| Priory | >81 |
| | |
| | |
| Withymoor | 90 |
| | |
| | |
| Gig Mill | 83 |

| Y2 Phonics | |
|------------|------|
| | 2024 |
| Lutley | <92 |
| | |
| | |
| Lapal | <87 |
| | |
| | |
| Woodside | <83 |
| | |
| | |
| Hurst Hill | >94 |
| | |
| | |
| Priory | <84 |
| | |
| | |
| Withymoor | 80 |
| | |
| | |
| Gig Mill | 91 |

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Key stage 1 data

| HVT KS1 Data | | READING | | WRITING | | MATHS | |
|--------------|---------------|---------|------|---------|------|-------|------|
| | | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| National | % at expected | 68 | | 60 | | 70 | |
| | | | | | | | |
| Lutley | % at expected | 82 | 80 | 71 | 63 | 80 | 79 |
| | | | | | | | |
| Lapal | % at expected | 82 | 90 | 82 | 75 | 57 | 90 |
| | | | | | | | |
| Woodside | % at expected | 69 | 68 | 60 | 60 | 73 | 72 |
| | | | | | | | |
| Hurst Hill | % at expected | 68 | 58 | 55 | 41 | 78 | 55 |
| | | | | | | | |
| Priory | % at expected | 59 | 60 | 57 | 60 | 69 | 71 |
| | | | | | | | |
| Withymoor | | | 70 | | 48 | | 52 |
| | | | | | | | |
| Gig Mill | | | 68 | | 62 | | 72 |
| | | | | | | | |

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Key stage 2 results: (RWM = reading, writing and maths combined)

| HVT KS2 Data | | Reading | Writing | Maths | RWM |
|--------------|---------------|---------|---------|-------|-----|
| Lutley | % at expected | >82 | <80 | >89 | <70 |
| | Progress | | | | |
| Lapal | % at expected | <73 | >82 | >81 | <61 |
| | Progress | | | | |
| Woodside | % at expected | <48 | <68 | <48 | <43 |
| | Progress | | | | |
| Hurst Hill | % at expected | <60 | >56 | <63 | >43 |
| | Progress | | | | |
| Priory | % at expected | >68 | >67 | >64 | >60 |
| | Progress | | | | |
| Withymoor | % at expected | 73 | 66 | 69 | 59 |
| | Progress | | | | |
| Gig Mill | % at expected | 74 | 80 | 70 | 58 |
| | Progress | | | | |

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Strategic Plan Progress

Leadership

Leadership remains strong and consistent across the trust central team. The strategic plan has been implemented throughout the Trust and has resulted in the improvements in a wide variety of areas. The induction of 2 new schools at Easter 2024 was planned through integrated workshops with the Central Team and the School Office teams. This allowed the opportunity for the teams to share policy and procedural knowledge and help the schools integrate into the Trust more smoothly.

School Improvement

In order to ensure that the strategic plan impacts on school improvement the Trust has developed a skilled central school improvement team, including a team of Specialist Leaders in Education (SLEs):

- Director of Education
- Head of Inclusion
- 2 Lead Practitioners

This team works directly in schools, leading and working alongside staff in order to develop and improve teaching and learning, leading to improved outcomes for children.

The CEO and Director of Education meet regularly with all schools in order to evaluate progress towards each school's improvement plan and progress towards the assessment KPIs, set by the Trust. Assessment information is shared with all schools across the Trust so that schools can benchmark their performance. Good practice is identified and shared and areas for development are also identified and form part of the Trust Strategic Plan, as well as each school's Improvement Plan.

The Trust has an assessment package across all the schools in the Trust in order to ensure that assessments are recorded in a consistent way, thus supporting benchmarking. The Trust has a well-embedded moderation programme across all the schools in the Trust in order to ensure that assessments are consistent and robust in Early Years Foundation Stage (EYFS), Key Stage 1 (KS1) and Key Stage 2 (KS2).

Personal Development

The development of its pupils and staff is a key priority for the Trust which has continued this year through the rollout and extension of the Skills Builder framework and Voice21, to aid oracy development.

Outcomes

The Trust seeks to continually improve the outcomes for all its children in reading, writing and mathematics, through a range of objectives including performance measurement, teacher development and support and, making best use of pupil premium and catch-up funding to meet the needs of disadvantaged children. During the year, the Trust received 1 OFSTED inspection at Woodside Primary School. The improvements achieved by the Trust through its focus on outcomes is evidenced by the school achieving an "outstanding" rating, having previously been rated as "good" and "requires improvement".

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Business and Efficiency

It has been apparent to the Board for some time that with only primary schools the Trust lacked the critical mass needed to provide the best education and environment for its pupils and the necessary support and direction for its staff. The strategy therefore was based on Trust growth through the managed acquisition of new schools. To this end, the Trust has been working with two local primary schools through trust partnership arrangements, whilst completing a number of the early stages of integration. The Regional Director visited the Trust in July 2023 and confirmed that the schools would be considered at the October 2023 headteacher board. Subsequently, approval was granted at this meeting for the schools to join the Trust in Spring 2024. The schools then successfully joined in March 2024.

As part of the Trust growth plan it is anticipated we will need to grow to around 10 schools in the next 3 years for financial stability going forward.

Going Concern

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

Promoting the Success of the Company

As directors of the charitable company, the trustees have considered the interests of the Trust and its stakeholders in their decision making. The Trust has a wide range of key stakeholders, including students and their parents, its employees, local communities and government.

Trustees receive feedback through many channels, including in particular:

- From Trust Advocates who act as a local link between schools, parents and communities.
- From expert professional advisors, and
- From the Trusts Senior Management Team with whom rests the delegated responsibility for the day to day running of the Trust.

Financial review

The Trust's primary source of income is from central government funding mainly comprising of the General Annual Grant ("GAG") from the DFE which is funded from the Education and Skills Funding Agency ("ESFA") and is received monthly. Use of this funding is restricted to particular purpose. The grants received from these sources during the period up to 31 August 2024 and the associated expenditure are shown as Restricted General funds in the statement of Financial Activities.

The net surplus (restricted and unrestricted funds) for the period 1 September 2023 – 31 August 2024 is £13,351,539 (2023: deficit £540,973).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

| | 31 August 2024 | 31 August 2023 |
|---|----------------|----------------|
| Net income / expenditure excl depreciation | (£712k) | (£413k) |
| Actuarial (losses) / gains on defined pension schemes | £316k | £3,328k |
| Net movement in funds | £13,668k | £2,787k |
| Cash in hand | £1,923k | £1,852k |

a. Reserves policy

The Trust holds reserves to ensure that it can continue to operate and meet its objectives throughout the period. The Trustees consider the level of reserves appropriate for this purpose and will review them annually.

The level of reserves held as at 31 August 2024 was as follows:

| | |
|--|-----------|
| Unrestricted funds for any use (free reserves): | £1,577k |
| Restricted local government pension scheme deficit ("LGPS"): | (£1,181k) |
| Restricted general funds (equal pay loan): | (£865k) |
| Restricted fixed asset funds: | £43,009k |

Further information around the LGPS pension deficit can be found in note 25 to the accounts.

b. Investment policy

The Academy Trust has no investments, with all funds held as cash with its Bankers.

c. Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The principle risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks.

Systems and procedures to minimise these are constantly being reviewed and updated, with oversight provided by the Finance, Audit and Risk Committee on behalf of the Board.

The Finance, Audit and Risk Committee has a robust risk register in place, as part of the risk management policy. The risk register is reviewed each half term in the Finance, Audit and Risk Committee meetings. It is also reviewed with the trust board termly.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Governance and financial risk management

Risk in this area can arise from a lack in management of financial resources. Strong internal controls and effective policies meeting national guidance are in place to minimise risk in this area along with appropriate training and induction. Compliance with regulations and statutory returns is closely monitored continuous reviews are undertaken to ensure that the Trust mitigates any risks and ensures the best value is achieved for our pupils at all times.

The trust has enshrined its approach to risk management in its comprehensive Risk Management Policy which details how risks are identified, evaluated and monitored. Responsibility for the detailed review of the effectiveness of risk management activity is delegated to the Finance, Audit and Risk Committee.

A risk register is maintained, with all risks RAG rated both before and after mitigations. The key risks and uncertainties to which the trust is exposed can be summarised as follows:

Financial Risks

The trust is almost entirely reliant on Government funding through the ESFA for its income. There is a risk that the overall strain on public finances, exacerbated by the extensive public sector strikes, will lead to a real term reduction in school funding levels.

Growing costs in relation to teachers' salaries and inflationary pressures on other costs such as power, agency fees, children's meals, technology and wider maintenance are increasingly threatening to compromise the financial viability of the trust.

Teachers benefit from the Teacher's Pension Scheme (TPS) whilst other staff benefit from the Local Government Pension Scheme (LGPS). Both are defined benefit (DB) schemes and, in line with other such schemes, employer pension contributions have increased over recent years to compensate for reduced returns. Pension costs are outside the control of the trust.

Whilst the trust is seeking to on-board a number of other primary academies to ease central funding pressures, without additional government funding, the level and quality and teaching staff will be difficult to maintain, potentially reducing teaching standards.

Demographic

Declining birth rates in the Dudley area are leading to a fall in applications for all schools. Lower admissions will further adversely affect income levels through reduced funding. Through better marketing of its benefits and successes, the trust is seeking to improve its profile and attract pupils from a wider catchment area.

Staff Recruitment and Retention

We are now beginning to see a nationwide shortage of good, qualified teachers, consequently supporting the development and wellbeing of the trusts own staff is a key priority. The trust has invested in supporting new teachers to the trust by recruiting a lead practitioner who supports our Early Career stage teachers across the Trust to ensure they get the best start to their career.

We also have an Employee Assistance programme which entitles staff to free counselling 24/7, access to GPs online and also other benefits they can access. This is part of a wider people strategy that the Trust is working upon for the forthcoming academic year.

HALES VALLEY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Pensions

Teachers have access to the Teachers' Pension Scheme and professional services staff have access to the Local Government Pension Schemes. These are defined benefits schemes. In line with other defined benefits schemes, employer pension contributions have increased.

Fraud and mismanagement of funds

The Board ensures that effective policies are in place to mitigate the risk of fraud or the mismanagement of funds, including a formal scheme of delegation. The compliant use of funds is monitored principally through the Finance, Audit and Risk Committee who are accountable to the Board.

Additionally, the Trust appoints internal auditors, as an independent third party, to review compliance and advise on all controls across the Trust on a rotational basis, every term.

Safeguarding

The Trust has robust safeguarding policies and practices in place that ensures that our community is protected as far as possible. Each school has an annual safeguarding audit, carried out by an external provider. These audits result in detailed reports which highlight good practice and identifies any further actions. These audits are shared with the board of trustees. Schools also complete the bi-annual Local Authority 175 audit which identifies any safeguarding actions that need to be addressed.

The trust has an external health & safety provider, who also carry out annual health & safety audits, with termly checks, in order to ensure the school sites are safe.

The CEO reports on safeguarding in the termly report to trustees. Each Executive Headteacher/headteacher also provides formally safeguarding updates as part of the annual Headteacher report to the local governing committee

Reputation

The success of the Trust relies on its reputation both locally within its catchment areas and also more widely across the education sector to retain and increase its pupil numbers. To continue to develop its reputation requires both the existing schools within the Trust to offer education of the highest standard and also for the Trust to support other schools more widely in developing and improving the standard of teaching they provide.

Cyber security

The Trust takes seriously the real threats of Cyber security and has adopted an RPA Cyber Security framework to meet the insurance cover requirements and also maintains the Trust cyber security policies and practices, in line with advice from the National Cyber Security Centre. The trust ensures that staff have regular training and updates regarding risk in this area and the trust makes effective use of the National Online Safety resources.

The Trust has 2 factor MFA across most workforce and is planning to move this to becoming a mandatory approach across the whole Trust.

The Trust purchase BoxPhish as a training resource and facility to ensure all staff are aware of cyber threats they may experience from real life fake email testing.

HALES VALLEY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Estate Management

We recognise our responsibilities in relation to mitigating risks affecting the safety of all our sites and school buildings, during the year we have introduced:

- Quarterly Health & Safety audits - When classrooms were left unattended during the lunchtime period, Health and Safety low risk items were identified. To monitor, improve and evaluate the areas of concern we have introduced fortnightly spot check audits to be completed by Office Managers. Findings are captured on an audit tracker and reported to the Chief Operations Officer to be addressed accordingly.
- Building Condition surveys have been completed across all 5 schools to support the development of trust building development plans.
- 100% attendance by HR & Estates Manager at all of the audits and site walks to closely monitor and evaluate school performance across HVT. This provides consistency of standards being adhered to.
- RAAC survey instructed & scheduled for October which certified there was no RAAC in our schools.

Fundraising Activity during the period:

The Trust does not work with any external fundraisers but is aware of the Charity Commission's publication, Charity Fundraising: a guide to trustee duties, which covers fundraising practices.

Streamlined Energy and Carbon Reporting

As a large company that consumed more than 40,000 kWh of energy during the period 1st September 2023 to 31st August 2024 we include the consumption of carbon and energy information as follows

| | 2024 | 2023 |
|---|-------------|-------------|
| Energy Consumption used to calculate emissions (kWh) | | |
| emissions (in tonnes of CO2 equivalent) Gas consumption | 348 | 361 |
| emissions (in tonnes of CO2 equivalent) Electricity purchased | 93 | 108 |
| Business miles used by Trustees & Employees (in tonnes of CO2 equivalent) | 1.99 | 1.3 |
| Total gross emissions (in tonnes of CO2 equivalent) | 443 | 470.3 |
| Intensity ratio - Tonnes of CO2 equivalent per pupil | 0.99 | 1.52 |

The Academy Trust has followed and used the quantification and reporting methodologies:

- The 2019 HM Government Environmental reporting guidelines;
- The GHG Reporting Protocol – Corporate Standard; and
- The 2022 UK Government's Conversion Factors for company reporting.
- The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Due to a lack of information provided by the local authority since conversion it has not been possible to calculate the relevant data for the 2 new schools that joined on 1 March 2024. Therefore the above data is stated in relation to the same 5 schools as in the prior year. The Board intends to ensure this data is obtained to enable full disclosure in 2025.

HALES VALLEY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Measures taken to improve energy efficiency during the period:

Where building works have taken place, we have ensured that measures have been taken to improve energy efficiency, this included 2 new hot water systems.

We continue to strive as a paperless office and have a Papercut management facility setup for all employees printing allowance, this allows us to monitor and limit printing of documents, and all photocopiers have default settings to Black and White.

Plans for future periods

The Trust Strategic Plan is based on growth. We have worked alongside Dudley in a variety of ways to expand the number of places available to ensure the provisions are available to educate children in and out of Dudley. This has been in the form of having 2 commissioned bases approved by the DfE to open in January 2025 and extending our nursery provision at Gig Mill and Withymoor by extending our age ranges to 2 year olds.

We intend to grow our Trust to include good primary schools and, in the future, we are also open to including secondary schools and special school provision. We engaged with the DfE Trust Partnership programme which resulted in 2 local 'good' primary schools joining the Trust in 2024.

Our centralised services will continue to develop, rationalising processes and leveraging economies of scale to enable us to ensure best value for all procurement in the interest of public spending. These central services will form a key part in attracting schools to the Trust as they see the benefits of a more efficient service, allowing schools to focus on improving outcomes for children. The Trust aims to further develop its ICFP by looking at the curriculum timetables and metrics which will ensure all resources are being maximised.

As with all other Academies we are facing the same cost pressures imposed upon the Trust with increased Teachers Pay awards and NJC awards and the general inflationary pressures felt across the non-pay budgets. The Trust is committed to providing a safe and bright environment for our children to stimulate their learning, for which over the last few years the Trust has invested reserves by making some improvements to our Estates. Our 3 year budget demonstrates these future financial pressures and within our Finance, Audit and Risk committee we are working on a new annual financial recovery plan.

Through the work of the trust school improvement team, we will continue to improve our teaching and learning practices to ensure that our schools provide outstanding learning for our children.

We continue to engage with our local authority and local communities to ensure that our profile remains high. Our peer to peer work with local schools across Dudley ensures that our high-quality practice is shared, which should impact positively on future growth plans.

HALES VALLEY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Plans for future periods (continued)

We remain committed to ensuring our governance is strong, well-informed and well trained. We make good use of National Governance Association, National College, CST and National Online Safety training resources for trustee and local governors, carrying out annual reviews at both board and local governing level.

Our commitment to quality professional development for staff at all levels impacts positively on recruitment and retention, as we establish Hales Valley as the trust of choice.

Funds held as custodian trustee on behalf of others

At the date of this report, there were no funds held as custodian on behalf of others.

Disclosure of information to 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
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



Mark Simpson (Chair)
(Chair of Trustees)

Date: 9/12/2024

HALES VALLEY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------------|-------------------|-------------------|
| Rebecca Cox | 6 | 6 |
| Robert Gregory | 6 | 6 |
| Gillian Harper | 6 | 6 |
| Christopher James | 2 | 3 |
| Robert Lane | 1 | 2 |
| Mark Simpson (Chair) | 6 | 6 |
| Wendy Jackson | 2 | 3 |
| Angela Hannaway | 2 | 2 |
| Sarah Moore | 1 | 4 |

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees which meets every half term as a minimum. Its purpose is to ensure the highest standards of stewardship and propriety are implemented and operating effectively across the Trust, in ensuring the effective Financial Management of the Trust including the delivery of Value for Money in its use of Public Funds. To ensure a safe and compliant environment is established and maintained for all its pupils and staff and ensure all legal, statutory and policy duties are effectively managed on a timely basis.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Rebecca Cox | 6 | 6 |
| Gillian Harper | 5 | 5 |
| Robert Gregory | 3 | 4 |
| Mark Simpson | 6 | 6 |
| Sarah Moore | 2 | 3 |
| Robert Lane | 2 | 2 |

HALES VALLEY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Curriculum and Standards is also a sub-committee of the main Board of Trustees which meets every half term as a minimum. Its purpose is to ensure the highest standards of teaching and learning are implemented effectively across the Trust, to monitor closely the educational performance and standards at each school, with the aim of identifying good practice to be shared, poor performance to be addressed and where direct intervention in a school is needed in order to secure rapid and significant improvements in pupils' outcomes. To determine compliance systems that give assurance that the Trust is meeting its statutory and legal responsibilities in relation to its educational outcomes, and to determine the extent to which the Trust's targets for pupils' educational outcomes are achieved.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------|-------------------|-------------------|
| Rebecca Cox | 1 | 4 |
| Robert Gregory | 2 | 3 |
| Angela Hannaway | 1 | 1 |
| Gillian Harper | 4 | 4 |
| Christopher James | 2 | 2 |
| Mark Simpson | 1 | 1 |

Pay and Remuneration is also a sub-committee of the main Board of Trustees. Its purpose is to meet annually each year and to consider and recommend to the board the trust's strategy and procedures for executive pay & remuneration package. Design remuneration policies and practices to promote long term sustainable success aligned to the trust's charitable purpose and values. Review the ongoing appropriateness and relevance of the remuneration policy.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------|-------------------|-------------------|
| Rebecca Cox | 1 | 1 |
| Robert Gregory | 1 | 1 |
| Christopher James | 1 | 1 |
| Mark Simpson | 1 | 1 |

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by; The Central school improvement team consisting of the Head of Inclusion (SEN) and 3 Lead Practitioners for School Improvement have worked closely across all the schools within the Trust to support the continual improvements of the SEN provision, teaching capability and Early Years development. This inhouse support offers a more cost-effective service and avoids duplications at a school level.

HALES VALLEY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 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 Hales Valley Trust for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to employ Academy Advisory of Tamworth, Staffordshire as internal auditor.

This option has been chosen because they are expert in the field of academy finance and operations, we have used them previously and found that they are effective in their role as internal auditor. Their reports are clear and concise and are easily understood by the Board of Trustees.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial systems. In particular, there was 3 internal audits carried out in the year; Financial systems, Procurement and Safeguarding.

On a quarterly basis, the internal auditor reports to the Board of Trustees through the Finance Audit and Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the internal auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

HALES VALLEY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

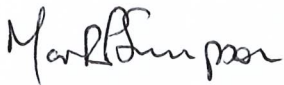
- the work of the internal auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;

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

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



M Simpson
Chair of Trustees

Date: 9/12/2024



R Cox
Accounting Officer

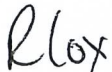
HALES VALLEY TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hales Valley Trust, I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

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

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



R Cox

Accounting Officer

Date: 9/12/2024

HALES VALLEY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

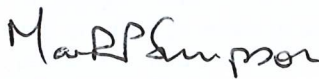
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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


Mark Simpson (Chair)
(Chair of Trustees)
Date: 9/12/2024

HALES VALLEY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HALES VALLEY TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy'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.

HALES VALLEY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HALES VALLEY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

HALES VALLEY TRUST
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HALES VALLEY TRUST (CONTINUED)

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases and reading minutes of meetings of those charged with governance.

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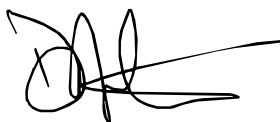
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HALES VALLEY TRUST (CONTINUED)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the Academy's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees 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 Academy and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 18/12/2024

HALES VALLEY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 14 April 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hales Valley Trust during the year 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hales Valley Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hales Valley 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 Hales Valley Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hales Valley Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hales Valley Trust's funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy Trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy Trust and specific transactions identified from our review.

HALES VALLEY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HALES
VALLEY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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



Reporting Accountant
Crowe U.K. LLP

Date: 18/12/2024

HALES VALLEY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

| | Note | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Restricted fixed asset funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants: | 4 | | | | | |
| Local authority on transfer | | 182,300 | (1,175,326) | 14,594,000 | 13,600,974 | - |
| Other donations and capital grants | | - | 35,021 | 183,618 | 218,639 | 765,972 |
| Other trading activities | | 461,163 | - | - | 461,163 | 317,790 |
| Investments | | 237 | - | - | 237 | 216 |
| Charitable activities | 5 | 389,252 | 16,170,185 | - | 16,559,437 | 13,049,581 |
| Total income | | 1,032,952 | 15,029,880 | 14,777,618 | 30,840,450 | 14,133,559 |
| Expenditure on: | | | | | | |
| Charitable activities | 6 | 176,206 | 16,631,959 | 680,746 | 17,488,911 | 14,674,532 |
| Total expenditure | | 176,206 | 16,631,959 | 680,746 | 17,488,911 | 14,674,532 |
| Net income/(expenditure) | | 856,746 | (1,602,079) | 14,096,872 | 13,351,539 | (540,973) |
| Transfers between funds | 17 | (624,382) | 626,630 | (2,248) | - | - |
| Net movement in funds before other recognised gains/(losses) | | 232,364 | (975,449) | 14,094,624 | 13,351,539 | (540,973) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains on defined benefit pension schemes | 25 | - | 316,000 | - | 316,000 | 3,328,000 |
| Net movement in funds | | 232,364 | (659,449) | 14,094,624 | 13,667,539 | 2,787,027 |

HALES VALLEY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

| Note | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Restricted fixed asset funds 2024 £ | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|------------------------------------|------------------------------------|----------------------------------|---|-----------------------------|---------------------------------------|
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 1,345,212 | (1,386,481) | 28,914,234 | 28,872,965 | 26,085,938 |
| Net movement in funds | 232,364 | (659,449) | 14,094,624 | 13,667,539 | 2,787,027 |
| Total funds carried forward | <u>1,577,576</u> | <u>(2,045,930)</u> | <u>43,008,858</u> | <u>42,540,504</u> | <u>28,872,965</u> |

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

The notes on pages 39 to 70 form part of these financial statements.

HALES VALLEY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10476114

BALANCE SHEET
AS AT 31 AUGUST 2024

| | Note | 2024 £ | 2023 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 42,939,054 | 28,465,289 |
| Current assets | | | |
| Debtors | 14 | 1,528,132 | 1,606,383 |
| Cash at bank and in hand | | 1,922,801 | 1,852,274 |
| | | <u>3,450,933</u> | <u>3,458,657</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 15 | (1,836,596) | (1,699,684) |
| Net current assets | | <u>1,614,337</u> | <u>1,758,973</u> |
| Total assets less current liabilities | | <u>44,553,391</u> | <u>30,224,262</u> |
| Creditors: amounts falling due after more than one year | 16 | (831,887) | (636,297) |
| Net assets excluding pension liability | | <u>43,721,504</u> | <u>29,587,965</u> |
| Defined benefit pension scheme liability | 25 | (1,181,000) | (715,000) |
| Total net assets | | <u><u>42,540,504</u></u> | <u><u>28,872,965</u></u> |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 17 | 43,008,858 | 28,914,234 |
| Restricted income funds | 17 | (864,930) | (671,481) |
| Restricted funds excluding pension asset | 17 | 42,143,928 | 28,242,753 |
| Pension reserve | 17 | (1,181,000) | (715,000) |
| Total restricted funds | 17 | <u>40,962,928</u> | <u>27,527,753</u> |
| Unrestricted income funds | 17 | <u>1,577,576</u> | <u>1,345,212</u> |
| Total funds | | <u><u>42,540,504</u></u> | <u><u>28,872,965</u></u> |

HALES VALLEY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10476114

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

The financial statements on pages 34 to 70 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mark Simpson
(Chair of Trustees)
Date: 9 December 2024

The notes on pages 39 to 70 form part of these financial statements.

HALES VALLEY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

| | Note | 2024 £ | 2023 £ |
|---|-------------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 19 | 473,060 | (619,157) |
| Cash flows from investing activities | 21 | (376,656) | 550,391 |
| Cash flows from financing activities | 20 | (25,877) | 26,519 |
| Change in cash and cash equivalents in the year | | 70,527 | (42,247) |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the beginning of the year | | 1,852,274 | 1,894,521 |
| Cash and cash equivalents at the end of the year | 22, 23 | 1,922,801 | 1,852,274 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 39 to 70 form part of these financial statements

HALES VALLEY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

The Hales Valley Trust was incorporated in England and Wales as a company limited by guarantee (registered no. 10476114) on 14 November 2016 and has no share capital. The registered and principal office of the Hales Valley Trust is Highgate Road, Dudley, DY2 0SN.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

HALES VALLEY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

HALES VALLEY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

HALES VALLEY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

| | |
|------------------------------|--------------------------------|
| Long-term leasehold property | - 50 years straight line basis |
| Long-term leasehold land | - 125 years over the lease |
| Furniture and equipment | - 3 years straight line basis |
| Computer equipment | - 3 years straight line basis |

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.

2.7 Cash at bank and in hand

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

2.8 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. 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.

HALES VALLEY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.9 Pensions

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

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

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

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

2.10 Fund accounting

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

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

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

HALES VALLEY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

Where a scheme is in a surplus according to the accounting valuation the associated asset has not been recognised on the basis that it is not likely to be recoverable either through future reductions in contributions rates or future repayments. Further details of pension assets not recognised can be found with the pensions note to the financial statements

Fixed asset valuations have been included at their estimated fair value at the date of conversion, and depreciated over their useful life. The estimated fair value has been based on the book value transferred from the local authority in line with the Academy Accounts Direction.

HALES VALLEY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4. Income from donations and capital grants

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Restricted fixed asset funds 2024 £ | Total funds 2024 £ |
|--|--|--|--|---------------------------------------|
| Local authority transfer on conversion | 182,300 | (1,159,755) | 14,594,000 | 13,616,545 |
| Donations | - | 19,450 | - | 19,450 |
| Capital Grants | - | - | 183,618 | 183,618 |
| | <u>182,300</u> | <u>(1,140,305)</u> | <u>14,777,618</u> | <u>13,819,613</u> |
| | | <i>Restricted funds 2023 £</i> | <i>Restricted fixed asset funds 2023 £</i> | <i>Total funds 2023 £</i> |
| Donations | | 6,024 | - | 6,024 |
| Capital Grants | | - | 759,948 | 759,948 |
| | | <u>6,024</u> | <u>759,948</u> | <u>765,972</u> |

HALES VALLEY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

5. Funding for the Academy's charitable activities

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|---|--|--|---------------------------------------|
| Educational Operations | | | |
| DfE/ESFA grants | | | |
| General Annual Grant | - | 12,591,843 | 12,591,843 |
| Other DfE/ESFA grants | | | |
| Pupil premium | - | 948,760 | 948,760 |
| Mainstream School additional grant | - | 412,758 | 412,758 |
| Others | - | 1,073,649 | 1,073,649 |
| | - | 15,027,010 | 15,027,010 |
| Other Government grants | | | |
| Local authority - SEN funding | - | 531,119 | 531,119 |
| Local authority - Nursery funding | - | 558,586 | 558,586 |
| Local authority - Other grants | - | 53,470 | 53,470 |
| | - | 1,143,175 | 1,143,175 |
| Other income from the Academy's educational operations | 389,252 | - | 389,252 |
| | 389,252 | 16,170,185 | 16,559,437 |

HALES VALLEY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

5. Funding for the Academy's charitable activities (continued)

| | <i>Unrestricted funds 2023 £</i> | <i>Restricted funds 2023 £</i> | <i>Total funds 2023 £</i> |
|---|--|--|---------------------------------------|
| Educational Operations | | | |
| DfE/ESFA grants | | | |
| General Annual Grant | - | 10,032,520 | 10,032,520 |
| Other DfE/ESFA grants | | | |
| Pupil premium | - | 857,402 | 857,402 |
| Mainstream School additional grant | - | 141,801 | 141,801 |
| Others | - | 878,474 | 878,474 |
| | - | 11,910,197 | 11,910,197 |
| Other Government grants | | | |
| Local authority - SEN funding | - | 341,004 | 341,004 |
| Local authority - Nursery funding | - | 497,450 | 497,450 |
| Local authority - Other grants | - | 6,580 | 6,580 |
| | - | 845,034 | 845,034 |
| Other income from the Academy's educational operations | 294,350 | - | 294,350 |
| | 294,350 | 12,755,231 | 13,049,581 |

HALES VALLEY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

6. Expenditure

| | Staff Costs 2024 £ | Premises 2024 £ | Other 2024 £ | Total 2024 £ |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Educational Operations: | | | | |
| Direct costs | 11,509,076 | - | 1,055,061 | 12,564,137 |
| Allocated support costs | 1,782,755 | 1,540,506 | 1,601,513 | 4,924,774 |
| | <u>13,291,831</u> | <u>1,540,506</u> | <u>2,656,574</u> | <u>17,488,911</u> |
| | | | | |
| | <i>Staff Costs 2023 £</i> | <i>Premises 2023 £</i> | <i>Other 2023 £</i> | <i>Total 2023 £</i> |
| Educational Operations: | | | | |
| Direct costs | 9,357,703 | - | 910,408 | 10,268,111 |
| Allocated support costs | 1,575,122 | 1,482,559 | 1,348,740 | 4,406,421 |
| | <u>10,932,825</u> | <u>1,482,559</u> | <u>2,259,148</u> | <u>14,674,532</u> |

7. Analysis of expenditure by activities

| | Activities undertaken directly 2024 £ | Support costs 2024 £ | Total funds 2024 £ |
|------------------------|--|---|---------------------------------------|
| Educational Operations | <u>12,564,137</u> | <u>4,924,774</u> | <u>17,488,911</u> |
| | | | |
| | <i>Activities undertaken directly 2023 £</i> | <i>Support costs 2023 £</i> | <i>Total funds 2023 £</i> |
| Educational Operations | <u>10,268,111</u> | <u>4,406,421</u> | <u>14,674,532</u> |

HALES VALLEY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 1,782,755 | 1,575,122 |
| Depreciation | 680,746 | 768,700 |
| Technology costs | 307,997 | 253,414 |
| Other costs | 1,075,777 | 863,880 |
| Premises expenses | 859,760 | 713,859 |
| Legal and professional | 182,071 | 202,096 |
| Governance | 35,668 | 29,350 |
| | <u>4,924,774</u> | <u>4,406,421</u> |

During the year, the Academy incurred governance costs in relation to statutory audit fees and other governance services.

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2024 £ | <i>2023 £</i> |
|---------------------------------------|---------------------|-------------------|
| Operating lease rentals | 97,210 | 89,525 |
| Depreciation of tangible fixed assets | 680,746 | 768,700 |
| Fees paid to auditor for: | | |
| - audit | 17,350 | 14,700 |
| - other services | 6,520 | 3,650 |
| | <u>6,520</u> | <u>3,650</u> |

HALES VALLEY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

9. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

| | 2024 £ | 2023 £ |
|---------------------------|------------|------------|
| Wages and salaries | 9,461,033 | 7,380,532 |
| Social security costs | 918,857 | 695,037 |
| Pension costs | 2,164,781 | 2,009,663 |
| | 12,544,671 | 10,008,765 |
| Agency staff costs | 747,160 | 771,126 |
| Staff restructuring costs | - | 76,467 |
| | 13,291,831 | 10,932,825 |

Staff restructuring costs comprise:

| | | |
|--------------------|---|--------|
| Severance payments | - | 76,467 |
| | - | 76,467 |

b. Severance payments

The Academy paid - severance payments in the year (2023 - 2), disclosed in the following bands:

| | 2024 No. | 2023 No. |
|-------------------|-------------|-------------|
| £0 - £25,000 | - | 3 |
| £25,001 - £50,000 | - | 2 |
| | - | 5 |

c. Staff numbers

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

| | 2024 No. | 2023 No. |
|----------------------------|-------------|-------------|
| Teachers | 131 | 118 |
| Administration and support | 161 | 170 |
| Management | 6 | 6 |
| | 298 | 294 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

9. Staff (continued)

d. Higher paid staff

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

| | 2024 | <i>2023</i> |
|---------------------------------|--------------|--------------|
| | No. | <i>No.</i> |
| In the band £60,001 - £70,000 | 8 | - |
| In the band £70,001 - £80,000 | 1 | <i>5</i> |
| In the band £80,001 - £90,000 | 3 | <i>3</i> |
| In the band £90,001 - £100,000 | 2 | <i>3</i> |
| In the band £120,001 - £130,000 | 1 | <i>1</i> |
| | ===== | ===== |

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £1,169,414 (2023 - £988,689).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

10. Central services

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

- Human resources
- Financial services
- Legal services
- Educational support services; or
- Other as arising

The Academy charges for these services on the following basis:

The trust charges for these services as a 5% - 7% flat percentage of all GAG income.

The actual amounts charged during the year were as follows:

| | 2024 £ | 2023 £ |
|---------------------------|----------------|----------------|
| Lapal Primary School | 83,695 | 81,035 |
| Lutley Primary School | 135,454 | 130,297 |
| Woodside Primary School | 149,796 | 135,666 |
| Hurst Hill Primary School | 53,938 | 78,594 |
| Priory Primary School | 195,473 | 192,152 |
| Gig Mill Primary School | 64,153 | - |
| Withymoore Primary School | 45,709 | - |
| Total | 728,218 | 617,744 |

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

| | | 2024 £ | 2023 £ |
|-------|----------------------------|-----------|-----------|
| R Cox | Remuneration | 125,000 - | 105,000 - |
| | | 130,000 | 110,000 |
| | Pension contributions paid | 30,000 - | 25,000 - |
| | | 35,000 | 30,000 |

During the year ended 31 August 2024, no expenses were reimbursed or paid directly to the Trustees.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2024 was £62,311 (2023 - £46,789). The cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|------------------------|---|------------------------------------|----------------------------|--------------------------|
| Cost | | | | |
| At 1 September 2023 | 30,121,615 | 296,552 | 25,065 | 30,443,232 |
| Additions | 481,621 | 62,213 | 16,677 | 560,511 |
| Acquired on conversion | 14,594,000 | - | - | 14,594,000 |
| At 31 August 2024 | <u>45,197,236</u> | <u>358,765</u> | <u>41,742</u> | <u>45,597,743</u> |
| Depreciation | | | | |
| At 1 September 2023 | 1,720,700 | 232,178 | 25,065 | 1,977,943 |
| Charge for the year | 652,178 | 26,715 | 1,853 | 680,746 |
| At 31 August 2024 | <u>2,372,878</u> | <u>258,893</u> | <u>26,918</u> | <u>2,658,689</u> |
| Net book value | | | | |
| At 31 August 2024 | <u><u>42,824,358</u></u> | <u><u>99,872</u></u> | <u><u>14,824</u></u> | <u><u>42,939,054</u></u> |
| At 31 August 2023 | <u><u>28,400,915</u></u> | <u><u>64,374</u></u> | <u><u>-</u></u> | <u><u>28,465,289</u></u> |

The trust leases the land it occupies from Dudley Council on long leases of 125 years. The land associated with this lease has been accounted for on the same basis as the other long term leases in order to properly reflect the substance of the arrangement

HALES VALLEY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

14. Debtors

| | 2024 £ | 2023 £ |
|--------------------------------|------------------|------------------|
| Due within one year | | |
| Trade debtors | 19,072 | 11,052 |
| Other debtors | 177,183 | 119,599 |
| Prepayments and accrued income | 1,331,877 | 1,475,732 |
| | 1,528,132 | 1,606,383 |
| | 1,528,132 | 1,606,383 |

15. Creditors: Amounts falling due within one year

| | 2024 £ | 2023 £ |
|------------------------------|------------------|------------------|
| Equal Pay loan | 33,043 | 35,184 |
| Trade creditors | 1,009,115 | 1,154,795 |
| Other creditors | 169 | 78 |
| Accruals and deferred income | 794,269 | 509,627 |
| | 1,836,596 | 1,699,684 |
| | 1,836,596 | 1,699,684 |

| | 2024 £ | 2023 £ |
|--|----------------|----------------|
| Deferred income at 1 September 2023 | 183,535 | 215,774 |
| Resources deferred during the year | 288,299 | 183,535 |
| Amounts released from previous periods | (183,535) | (215,774) |
| | 288,299 | 183,535 |
| | 288,299 | 183,535 |

Included in deferred income is funding received in advance of entitlement for Universal Infant Free School Meals and other funding relating to the 2024/25 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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

| | 2024 £ | 2023 £ |
|----------------|----------------|----------------|
| Equal Pay loan | <u>831,887</u> | <u>636,297</u> |

Equal pay loans were granted to Woodside Primary School, Priory Primary School, Hurst Hill Primary School and Gig Mill Primary School and Withymoor Primary School, before the schools achieved academy status and became part of the Trust. The equal pay loans were transferred to the Trust at each school's conversion date. The Trust are repaying the balance with interest to the Government of 4.63% currently. The total loan outstanding at 31 August 2024 is £864,930 of which £699,715 is due after more than 5 years.

17. Statement of fund

| | Balance at 1 September 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2024 £ |
|---------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | <u>1,345,212</u> | <u>1,032,952</u> | <u>(176,206)</u> | <u>(624,382)</u> | - | <u>1,577,576</u> |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 12,591,843 | (13,208,167) | 616,324 | - | - |
| Pupil Premium | - | 948,760 | (948,760) | - | - | - |
| MSAG | - | 412,758 | (412,758) | - | - | - |
| Other DfE/EFA grants | - | 1,073,649 | (1,073,649) | - | - | - |
| SEN funding | - | 531,119 | (531,119) | - | - | - |
| Nursery funding | - | 558,586 | (558,586) | - | - | - |
| Equal pay loan | (671,481) | (203,755) | - | 10,306 | - | (864,930) |
| Local authority grants | - | 53,470 | (53,470) | - | - | - |
| Donations | - | 19,450 | (19,450) | - | - | - |
| Pension reserve | (715,000) | (956,000) | 174,000 | - | 316,000 | (1,181,000) |
| | <u>(1,386,481)</u> | <u>15,029,880</u> | <u>(16,631,959)</u> | <u>626,630</u> | <u>316,000</u> | <u>(2,045,930)</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

| | Balance at 1 September 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2024 £ |
|---|--|--------------------------|----------------------------|--------------------------|-------------------------|--------------------------------------|
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 28,465,289 | 14,594,000 | (680,746) | 560,511 | - | 42,939,054 |
| ESFA capital grants | 448,945 | 183,618 | - | (562,759) | - | 69,804 |
| | <u>28,914,234</u> | <u>14,777,618</u> | <u>(680,746)</u> | <u>(2,248)</u> | <u>-</u> | <u>43,008,858</u> |
| Total Restricted funds | <u>27,527,753</u> | <u>29,807,498</u> | <u>(17,312,705)</u> | <u>624,382</u> | <u>316,000</u> | <u>40,962,928</u> |
| Total funds | <u><u>28,872,965</u></u> | <u><u>30,840,450</u></u> | <u><u>(17,488,911)</u></u> | <u><u>-</u></u> | <u><u>316,000</u></u> | <u><u>42,540,504</u></u> |

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

General Annual Grant: this fund must be used for the normal running costs of the Trust.

Other DfE/ESFA Grants: these funds relate to other grants received which must be used for the purpose intended.

Other Restricted Funds: this fund relates to all other restricted funds received which must be used for the purpose intended.

Transfers between funds relate to amounts expended on fixed assets from the DfE grants which have been used for the acquisition of fixed assets during the year.

Restricted Fixed Asset Funds: this fund relates to resources which must be applied from specific capital purposes imposed.

The excess of restricted fixed asset funds over the total net book value of fixed assets represents capital monies not yet spent.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

17. Statement of funds (continued)

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

| | <i>Balance at 1 September 2022 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2023 £</i> |
|---------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General funds | 1,100,722 | 569,028 | - | (324,538) | - | 1,345,212 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 10,032,520 | (10,748,097) | 715,577 | - | - |
| Pupil Premium | - | 857,402 | (857,402) | - | - | - |
| MSAG | 154,000 | 262,608 | (416,608) | - | - | - |
| Other DfE/EFA grants | 5,000 | 763,691 | (768,691) | - | - | - |
| SEN funding | (16,000) | - | - | 16,000 | - | - |
| Nursery funding | 268,000 | - | - | (268,000) | - | - |
| Teacher training | 3,000 | 43,328 | - | (46,328) | - | - |
| Equal pay loan | (698,000) | - | - | 26,519 | - | (671,481) |
| Local authority grants | - | 845,034 | (845,034) | - | - | - |
| Donations | 5,000 | - | (5,000) | - | - | - |
| Pension reserve | (3,778,000) | - | (265,000) | - | 3,328,000 | (715,000) |
| | <u>(4,057,000)</u> | <u>12,804,583</u> | <u>(13,905,832)</u> | <u>443,768</u> | <u>3,328,000</u> | <u>(1,386,481)</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

**Restricted fixed
asset funds**

| | | | | | | |
|-------------------------------|--------------------------|--------------------------|----------------------------|------------------|-------------------------|--------------------------|
| Fixed asset fund | 29,024,216 | - | (768,700) | 209,773 | - | 28,465,289 |
| ESFA capital grants | 18,000 | 759,948 | - | (329,003) | - | 448,945 |
| | <u>29,042,216</u> | <u>759,948</u> | <u>(768,700)</u> | <u>(119,230)</u> | <u>-</u> | <u>28,914,234</u> |
| Total Restricted funds | <u>24,985,216</u> | <u>13,564,531</u> | <u>(14,674,532)</u> | <u>324,538</u> | <u>3,328,000</u> | <u>27,527,753</u> |
| Total funds | <u><u>26,085,938</u></u> | <u><u>14,133,559</u></u> | <u><u>(14,674,532)</u></u> | <u><u>-</u></u> | <u><u>3,328,000</u></u> | <u><u>28,872,965</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

| | 2024 £ | 2023 £ |
|--|-------------|----------------|
| Lapal Primary School | 54,403 | 40,962 |
| Lutley Primary School | 336,952 | 179,607 |
| Woodside Primary School | 200,598 | 75,278 |
| Hurst Hill Primary School | 243,879 | 264,203 |
| Priory Primary School | 551,272 | 434,361 |
| Central Services | 128,963 | 350,801 |
| Gig Mill Primary School | 6,642 | - |
| Withymoore Primary School | 54,867 | - |
| Equal Pay Loan | (864,930) | (671,481) |
| | 712,646 | 673,731 |
| Total before fixed asset funds and pension reserve | | |
| Restricted fixed asset fund | 43,008,858 | 28,914,234 |
| Pension reserve | (1,181,000) | (715,000) |
| | 42,540,504 | 28,872,965 |
| Total | | |
| | | Deficit |
| | | £ |
| Central Services | | - |
| | | - |

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2024 £ |
|---------------------------|---|--|---------------------------------------|---|-----------------------------|
| Lapal Primary School | 1,438,754 | 179,224 | 79,254 | 369,993 | 2,067,225 |
| Lutley Primary School | 2,205,108 | 204,973 | 114,686 | 533,066 | 3,057,833 |
| Woodside Primary School | 1,831,263 | 324,393 | 82,154 | 512,560 | 2,750,370 |
| Hurst Hill Primary School | 901,601 | 202,806 | 40,891 | 339,318 | 1,484,616 |
| Priory Primary School | 2,422,236 | 386,505 | 95,647 | 600,555 | 3,504,943 |
| Central Services | 489,992 | 220,087 | 4,286 | 187,790 | 902,155 |
| Gig Mill Primary School | 1,338,536 | 152,674 | 51,043 | 282,944 | 1,825,197 |
| Withymoor Primary School | 881,586 | 112,093 | 33,026 | 189,121 | 1,215,826 |
| Academy | 11,509,076 | 1,782,755 | 500,987 | 3,015,347 | 16,808,165 |

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

| | <i>Teaching and educational support staff costs £</i> | <i>Other support staff costs £</i> | <i>Educational supplies £</i> | <i>Other costs excluding depreciation £</i> | <i>Total 2023 £</i> |
|---------------------------|---|--|---------------------------------------|---|-----------------------------|
| Lapal Primary School | 1,335,952 | 171,824 | 55,873 | 402,730 | 1,966,379 |
| Lutley Primary School | 1,980,184 | 227,586 | 121,620 | 516,510 | 2,845,900 |
| Woodside Primary School | 1,758,285 | 366,147 | 111,656 | 470,278 | 2,706,366 |
| Hurst Hill Primary School | 940,344 | 228,621 | 34,429 | 311,019 | 1,514,413 |
| Priory Primary School | 2,433,947 | 390,119 | 105,746 | 596,916 | 3,526,728 |
| Central Services | 908,991 | 190,825 | 6,163 | 240,067 | 1,346,046 |
| Academy | 9,357,703 | 1,575,122 | 435,487 | 2,537,520 | 13,905,832 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Restricted fixed asset funds 2024 £ | Total funds 2024 £ |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 42,939,054 | 42,939,054 |
| Current assets | 1,534,611 | 1,846,518 | 69,804 | 3,450,933 |
| Creditors due within one year | 42,965 | (1,879,561) | - | (1,836,596) |
| Creditors due in more than one year | - | (831,887) | - | (831,887) |
| Provisions for liabilities and charges | - | (1,181,000) | - | (1,181,000) |
| Total | 1,577,576 | (2,045,930) | 43,008,858 | 42,540,504 |

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 2023 £</i> | <i>Restricted funds 2023 £</i> | <i>Restricted fixed asset funds 2023 £</i> | <i>Total funds 2023 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 28,465,289 | 28,465,289 |
| Current assets | 1,345,212 | 1,664,500 | 448,945 | 3,458,657 |
| Creditors due within one year | - | (1,699,684) | - | (1,699,684) |
| Creditors due in more than one year | - | (636,297) | - | (636,297) |
| Provisions for liabilities and charges | - | (715,000) | - | (715,000) |
| Total | 1,345,212 | (1,386,481) | 28,914,234 | 28,872,965 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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

| | 2024 £ | 2023 £ |
|--|-------------------|-----------|
| Net income/(expenditure) for the period (as per Statement of financial activities) | 13,351,539 | (540,973) |
| Adjustments for: | | |
| Fixed assets inherited on conversion | (14,594,000) | - |
| Depreciation | 680,746 | 768,700 |
| Capital grants from DfE and other capital income | (183,618) | (759,948) |
| Interest receivable | (237) | (216) |
| Defined benefit pension scheme obligation inherited | 956,000 | - |
| Defined benefit pension scheme cost less contributions payable | (230,000) | 102,000 |
| Defined benefit pension scheme finance cost | 56,000 | 163,000 |
| Equal pay loan inherited on conversion | 219,326 | - |
| Decrease/(increase) in debtors | 78,251 | (401,640) |
| Increase in creditors | 139,053 | 49,920 |
| Net cash provided by/(used in) operating activities | 473,060 | (619,157) |

20. Cash flows from financing activities

| | 2024 £ | 2023 £ |
|--|-----------------|-----------|
| Net repayments of borrowing | (25,877) | 26,519 |
| Net cash (used in)/provided by financing activities | (25,877) | 26,519 |

21. Cash flows from investing activities

| | 2024 £ | 2023 £ |
|--|------------------|-----------|
| Dividends, interest and rents from investments | 237 | 216 |
| Purchase of tangible fixed assets | (560,511) | (209,773) |
| Capital grants from DfE Group | 183,618 | 759,948 |
| Net cash (used in)/provided by investing activities | (376,656) | 550,391 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

22. Analysis of cash and cash equivalents

| | 2024 | 2023 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Cash in hand and at bank | 1,922,801 | 1,852,274 |

23. Analysis of changes in net debt

| | At 1 September 2023 £ | Cash flows £ | New equal pay loans £ | Other non- cash changes £ | At 31 August 2024 £ |
|--------------------------|--------------------------------|-----------------|-----------------------------|------------------------------------|---------------------------|
| Cash at bank and in hand | 1,852,274 | 70,527 | - | - | 1,922,801 |
| Debt due within 1 year | (35,184) | 25,877 | - | (23,736) | (33,043) |
| Debt due after 1 year | (636,297) | - | (219,326) | 23,736 | (831,887) |
| | <u>1,180,793</u> | <u>96,404</u> | <u>(219,326)</u> | <u>-</u> | <u>1,057,871</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

24. Conversion to an academy trust

On 1 March 2024 Withymoor Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hales Valley Trust from Dudley Metropolitan Borough Council for £4,843,114 consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|----------------------------|--------------------------|---|-------------------------|
| Tangible fixed assets | | | | |
| Leasehold land and buildings | - | - | 5,264,000 | 5,264,000 |
| Current assets | | | | |
| Cash - representing budget surplus on LA funds | 104,435 | - | - | 104,435 |
| Non-current liabilities | | | | |
| Equal pay loan | - | (145,321) | - | (145,321) |
| Pension deficit | - | (380,000) | - | (380,000) |
| Net assets/(liabilities) | <u>104,435</u> | <u>(525,321)</u> | <u>5,264,000</u> | <u>4,843,114</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

24. Conversion to an academy trust (continued)

On 1 March 2024 Gig Mill Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hales Valley Trust from Dudley Metropolitan Borough Council for £8,757,860 consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|----------------------------|--------------------------|---|-------------------------|
| Tangible fixed assets | | | | |
| Leasehold land and buildings | - | - | 9,330,000 | 9,330,000 |
| Current assets | | | | |
| Cash - representing budget surplus on LA funds | 77,865 | - | - | 77,865 |
| Non-current liabilities | | | | |
| Equal pay loan | - | (74,005) | - | (74,005) |
| Pension deficit | - | (576,000) | - | (576,000) |
| Net assets/(liabilities) | <u>77,865</u> | <u>(650,005)</u> | <u>9,330,000</u> | <u>8,757,860</u> |

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FOR THE YEAR ENDED 31 AUGUST 2024

25. Pension commitments

The Academy'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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy) This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

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

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,573,781 (2023 - £1,236,663).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £1,018,000 (2023 - £651,000), of which employer's contributions totalled £821,000 (2023 - £508,000) and employees' contributions totalled £197,000 (2023 - £143,000). The agreed contribution rates for future years are 24.9 per cent for employers and 6.5 per cent 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.

Principal actuarial assumptions

| | 2024 | 2023 |
|--------------------------------------|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.65 | 3.95 |
| Discount rate for scheme liabilities | 5.00 | 5.20 |
| Inflation assumption (CPI) | 2.65 | 2.95 |

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

| | 2024 | 2023 |
|-----------------------------|-------------|-------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 17.0 | 19.1 |
| Females | 24.2 | 23.9 |
| <i>Retiring in 20 years</i> | | |
| Males | 20.4 | 21.0 |
| Females | 24.9 | 25.0 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

25. Pension commitments (continued)

Sensitivity analysis

| | 2024 | <i>2023</i> |
|--|---------------|--------------|
| | £000 | <i>£000</i> |
| Discount rate +0.1% | 12,259 | <i>8,001</i> |
| Discount rate -0.1% | 12,913 | <i>8,327</i> |
| Mortality assumption - 1 year increase | 13,089 | <i>8,491</i> |
| Mortality assumption - 1 year decrease | 12,083 | <i>7,837</i> |
| CPI rate +0.1% | 12,906 | <i>8,327</i> |
| CPI rate -0.1% | 12,266 | <i>8,001</i> |

Share of scheme assets

The Academy's share of the assets in the scheme was:

| | At 31 August 2024 | <i>At 31 August 2023</i> |
|-------------------------------------|------------------------------|------------------------------|
| | £ | <i>£</i> |
| Equities | 5,931,000 | <i>4,991,000</i> |
| Corporate bonds | 3,992,000 | <i>1,564,000</i> |
| Property | 684,000 | <i>521,000</i> |
| Cash and other liquid assets | 798,000 | <i>373,000</i> |
| Total market value of assets | 11,405,000 | <i>7,449,000</i> |

The actual return on scheme assets was £788,000 (2023 - £(252,000)).

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

| | 2024 | <i>2023</i> |
|---|----------------|----------------|
| | £ | <i>£</i> |
| Current service cost | 591,000 | <i>610,000</i> |
| Net interest cost | 56,000 | <i>163,000</i> |
| Total amount recognised in the Statement of Financial Activities | 647,000 | <i>773,000</i> |

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

| | 2024 £ | 2023 £ |
|------------------------------|-------------------|------------------|
| At 1 September | 8,164,000 | 10,890,000 |
| Conversion of academy trusts | 3,188,000 | - |
| Current service cost | 591,000 | 610,000 |
| Current service cost | (230,000) | 102,000 |
| Interest cost | 525,000 | 478,000 |
| Employee contributions | 197,000 | 143,000 |
| Actuarial losses/(gains) | 3,000 | (3,895,000) |
| Benefits paid | (82,000) | (62,000) |
| | <u>12,356,000</u> | <u>8,266,000</u> |
| At 31 August | 12,356,000 | 8,266,000 |

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

| | 2024 £ | 2023 £ |
|------------------------------|-------------------|------------------|
| At 1 September | 7,449,000 | 7,112,000 |
| Conversion of academy trusts | 2,232,000 | - |
| Interest income | 469,000 | 315,000 |
| Actuarial gains/(losses) | 319,000 | (567,000) |
| Employer contributions | 821,000 | 508,000 |
| Employee contributions | 197,000 | 143,000 |
| Benefits paid | (82,000) | (62,000) |
| | <u>11,405,000</u> | <u>7,449,000</u> |
| At 31 August | 11,405,000 | 7,449,000 |

26. Operating lease commitments

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

| | 2024 £ | 2023 £ |
|--|---------------|----------------|
| Not later than 1 year | 13,555 | 97,210 |
| Later than 1 year and not later than 5 years | 14,211 | 16,664 |
| | <u>27,766</u> | <u>113,874</u> |
| | 27,766 | 113,874 |

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

28. Related party transactions

During the year £nil (2023: £266) was paid for piano repairs to a company which Rebecca Cox has an interest in. The interest was disclosed during the prior year and a review was undertaken before approval of the purchase.

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.