

Company registration number 09012630 (England and Wales)

MELROSE LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

MELROSE LEARNING TRUST

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MELROSE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Diocese of Durham Educational Trust	Mr S Pickering
- Chair of Trust	Mr P Mackings
- The Bishop of Durham	Revd P Neville - Right Reverend Sarah Clark Reverend V Cuthbert Mrs Z Carr

Trustees

Mrs. J Doyle (Vice Chair)
Mr. P Mackings (Chair)
Mr. R Ward (Accounting Officer)
Prof. S P Bradley
K Brownless
R J Hiles
Mr C Alderson
Rev D M Brooke
H Sutherland

Senior management team

- Chief Executive Officer	Mr R Ward
- Chief Financial Officer	Mrs L Hails
- Chief Operational Officer	Mr S Leigh
- Headteacher	Mr A Park
- Headteacher	Mrs S Wassall
- Headteacher	Mrs W Aitken
- Headteacher	Mrs K Boyce
- Headteacher	Mr J Appleby
- Headteacher	Mrs N Dunn
- Headteacher	Mr R Linsley
- Headteacher	Mr J Briggs

Company secretary

Mr S Leigh

Company registration number

09012630 (England and Wales)

Registered office

Unit 3 Alexander House
Whitfield Court
St John's Road
Meadowfield Industrial Estate
Durham
DH7 8XL

Academies operated

	Location
St Mary's Cockerton Church of England Primary School	Darlington
High Coniscliffe CofE Primary School	Darlington
Wynyard Church of England Primary School	Stockton
Esh CofE (Aided) Primary School	Durham
Greatham CofE Primary School	Hartlepool
Easington CofE Primary School	Durham
Prior's Mill CofE Primary School	Stockton on Tees
Abbey Infant School	Darlington
Abbey Junior School	Darlington

Principal

Mrs W Aitken

Mrs K Boyce
Mrs S Wassall
Mr A Park
Mrs N Dunn
Mr J Appleby
Mr R Linsley
Mr J Briggs
Mr J Briggs

MELROSE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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

Bankers Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN
United Kingdom

Solicitors Ward Hadaway
Sandgate House
102 Quayside
Newcastle Upon Tyne
Tyne And Wear
NE1 3DX
United Kingdom

MELROSE LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

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

The academy trust operates nine primary academies in the North East of England. Its academies have a combined pupil capacity of 2226 and had a roll of 2108 in the school census on 3rd October 2024.

Structure, governance and management

Constitution

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

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

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance under the Department of Education Risk Protection Arrangement, 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. Any such indemnity shall not extend to any claim arising from any act of 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 a breach of trust or breach of duty or not and provided also that any such indemnity shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against Trustees in their capacity as Directors of the Trust.

Method of recruitment and appointment or election of trustees

The Trustees have been appointed in accordance with Memorandum and Articles of Association as set out below.

The constitution of the Trust provides that the number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48 and 49, the Academy Trust shall have the following trustees:

- I. No fewer than three trustees, appointed under Article 50; i.e. appointed by members
- II. Members can appoint up to 11 trustees to the Board
- III. The CEO
- IV. The Academy Trust may also have any co-opted governor appointed under Article 59

The term of office for any trustee is four years and, subject to eligibility, may apply for re-election. This time limit does not apply to the CEO.

Policies and procedures adopted for the induction and training of trustees

A skills audit of the Trustees was conducted during the period to review the mix of skills and identify training needs. All trustees are supported with a training and development programme which provides for the delivery of internally developed training/seminar activities, together with the engagement of high quality, external governance training providers and resources.

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Organisational structure

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Academy Trust shall be managed by the trustees who may exercise all the powers of the Academy Trust. Strategic decisions include approval of school development plans, budget approval, appointment of auditors and approval of the Annual Report and financial statements.

The Trust Board meets six times every school year, with additional meetings of the 'Finance, Audit and General Purposes Committee' and 'Curriculum, Achievement and Standards Committee' where required.

Delegated authority and powers of decision making in relation to the Board of Trustees and its committees, including each Local Governing Body, is defined in the Trust's Scheme of Delegation (SoD). The task of running the schools on a day-to-day basis is delegated to the Chief Executive Officer (CEO) who is the Accounting Officer. The CEO is supported by the finance team, led by the Chief Finance Officer (CFO) and Chief Operating Officer (COO).

The CEO and Trustees were responsible for the authorisation of spending within agreed budgets and the appointment of staff in line with the scheme of delegation and the academy's financial handbook. Systems and procedures for financial management, HR and administration are undertaken at an academy level but supported and overseen by The Trust's Central Team comprised of Trust CEO, CFO and COO. The Trust operates a single bank account and one finance policy and procedures across all of its schools.

Arrangements for setting pay and remuneration of key management personnel

The Trust have policies in place for pay and remuneration of management personnel responsible for the day-to-day running of the schools. These policies are reviewed annually. Pay is based upon the national pay scales for teachers in England and Wales. Trustees appoint senior leaders on salaries based upon school capacity and future growth.

The Trust have an appraisal policy with pay for senior leaders linked to performance. Performance management of staff, other than the CEO, CFO, COO and headteachers, are carried out by the Headteachers with recommendations going to the Trust Board for consideration and approval. The CEO's appraisal is carried out by trustees with advice from external professionals and CFO and COO carried out by CEO. All headteachers' appraisals are carried out by CEO and LGB Chair.

Trustees other than staff members are not paid.

Relevant union officials

The Trust has zero employees who were relevant union officials during the relevant period

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Engagement with employees (including disabled persons)

As of 1st September 2024, Melrose Learning Trust employed 299 staff.

Melrose Learning Trust is an equal opportunities employer and reviews its equal opportunities policy on an annual basis as part of its annual review of the staff handbook. The CEO of the Trust meets with staff regularly as part of Trust-wide working groups and network meetings to consult with them on a range of key issues. The headteacher of each school holds regular staff meetings as well as ensuring staff are consulted on policies and procedures in school and provides relevant feedback to the CEO. The Trust employs a range of communication methods to ensure employees are provided with information that may be a matter of concern for them and has introduced a staff newsletter to provide information on and celebrate the things happening in schools across the Trust. An extensive CPD offer is in place for staff including trust-wide training in a number of areas including HR training and all staff were invited to our Trust Development Day which took place in April 2024. The Trust offers various networks to support staff including: monthly headteacher network meetings; school business/office manager network; subject leader network meetings for English, Maths, PE and RSHE; an Early Years network; and SENDCO network.

The Trust has a strong commitment to staff wellbeing and now employs a full-time mental health and wellbeing lead. The Trust is very conscious of the ongoing potential impact on the mental health and wellbeing of staff due to workload. The Trust conducts an annual staff workload and wellbeing survey to seek the views of staff on a number of key areas to provide direction to the Trust's ongoing work. In addition, a 'Workload and Wellbeing Working Party' has been established with representatives in various roles from academies across the Trust with the aim of developing a trust-wide 'Workload and Wellbeing Charter'. The Trust has a confidential counselling helpline available to all staff and their family members, which all staff are notified to by the Trust's mental health and wellbeing lead, the Headteacher and advertised in the school staff room. As part of the Trust's comprehensive CPD programme, half-termly sessions are provided for staff, led by external specialists, focussing on supporting staff in a number of wellbeing focus areas, including 'burnout', 'men's mental health' and 'trauma'.

The Trust ensures it has policies that positively support the recruitment, promotion and training of people with disabilities. Recruitment and selection policies apply to all aspects of the recruitment process from advertising jobs through to appointing staff, including making reasonable adjustments to interview processes where required and taking positive action to recruit applicants with a disability. The Trust supports employees who are disabled by making reasonable adjustments to working conditions or arrangements and ensuring equal access to opportunities for training, promotion and career development.

Related parties and other connected charities and organisations

All trustees have completed relevant business interest forms, and where any trustees should declare an interest, procedures are in place to address this, particularly within trust board meetings.

Some of the related parties include The Diocese of Durham, the Diocesan Board of Education, Stockton Deanery and the local church community. In addition, the Trust sought approval from the ESFA for a related party transaction with Stephen Mackings, the brother of our Chair. This was as a result of a procurement exercise to appoint a building contractor to complete some extension works at Easington CE Primary School. Mr Mackings met the criteria set out in our tender documentation and was the successful contractor. We submitted an RPT and approval was given by the ESFA in May 2024. Works commenced during the summer break and were completed in readiness for the new term in September.

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities

Objects and aims

As a Trust, our aim is for all of our schools to maintain their own unique identity whilst working together to ensure the educational potential of each child is maximised and their wellbeing is fundamental to everything we do.

Melrose Learning Trust are committed to providing children with high achievement, confidence and enrichment, developed through excellent teaching, stimulating curriculums, and strong moral values.

Our aspirations as a Trust are:

- to ensure the physical and spiritual well-being of every member of the school community is maintained and enhanced
- to create learning environments where children develop a love for learning and learn how to use knowledge wisely
- to share expertise across a range of settings to enhance professional development of staff
- to ensure our schools are at the forefront of modern technology and to make the best use of the resources available to us.
- to be central to the life of their communities

Objectives, strategies and activities

Melrose Learning Trust was formed on 1st December 2020, initially with one school – Wynyard CE Primary and the second, Esh CE Primary from 1st January 2021. Our vision was to establish, and grow, a trust where schools flourish and children make rapid academic progress and develop a love of learning.

Our overarching strategic objectives for the year 2023-24 are as follows:

- High quality school improvement
- Robust financial management
- Effective leadership and management, including governance
- Enhanced systems for Trust-wide operations, including financial and management information systems
- Continued Trust Growth

The key achievements against the Trust's strategic objectives during 2023/24 included the following:

- Melrose Learning Trust continued to develop a reputation for being a 'strong' Trust, resulting in further Trust growth. The number of academies within the Trust has grown to nine with a further school projected to convert on 1st December. In addition, ongoing engagement is taking place with a number of other schools, which would lead to further growth
- All schools remain 'Good' or 'Outstanding' in relation to Ofsted judgements. Wynyard CE Primary School retained their outstanding judgement following inspection in January 2024.
- Prior's Mill CE Primary School had a very successful SIAMS in October 2023 during which it was identified that the school is living up to its foundations as a Church school.
- Educational outcomes continue to be strong across the majority of schools in the Trust. School improvement is both challenging and supportive with targets for improvement identified, actioned and monitored. All schools have moved to the Trust's school improvement system and are supported to use this to refine their school improvement processes. School development plans are shared with trustees as part of the Curriculum and Standards Committee at the start of the year and then reconvene with Headteachers and LGB Chairs to share outcomes at the end of the academic year. Educational outcomes are generally strong across The Trust and, where they aren't, detailed plans are in place to improve them, resulting in improved data outcomes.
- Mental Health and Wellbeing continued to be a key part of the Trust's central offer. A full-time mental health and wellbeing lead was appointed in September 2024 to further develop our offer and to enhance provision for pupils and staff in schools. A 'Workload and Wellbeing Working Party' has been established to work towards the development of a workload and wellbeing charter based on the feedback of staff in various roles across the Trust. Our first Trust development day took place in March 2024, bringing together all staff within the Trust with a focus on wellbeing.

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

- A comprehensive programme for continuous professional development is in place and includes renowned specialists from all over the country. The training offered is extensive and is based on feedback and training needs of staff across the Trust. The impact of this high-quality training has been observed in all schools during school improvement visits. The training schedule for governors has been extended and encompasses a range of themes to support their strategic leadership in schools, including Ofsted, Early Years and Early Reading, governor monitoring and finance.
- Pupil provision has been increased within the Trust with the addition of Nursery provision in one school, an increased PAN in another and the addition of a specialist additionally resourced provision (ARP) in a third school.
- In line with the Trust Growth plan, during 2023-24, the central team further expanded to include a full-time HR and Compliance manager, a full-time mental health and wellbeing lead and part-time school improvement support role.
- The Trust central services have continued to be extended to provide high quality support for all schools within the Trust. This includes:
 - Procurement of a new management information system (MIS)
 - HR and compliance support
 - Governance support
 - Ongoing specific finance training for school business and office managers
 - Award of TCaF funding
 - Introduction of system for headteacher and CEO reporting to governors and trustees
 - Continued upskilling of internal leaders and engagement of external providers to support school improvement across the Trust. CEO continued in his role as Ofsted inspector.
 - Enhanced support and mentoring for leaders, including headteachers
 - Enhanced service from safeguarding consultants
 - Enhanced support from Health & Safety consultants
 - Enhanced support from IT providers with filtering and monitoring compliance
- Trust-wide policies refined to support operations across the Trust.
- All DfE, ESFA and Ofsted requirements are met.

Public benefit

Trustees have due regard to the guidance on public benefit as published by the Charity Commission in exercising their duty. They seek to provide schools offering excellent education, with a strong ethos for the local communities they serve and this is reflected in the schools' open admission policies, reflecting that of the Local Authority within which each school is located.

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report

Achievements and performance

The Trust's key measures of success during 2023-24 were:

- Trust growth is both sustainable and financially viable – central team provides sufficient capacity and has been expanded in line with Trust growth plans with the addition of a HR and Compliance Manager, a mental health and wellbeing lead and capacity for school improvement support.
- School improvement is highly effective, especially in identifying development areas of schools new to the Trust and creating detailed improvement plans with clear success criteria. The positive impact of these improvement plans is evident in improved outcomes for pupils.
- All schools remain 'Good' or 'Outstanding' in Ofsted inspections
- Extensive CPD for all stakeholders developed all, including school leaders
- Financial and governance procedures reviewed and further developed, including scheme of delegation. Systems for reviewing key documents are robust

Achievements and Performance

The Trust has directed funding to secure the best possible outcomes for all pupils. This has been done by targeting the expertise of staff to children's educational needs and the procurement of high-quality resources to support teaching and learning. Continuous professional development (CPD) ensures that all staff are trained effectively to secure educational excellence. Outcomes are high for most schools and attendance is well managed.

Ofsted

Abbey Infant School was graded 'Good' by Ofsted in November 2022.

Abbey Junior School was graded 'Good' by Ofsted in June 2023

Greatham CE Primary School was graded 'Good' by Ofsted in October 2017.

Prior's Mill CE Primary School was graded 'Good' by Ofsted in October 2017.

Wynyard CE Primary School was graded 'Outstanding' by Ofsted in January 2024.

Easington CE Primary School was graded 'Good' by Ofsted in June 2019.

High Coniscliffe CE Primary School was graded 'Good' by Ofsted in July 2022.

Esh CE Primary School was graded 'Good' by Ofsted in July 2022.

St Mary's Cockerton was graded 'Good' by Ofsted in February 2023.

SIAMs

Easington CE Primary School was awarded 'J1' in September 2024.

Esh CE Primary School was graded 'Outstanding' in October 2017.

High Coniscliffe CE Primary School was graded 'Good' in 'Outstanding' in November 2017.

Greatham CE Primary School was graded 'Outstanding' in May 2018.

Wynyard CE Primary School was graded 'SIAMs Outstanding' in June 2018.

St Mary's Cockerton was graded 'Good' in November 2022.

Priors Mill CE Primary School was awarded 'J1' in October 2023.

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Trust's Performance

Statutory Assessment Data 2024

Early Years Foundation Stage Good Level of Development (GLD)

	National	Abbey	Easington	Esh	Greatham	High Coniscliffe	Prior's Mill	St Mary's	Wynyard
GLD	TBC	84%	74%	69%	67%	56%	76%	63%	83%

Phonics Screening Check

	National	Abbey	Easington	Esh	Greatham	High Coniscliffe	Prior's Mill	St Mary's	Wynyard
Year 1	80%	91%	62%	83%	73%	80%	84%	81%	93%

Key Stage 2 Statutory Assessment

KS1 and 2 Acronyms & Description	
EXS	Expected
GDS	Greater Depth Standard
GPS	Grammar Punctuation and Spelling
RWM	Reading, Writing and Maths combined

	Reading EXS+ (%)	Writing EXS+ (%)	GPS EXS+ (%)	Maths EXS+ (%)	RWM EXS+ (%)	Reading GDS (%)	Writing GDS (%)	GPS GDS (%)	Maths GDS (%)	RWM GDS (%)
National	74	72	72	73	61	28	13	32	24	8
Abbey	69	75	73	73	60	36	8	41	30	6
Easington	69	69	77	62	46	23	16	31	16	0
Esh	83	75	92	92	75	33	33	33	33	25
Greatham	85	85	62	77	69	23	15	23	8	8
High Coniscliffe	75	56	56	63	56	25	6	38	19	0
Prior's Mill	80	83	80	80	69	42	25	25	26	14
St Mary's	65	71	65	77	55	19	13	16	13	3
Wynyard	88	90	85	90	80	37	22	35	27	12

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.

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

During the period to 31st August 2024, the majority of the Trust's income came from the Education Skills Funding Agency in the form of grants, the use of which is restricted to particular purposes. The grants received from ESFA during the period 1st September 2023 to 31st August 2024 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust's financial position is subject to risks and sensitivities that may adversely affect financial performance throughout the academic year. These include the impact of unbudgeted pay rises, inflation, Trust growth and possible negative balances on conversion of schools new to the Trust. The Trust has successfully managed the financial impact of these significant events during this financial period, in particular the impact of inflation and pay rises in addition to the financial implications of Trust expansion. This has been managed effectively by our central team and Finance, Audit and General Purposes committee, made possible due to cautious budget setting, rigorous financial monitoring and review and reactive changes to assumptions made at budget settings.

The Trust has managed growth successfully during this financial period, expanding from seven to nine schools. Careful financial management, including rigorous due diligence of potential new schools, ensures the Trust is well informed about any future schools joining the Trust, ensuring financial risk is minimised. During the period ending 31st August 2024, the conversion of one potential new school was delayed to allow for additional time to resolve identified issues around falling pupil numbers and a resulting unsustainable staffing structure. This has now taken place, and the school will join Melrose Learning Trust on 1st December 2024. A further potential school did also not convert as planned.

The Trust received £153,922 of TCaF funding which supported the expansion of the central team capacity and services. The grant was also used to provide effective school improvement, procure specialist external support, enhance the mental health and wellbeing support offer across the Trust and develop SEND hub provision. The Trust also submitted a number of Condition Improvement Fund (CIF) bids in 2023-24; however, these were unsuccessful.

The Trust will grow to ten schools by 1st December 2024, with plans to expand further during the following year. The Trust expanded from seven schools to nine during this period with the addition of Abbey Infants and Junior schools (1st February 2024). This has impacted the levels of income and expenditure noted in the financial statement as well as the reserves total for The Trust.

Each school within The Trust contributes a 'top-slice' of their GAG funding for the central services provided. This ranges between 3-6% and is reviewed annually.

There have been a number of unforeseen factors which have had an impact on The Trust during the financial period to 31st August 2024 and then beyond. One of the most notable was the impact of the pay rises which were significantly above those budgeted for, however this has been mitigated by the TPAG funding. The main impact up to 31st August 2023 was, again, the NJC pay award which was backdated to 1st April 2023, significantly higher than The Trust's assumption of 3% at budget setting.

The Trust made an operating surplus in the year to August 31st 2024 of £286k including transfers. The Trust held revenue funds of £529k on 31st August 2024.

Total income in the period was £12.1m of which £10.2m came from the ESFA revenue grants.

The Trustees of the Academy Trust have reviewed and adopted the following policies relating to Finance and Governance during 2023-24:

- Scheme of Delegation
- Academy Funding Agreements for new schools Trust
- Melrose LT Finance Policy and Procedures
- Melrose LT Governance Handbook and Induction Policies
- Teaching and Support Staff Pay and Appraisal Policy
- Reserves Policy
- Anti-fraud, Bribery and Corruption Policy
- Treasury Management Policy
- Implementing Change (Redundancy and Restructures Policy)
- Charging and Remissions Policy

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Principal Risks and Uncertainties

The principal risks and uncertainties facing The Trust during the period ending 31st August 2024 comprised of external financial pressures, including inflation and pay rises and the impact they have on school and Trust finances and the consequent impact on educational resources and standards. This includes uncertainties around pupil numbers and forward financial projections.

Another identified risk is around Trust growth, firstly in regards to the impact the costs noted above have on each school joining the Trust and, ultimately, the risk to the Trust assuming legal responsibility for those schools. To mitigate this, the Trust has a rigorous and robust process for due diligence, which ensures that all potential risks and the implications of these on the Trust are fully considered ahead of any school joining the Trust.

In addition, the Trust continues to review and further develop its central support to schools, including effective leadership and governance support. The Trust will need to ensure the central team has sufficient capacity as the Trust grows to manage central operations, provide operational support to schools and maintain and continually develop academic standards.

Expenditure will increase as the Trust grows and the central team grows accordingly. This increased financial commitment will be mitigated with the additional income from the additional top-slice contributions made by new schools.

Going forward, the Trust Board will keep the Trust's activities under review and monitor performance, with particular regard to any major risks which may arise from MAT growth, the financial projections for new schools joining and the continuing impact of external pressures such as pay rises. In June 2024, a Board Strategy meeting was held to review the Trust's Growth Plan for the next few years. The principal risks and uncertainties facing the Trust and the schools within it are recorded and monitored on an operational basis in the Trust and each academy's risk register.

Trustees have implemented a number of systems to assess and manage risks, particularly in operational areas and these include the use of external health and safety consultants, external safeguarding consultants alongside robust safeguarding policies and procedures.

The Trust understands that growth brings an increased element of risk in relation to the condition of an extended estate. To mitigate against any risks arising from building / equipment failure, the Trust has commissioned the undertaking of full building and mechanical / electrical condition surveys that will inform the development of a prioritised Estates Management Plan for a 5 – 10 year period of investment. Surveys have also been completed to ensure that is no presence of RAAC in school roofing structures.

Financial and Risk Management Objectives and Policies

Detailed financial regulations are in place, including a Financial Handbook, a comprehensive risk register and a Business Continuity Plan. Controls were in place to minimise the risk of fraud or error. The financial regulations have been approved by the Board, which included a Trustee with significant audit and accounting experience.

Reserves policy

The Trust will review reserve levels regularly throughout the period as part of budget monitoring and the minimum level of reserves for the ongoing needs of the Trust will be reviewed at least annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees have decided that the minimum level of reserves should equate to four weeks' worth of budgeted expenditure both in terms of salaries and invoices.

The Trust's current level of revenue reserves are £529k. This figure has increased due to careful financial management and additional schools joining the Trust joining The Trust .

As a growing Trust, we have set medium term financial plans to ensure that reserves are considered at a level that is more than sufficient for the ongoing needs of the Trust. Ongoing reviews of the strategic risks that the Trust faces will help in informing the levels of reserves required going forward.

Our growth plan for the future ensures that robust due diligence will be carried out on schools joining the Trust to ensure reserves remain at levels as detailed in our policy. The Trust will need to review the reserves policy in line with growth.

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Investment policy

The Trust does not anticipate having substantial funds available for long term investments but will hold any substantial funds, which are not required in the immediate future, on short fixed term deposits as appropriate.

Fundraising

Fundraising is undertaken by each school's parent teacher association, equivalent committee or the school itself at a local level to fund activities and events for the children. All activities taken part in are done so in line with the 'Charities (Protection and Social Investments) Act 2016'. The Trust's approach is open and transparent when taking part in any fundraising activity.

The trust undertook limited additional fundraising in 2023/2024. All the additional fundraising was linked to the academy's core values. At points during the year, the academy participated in fundraising activities. Each Academy raised funds for Children in Need, Save the Children, Red Nose Day, and other charitable causes. Donations to these charities are at the discretion of parents/carers and pupils of the school. All monies raised are then passed, in total, to the respective charity. Fundraising is not undertaken amongst members of the general public unconnected with the academy. Funds raised in this way are processed in line with the academy's accounting procedures.

Plans for future periods

The Trust's development plans includes the following:

1. Review Trust Strategic Growth Plan and ensure sustainable Trust growth
2. High-quality, cost-effective procurement
3. Continued development and implementation of key financial and management information systems
4. Continue to develop central team
5. Provide high quality school improvement and CPD
6. Strategic response to external budgetary pressures
7. Enhance governance across the Trust
8. Extend pupil provision across Trust schools, including Nursery provision and additionally resourced provision
9. Review Trust organisation in line with growth

The Trust has further plans in place to grow. Target dates for conversion have been set for an additional school to join Melrose Learning Trust on 1st December 2024. It is expected that further schools will pass the resolution to join Melrose Learning Trust during 2024-25 with a view to joining The Trust.

The Trust is fully committed to the professional development of staff and governors across all aspects of school improvement, statutory responsibilities and governance.

The Trust aims, under the leadership of the CEO, to establish a school improvement team from within the Trust to focus on school improvement, particularly with curriculum and standards. The aim is to raise standards across the Trust through sharing good practice, leading to consistently high standards in all schools.

A number of external schools have procured our school improvement and governance services and accessed our comprehensive CPD offer, and our aim is to expand this service. This generates additional financial revenue for the Trust.

Trust to focus on procurement and engaging specialist to support the provision of high quality, sustainable and cost-effective services.

Funds held as custodian trustee on behalf of others

The Trust has no funds held as Custodian Trustee on behalf of others.

MELROSE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Auditor

As far as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2024 and signed on its behalf by:


Mr. P Mackings
Chair

MELROSE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Melrose Learning Trust has an effective and appropriate system of control, finance 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 DfE guidance in relation to Trust governance, producing a Trust Governance Handbook which is reviewed on an annual basis.

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 Melrose Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the 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 full board of trustees has formally met six times as Melrose Learning Trust over the period 1st September 2023 to 31st August 2024. Attendance at those meetings is as follows:

Melrose Learning Trust Board Meetings September 2023 to August 2024

Trustees	Meetings attended	Out of possible
Mrs. J Doyle (Vice Chair)	5	6
Mr. P Mackings (Chair)	6	6
Mr. R Ward (Accounting Officer)	6	6
Prof. S P Bradley	4	6
K Brownless	4	6
R J Hiles	4	6
Mr C Alderson	6	6
Rev D M Brooke	4	6
H Sutherland	6	6

Melrose Learning Trust Finance, Audit & General Purposes Meetings September 2023 to August 2024

The Finance, Audit and General Purposes Committee is a sub-committee of the trust board. Its purpose is to assist the Board in its on-going oversight of the trust's arrangements for budgeting, financial planning, financial performance and financial reporting in respect of both revenue and capital activities and the associated resource planning. It assesses the scope and effectiveness of the systems established to identify, manage and monitor financial and non-financial risks to the trust via the Risk Register. It also maintains an oversight of the trust's governance, internal control, financial reporting and value for money frameworks in order to establish levels of compliance throughout the trust.

MELROSE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Meetings

The Finance, Audit and General Purposes Committee has formally met four times over the period 1st September 2023 to 31st August 2024. Core membership of the committee is made up of Mr P Mackings, Mrs J Doyle, Mr C Alderson, Mrs R Hiles and Mr R Ward. However, all directors are invited to each committee meeting, attendance at those meetings is as follows:

Trustees	Meetings attended	Out of possible
Mrs. J Doyle (Vice Chair)	3	4
Mr. P Mackings (Chair)	4	4
Mr. R Ward (Accounting Officer)	4	4
Prof. S P Bradley	2	4
K Brownless	1	4
R J Hiles	3	4
Mr C Alderson	4	4
Rev D M Brooke	3	4
H Sutherland	2	4

Governance reviews

Robust governance procedures were in place during the year, with a skills audit taking place prior to the appointment of additional trustees.

Members, Directors, Governors and Headteachers of the Trust are required to declare their interests in connection with their role with the Melrose Learning Trust. A Conflict of Interest process is in place and a declaration of Business Interests Form is distributed annually, listing the types of interest that should be declared. This form is in line with the ESFA Academy Trust Handbook, requiring academy trusts to maintain a Register of Business Interests which 'must capture relevant business and pecuniary interests of members and trustees of academies within a multi-academy trust and senior employees.' The Clerk to the Board (Chief Operating Officer) is responsible for the maintenance of the registers which is a standing item on all Board and Committee meeting agenda for regular update.

Trustees continue to review the structure of its committees which were implemented to support Trust priorities and to ensure focus on improvement and accountability. Trustees are selected according to the expertise and skills required by the Trust. The Board completes an annual skills audit of its trustees and uses this as a basis to identify any shortfalls in expertise in the Board's composition, informing the Trust's Governance CPD programme for the year. Existing trustees can also draw on their wide network of professional contacts to source new trustees with the appropriate skills and expertise where this may be required.

A skills audit was undertaken in September 2023. A governance self-review exercise is planned for delivery later in the 2024/2025 academic year.

MELROSE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Review of value for money

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

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

- ensuring growth from four schools to nine;
- ensuring long term growth with up to four schools potentially joining the Trust in 2024-25;
- expansion of the central team – increased capacity from appointment of HR and Compliance Manager and seconded school improvement support;
- introducing high quality additional services to support growth and improve standards
- ensuring staffing levels are in place to achieve aims and objectives;
- investing in an extensive CPD programme to improve both curriculum provision and ensure high outcomes;
- review and refinement of the Trust's Scheme of Delegation in line with growth
- review of Trust Finance policy in line with requirements of Academy Handbook 2023
- delivery of ongoing training and development of headteachers and school business managers in the adoption and maintenance of Trust-wide financial processes, procedures and supporting systems
- introduction of an annual CPD programme for governors
- ongoing benchmarking analysis of the Trust's financial KPIs

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Melrose Learning Trust for 1st September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- Comprehensive budget 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 board to produce 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.

MELROSE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The board of trustees has considered the need for specific internal audit function with the appointment of Clive Owen LLP as internal auditor. The aim of the internal assurance programme delivered over 2023/2024 was to provide the Trust with independent assurance that:

- the financial responsibilities of the Governing Body are being properly discharged
- resources are managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained;
- financial considerations are fully taken into account in reaching decisions;
- Trust published information (e.g. website) is fully compliant.
- HR & staffing procedures are being followed.
- A robust system for Risk Management is in place.

The programme of internal assurance work for the Trust was agreed by the Board in the Autumn term 2023 with the following areas identified for review:

- Regularity and Compliance (including ESFA's Schedule of Musts) – Central
- Month End Procedures – Schools/central
- Procurement - Central
- Pupil Premium - Schools
- IT – Schools/Central

Work was undertaken in accordance with the agreed plan at Easington CE Primary, Greatham CE Primary, Priors Mill CE Primary School and the Trust Central Office over the 2023/2024 academic year.

The Trust's procedures were identified as being robust and effective. Recommendations and responses were identified as follows:

- Month End procedures:
 - Outstanding Purchase Order – confirmation that Training has been provided to the admin officer by the CFO to avoid this in future - GREEN
 - Expenses – confirmation that admin staff reminded of importance to correctly record VAT for reclaim - GREEN
 - Monthly Management Accounts – confirmation that the importance of timeliness has been communicated to school business/admin staff - GREEN
 - Bank Reconciliation – confirmation that this has been raised with HCSS Access and was confirmed to be an error in the system. It has now been resolved at their end by system development – GREEN
- IT – confirmation that an inventory of equipment and locations was in drafting with the intention of it being in place and operational by the end of the month – GREEN
- Pupil Premium – no issues raised
- Procurement – no issues raised
- Regularity and Compliance:
 - Gifts and Hospitality – confirmation that the CFO will review the ATH and ensure that our policy on giving gifts is compliant. However, the only gifts given within the trust tend to be flowers for reasons such as a bereavement. Flowers or gifts for birthdays are done via collections within staff groups – GREEN
 - Directors and Senior Employees declarations of interest – confirmation that the CFO has now completed a business interest form - GREEN

MELROSE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Review of effectiveness

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

- Regular and timely budget reports
- Regular board meetings and discussions regarding the budget both pre-opening and going forward
- The appointment of members of the board with significant financial experience and qualifications
- Regular Finance, Audit and General Purposes committee meetings
- Sound internal controls
- Internal and External audits
- An externally led SRMA Review


The accounting officer has been advised of the implications of the results of their review of the systems of internal control by the Finance, Audit and General Purposes committee. A plan to address any areas for concern/development and ensure continuous improvement of systems is in place.

Conclusion

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

Approved by order of the board of trustees on 18 December 2024 and signed on its behalf by:


Mr. P Mackings
Chair


Mr. R Ward
Accounting Officer

MELROSE LEARNING TRUST

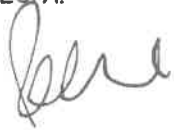
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As accounting officer of Melrose Learning Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

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

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



Mr. R Ward
Accounting Officer

18 December 2024

MELROSE LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 18 December 2024 and signed on its behalf by:



Mr. P Mackings
Chair

MELROSE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Emphasis of matter - LGPS disclosure

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

MELROSE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the accounts

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

MELROSE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

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

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

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

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

MELROSE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

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

Use of our report

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



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

19/12/24
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Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

MELROSE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

In accordance with the terms of our engagement letter dated 22 August 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Melrose Learning Trust during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Melrose Learning Trust's funding agreement with the Secretary of State for Education dated 24 March 2015 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

MELROSE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Azets Audit Services

Reporting Accountant
Azets Audit Services

Dated:19/12/24

MELROSE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2024 £	Total 2023 £
Income and endowments from:						
Donations and capital grants	3	-	-	93,431	93,431	125,845
Donations - transfer from local authority on conversion		-	-	-	-	351,681
Donations - transfer of existing academy into the trust	27	285,570	(72,000)	3,253,819	3,467,389	-
Charitable activities:						
- Funding for educational operations	4	268,414	11,065,465	-	11,333,879	6,617,143
Other trading activities	5	706,167	-	-	706,167	369,727
Investments	6	189	-	-	189	108
Total		1,260,340	10,993,465	3,347,250	15,601,055	7,464,504
Expenditure on:						
Raising funds	7	556,543	-	-	556,543	330,487
Charitable activities:						
- Educational operations	9	268,414	11,590,362	300,362	12,159,138	6,852,944
Total	7	824,957	11,590,362	300,362	12,715,681	7,183,431
Net income/(expenditure)		435,383	(596,897)	3,046,888	2,885,374	281,073
Transfers between funds	18	(907,265)	704,595	202,670	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	183,000	-	183,000	425,000
Adjustment for restriction on pension assets	21	-	(111,000)	-	(111,000)	(198,000)
Net movement in funds		(471,882)	179,698	3,249,558	2,957,374	508,073
Reconciliation of funds						
Total funds brought forward		932,576	(461,122)	5,869,350	6,340,804	5,832,731
Total funds carried forward		460,694	(281,424)	9,118,908	9,298,178	6,340,804

MELROSE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2023 £
			£	£	
Income and endowments from:					
Donations and capital grants	3	-	-	125,845	125,845
Donations - transfer from local authority on conversion		484,681	(133,000)	-	351,681
Charitable activities:					
- Funding for educational operations	4	158,413	6,458,730	-	6,617,143
Other trading activities	5	369,727	-	-	369,727
Investments	6	108	-	-	108
Total		<u>1,012,929</u>	<u>6,325,730</u>	<u>125,845</u>	<u>7,464,504</u>
Expenditure on:					
Raising funds	7	330,487	-	-	330,487
Charitable activities:					
- Educational operations	9	120,366	6,591,823	140,755	6,852,944
Total	7	<u>450,853</u>	<u>6,591,823</u>	<u>140,755</u>	<u>7,183,431</u>
Net income/(expenditure)		562,076	(266,093)	(14,910)	281,073
Transfers between funds	18	(45,148)	(46,608)	91,756	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	425,000	-	425,000
Adjustment for restriction on pension assets	21	-	(198,000)	-	(198,000)
Net movement in funds		516,928	(85,701)	76,846	508,073
Reconciliation of funds					
Total funds brought forward		<u>415,648</u>	<u>(375,421)</u>	<u>5,792,504</u>	<u>5,832,731</u>
Total funds carried forward		<u>932,576</u>	<u>(461,122)</u>	<u>5,869,350</u>	<u>6,340,804</u>

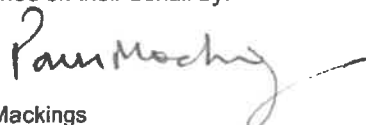
MELROSE LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	14		9,083,765		5,804,358
Current assets					
Debtors	15	465,811		754,014	
Cash at bank and in hand		1,471,108		1,245,013	
		1,936,919		1,999,027	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,372,506)		(930,581)	
Net current assets			564,413		1,068,446
Net assets excluding pension liability			9,648,178		6,872,804
Defined benefit pension scheme liability	21		(350,000)		(532,000)
Total net assets			9,298,178		6,340,804
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			9,118,908		5,869,350
- Restricted income funds			68,576		70,878
- Pension reserve			(350,000)		(532,000)
Total restricted funds			8,837,484		5,408,228
Unrestricted income funds	18		460,694		932,576
Total funds			9,298,178		6,340,804

The accounts on pages 27 to 56 were approved by the trustees and authorised for issue on 18 December 2024 and are signed on their behalf by:



Mr. P Mackings
Chair

Company registration number 09012630 (England and Wales)

MELROSE LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Net cash provided by operating activities	23		485,839		528,167
Cash flows from investing activities					
Dividends, interest and rents from investments		189		108	
Capital grants from DfE Group		93,431		125,845	
Purchase of tangible fixed assets		(353,364)		(179,894)	
Net cash used in investing activities			(259,744)		(53,941)
Net increase in cash and cash equivalents in the reporting period			226,095		474,226
Cash and cash equivalents at beginning of the year			1,245,013		770,787
Cash and cash equivalents at end of the year			1,471,108		1,245,013

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Transfer of existing academies into the trust

The transfer of existing academy schools into the academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on from the two academies joining the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities – transfer of existing academy into the trust n in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds as appropriate. Further details of the transaction are set out in note 27.

1.4 Income

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

Grants

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

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

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

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Charitable activities

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

1.6 Tangible fixed assets and depreciation

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

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

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

Leasehold land	125 years
Leasehold buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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.

The buildings at Wynyard Primary, Abbey Infant School and Abbey Junior School are occupied on a 125-year lease from the from the Department for Housing, Communities and Local Government. The value of the building has therefore been recognised as an asset. The buildings at Esh, High Coniscliffe and St Mary's are occupied on a supplemental agreement with the Diocese and have not been capitalised.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

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

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The UK corporate bond yields at 31 August 2024 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

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

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

The Durham Pension Scheme reported a liability, and this is recognised on the balance sheet.

Depreciation

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

Assets transferred on conversion

The trust has transferred the assets of the predecessor schools. The value of the assets transferred have been estimated by trustees and management by reference to asset registers and other information from the predecessor schools and the capitalisation and depreciation policies of the trust.

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

3 Donations and capital grants	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Capital grants	-	93,431	93,431	125,845
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

4 Funding for the academy trust's educational operations

Educational operations	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
DfE/ESFA grants				
General annual grant (GAG)	-	8,628,715	8,628,715	5,007,382
Other DfE/ESFA grants:				
- UIFSM	-	303,824	303,824	162,882
- Pupil premium	-	396,053	396,053	226,502
- Start up grants	-	25,000	25,000	100,000
- PE and sports premium	-	146,413	146,413	85,025
- Rates	-	50,000	50,000	31,811
- Teachers pension grant	-	80,724	80,724	4,325
- Teachers pay grant	-	143,487	143,487	1,531
- Supplementary grant	-	-	-	99,869
- TCAF grant	-	153,922	153,922	199,488
- National tutor grant	-	2,634	2,634	10,985
- Mainstream schools additional grant	-	277,687	277,687	75,945
- Others	-	1,228	1,228	12,256
	-	10,209,687	10,209,687	6,018,001
Other government grants				
Local authority grants	-	819,709	819,709	419,065
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	36,069	36,069	20,669
Non-DfE/ESFA				
Other COVID-19 funding	-	-	-	995
	-	36,069	36,069	21,664
Other incoming resources	33,678	-	33,678	38,047
Total funding for educational operations	33,678	11,065,465	11,099,143	6,496,777
Catering income	234,736	-	234,736	120,366
Total funding	268,414	11,065,465	11,333,879	6,617,143

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

5 Other trading activities	Unrestricted funds	Restricted funds	Total 2024	Total 2023	
	£	£	£	£	
Hire of facilities	16,429	-	16,429	10,222	
Catering income	2,532	-	2,532	1,791	
Trips & Clubs	502,148	-	502,148	276,415	
Other income	185,058	-	185,058	81,299	
	<u>706,167</u>	<u>-</u>	<u>706,167</u>	<u>369,727</u>	
6 Investment income	Unrestricted funds	Restricted funds	Total 2024	Total 2023	
	£	£	£	£	
Short term deposits	189	-	189	108	
	<u>189</u>	<u>-</u>	<u>189</u>	<u>108</u>	
7 Expenditure	Staff costs	Non-pay expenditure		Total 2024	Total 2023
	£	Premises	Other	£	£
		£	£		
Expenditure on raising funds					
- Direct costs	139,004	-	417,539	556,543	330,487
Academy's educational operations					
- Direct costs	7,772,688	-	452,656	8,225,344	4,478,784
- Allocated support costs	1,707,147	1,088,186	1,138,461	3,933,794	2,374,160
	<u>9,618,839</u>	<u>1,088,186</u>	<u>2,008,656</u>	<u>12,715,681</u>	<u>7,183,431</u>
 Net income/(expenditure) for the year includes:				2024	2023
				£	£
Operating lease rentals				40,643	22,017
Depreciation of tangible fixed assets				300,362	140,755
Fees payable to auditor for:					
- Audit				18,500	15,000
- Other services				6,150	5,000
Net interest on defined benefit pension liability				7,000	25,000
				<u>40,643</u>	<u>22,017</u>
				<u>300,362</u>	<u>140,755</u>
				<u>18,500</u>	<u>15,000</u>
				<u>6,150</u>	<u>5,000</u>
				<u>7,000</u>	<u>25,000</u>

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

8 Central services

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

- leadership and curriculum support
- finance and audit
- legal and HR
- governance
- school improvement
- sports, health and wellbeing
- safeguarding
- estates management

The academy trust charges for these services at between 3% and 6% of GAG funding.

The amounts charged during the year were as follows:

	2024	2023
	£	£
St Mary's Cockerton Church of England Primary School	58,903	53,694
High Coniscliffe CofE Primary School	34,769	34,012
Wynyard Church of England Primary School	111,006	106,966
Esh CofE (Aided) Primary School	14,448	13,839
Greatham CofE Primary School	32,749	22,416
Easington CofE Primary School	37,993	15,704
Prior's Mill CofE Primary School	119,294	39,973
Abbey Infant School	33,782	-
Abbey Junior School	44,982	-
	487,926	286,604

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Direct costs				
Educational operations	26,859	8,198,485	8,225,344	4,478,784
Support costs				
Educational operations	241,555	3,692,239	3,933,794	2,374,160
	268,414	11,890,724	12,159,138	6,852,944

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9 Charitable activities (Continued)

	2024	2023
	£	£
Analysis of support costs		
Support staff costs	1,707,147	1,044,647
Depreciation	300,362	140,755
Technology costs	79,906	52,591
Premises costs	787,824	449,046
Legal costs	55,916	42,182
Other support costs	964,153	611,164
Governance costs	38,486	33,775
	3,933,794	2,374,160
	3,933,794	2,374,160

10 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2024	2023
	£	£
Wages and salaries	7,180,286	3,887,146
Social security costs	682,351	364,382
Pension costs	1,420,918	852,031
Staff costs - employees	9,283,555	5,103,559
Agency staff costs	180,024	174,339
Staff restructuring costs	155,260	-
	9,618,839	5,277,898
Staff development and other staff costs	53,456	25,126
	9,672,295	5,303,024
	9,672,295	5,303,024
Staff restructuring costs comprise:		
Redundancy payments	155,260	-
	155,260	-
	155,260	-

Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs are special severance payments totalling £20,852 (2023: £nil). Individually, the payments were: £9,852, £5,000 and £6,000.

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Staff

(Continued)

Staff numbers

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

	2024 Number	2023 Number
Teachers	85	65
Administration and support	194	149
Management	11	12
	<u>290</u>	<u>226</u>

Higher paid staff

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

	2024 Number	2023 Number
£60,001 - £70,000	7	2
£70,001 - £80,000	2	-
£80,001 - £90,000	2	1
£90,001 - £100,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>13</u>	<u>4</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £1,138,276 (2023: £807,608).

11 Trustees' remuneration and expenses

The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

R Ward (head teacher):	
Remuneration	£140,001 - £145,000 (2023: £130,001 - £135,000)
Employer's pension contributions	£30,001 - £35,000 (2023: £25,001 - £30,000)

During the year, reimbursement of expenses payments totalling £206 (2023: £1,493) were reimbursed or paid directly to 1 trustee (2023: 1 trustee).

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

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

12 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Intangible fixed assets

	Computer Software £
Cost	
At 1 September 2023	7,155
Disposals	(7,155)

At 31 August 2024	-

Amortisation	
At 1 September 2023	7,155
On disposals	(7,155)

At 31 August 2024	-

Carrying amount	
At 31 August 2024	-
	=====
At 31 August 2023	-
	=====

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2023	5,731,956	542,099	541,453	6,815,508
Transfers of existing academy trust	4,666,961	196,730	636,753	5,500,444
Additions	101,138	125,807	126,419	353,364
At 31 August 2024	10,500,055	864,636	1,304,625	12,669,316
Depreciation				
At 1 September 2023	214,793	467,153	329,204	1,011,150
Transfers of existing academy trust	1,556,403	188,396	529,240	2,274,039
Charge for the year	127,559	69,542	103,261	300,362
At 31 August 2024	1,898,755	725,091	961,705	3,585,551
Net book value				
At 31 August 2024	8,601,300	139,545	342,920	9,083,765
At 31 August 2023	5,517,163	74,946	212,249	5,804,358

15 Debtors

	2024 £	2023 £
Trade debtors	12,558	3,517
VAT recoverable	82,880	67,676
Prepayments and accrued income	370,373	682,821
	465,811	754,014

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	418,975	228,266
Other taxation and social security	167,833	117,401
Other creditors	255,798	176,036
Accruals and deferred income	529,900	408,878
	1,372,506	930,581

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

17 Deferred income	2024	2023
	£	£
Deferred income is included within:		
Creditors due within one year	270,700	141,440
	<u>270,700</u>	<u>141,440</u>
Deferred income at 1 September 2023	141,440	73,034
Released from previous years	(141,440)	(73,034)
Resources deferred in the year	270,700	141,440
	<u>270,700</u>	<u>141,440</u>
Deferred income at 31 August 2024	<u>270,700</u>	<u>141,440</u>

Deferred income consists of Universal Infants Free School Meals grant, rates relief grant and residential trips income in advance of the 2024/25 academic year.

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	63,878	8,643,715	(9,412,188)	704,595	-
Start up grants	-	25,000	(25,000)	-	-
UIFSM	-	303,824	(303,824)	-	-
Pupil premium	-	396,053	(396,053)	-	-
Other DfE/ESFA COVID-19 funding	-	36,069	(36,069)	-	-
Other DfE/ESFA grants	-	451,811	(451,811)	-	-
Other government grants	-	819,709	(751,133)	-	68,576
Teachers pension	-	71,766	(71,766)	-	-
Teachers pay grant	-	136,105	(136,105)	-	-
PE & sports premium	7,000	146,413	(153,413)	-	-
Rates	-	50,000	(50,000)	-	-
Pension reserve	(532,000)	(87,000)	197,000	72,000	(350,000)
	(461,122)	10,993,465	(11,590,362)	776,595	(281,424)
Restricted fixed asset funds					
Inherited on conversion	93,761	2,802,471	(64,317)	-	2,831,915
DfE group capital grants	5,359,401	247,779	(218,707)	-	5,388,473
Capital expenditure from GAG and other funds	351,594	297,000	(15,761)	202,670	835,503
Start up grants	12,850	-	(312)	-	12,538
Donated assets	4,482	-	(109)	-	4,373
Other capital funding	47,262	-	(1,156)	-	46,106
	5,869,350	3,347,250	(300,362)	202,670	9,118,908
Total restricted funds	5,408,228	14,340,715	(11,890,724)	979,265	8,837,484
Unrestricted funds					
General funds	932,576	1,260,340	(824,957)	(907,265)	460,694
Total funds	6,340,804	15,601,055	(12,715,681)	72,000	9,298,178

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

(Continued)

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

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

Start up funds represent funds designated by the ESFA to fund the growth of the academy trust during its start up phase.

Other ESFA grants included national tutoring programme, apprenticeship payment & mental health first aid grant all of which was fully utilised in the year.

Other government grants includes Local Authority funding for under written pupil places.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants represent amounts receivable during the period. GAG and other revenues funds of £202,60 was spent on fixed assets.

Unrestricted funds can be used for any purpose at the discretion of the academy. A transfer of £704,595 has been made to recognise the support this fund has made on academy trust activities in the year.

The academy's unrestricted and general restricted funds, excluding pension fund, were £529,270 as at 31 August 2024.

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

(Continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	215,579	5,007,382	(5,112,475)	(46,608)	63,878
Start up grants	-	100,000	(100,000)	-	-
UIFSM	-	162,882	(162,882)	-	-
Pupil premium	-	226,502	(226,502)	-	-
Other DfE/ESFA COVID-19 funding	-	20,669	(20,669)	-	-
Other Coronavirus funding	-	995	(995)	-	-
Other DfE/ESFA grants	-	12,446	(12,446)	-	-
Other government grants	-	419,065	(419,065)	-	-
Teachers pension	-	4,185	(4,185)	-	-
Teachers pay grant	-	1,481	(1,481)	-	-
PE & sports premium	-	85,025	(78,025)	-	7,000
Rates	-	31,811	(31,811)	-	-
Supplementary grant	-	99,869	(99,869)	-	-
Tcaf grant	-	199,488	(199,488)	-	-
National tutor grant	-	10,985	(10,985)	-	-
Mainstream schools additional grant	-	75,945	(75,945)	-	-
Pension reserve	(591,000)	(133,000)	(35,000)	227,000	(532,000)
	<u>(375,421)</u>	<u>6,325,730</u>	<u>(6,591,823)</u>	<u>180,392</u>	<u>(461,122)</u>
Restricted fixed asset funds					
Inherited on conversion	96,096	-	(2,335)	-	93,761
DfE group capital grants	5,363,895	125,845	(130,339)	-	5,359,401
Capital expenditure from GAG	312,582	-	(7,596)	46,608	351,594
Start up grants	13,170	-	(320)	-	12,850
Donated assets	4,594	-	(112)	-	4,482
Other capital funding	2,167	-	(53)	45,148	47,262
	<u>5,792,504</u>	<u>125,845</u>	<u>(140,755)</u>	<u>91,756</u>	<u>5,869,350</u>
Total restricted funds	<u>5,417,083</u>	<u>6,451,575</u>	<u>(6,732,578)</u>	<u>272,148</u>	<u>5,408,228</u>
Unrestricted funds					
General funds	<u>415,648</u>	<u>1,012,929</u>	<u>(450,853)</u>	<u>(45,148)</u>	<u>932,576</u>
Total funds	<u>5,832,731</u>	<u>7,464,504</u>	<u>(7,183,431)</u>	<u>227,000</u>	<u>6,340,804</u>

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds	(Continued)	
Total funds analysis by academy		
	2024	2023
Fund balances at 31 August 2024 were allocated as follows:	£	£
St Mary's Cockerton Church of England Primary School	57,308	92,396
High Coniscliffe CofE Primary School	61,238	94,086
Wynyard Church of England Primary School	428,016	485,363
Esh CofE (Aided) Primary School	16,341	22,550
Greatham CofE Primary School	108,577	100,081
Easington CofE Primary School	(95,212)	59,786
Prior's Mill CofE Primary School	101,640	188,630
Abbey Infant School	72,348	-
Abbey Junior School	125,718	-
Central services	(346,704)	(39,438)
Total before fixed assets fund and pension reserve	529,270	1,003,454
Restricted fixed asset fund	9,118,908	5,869,350
Pension reserve	(350,000)	(532,000)
Total funds	9,298,178	6,340,804

Easington – Easington have seen significant growth in pupil numbers, including those applying for places in Reception. The numbers have risen from 132 at Oct23 census to 153 in Oct24 - this upward trend is expected to continue year on year. Therefore, the LGB and Trust decided to increase the PAN from 21, making a commitment to support in providing the capital outlay for a classroom extension to accommodate the increased numbers. In the absence of SCA funding, this is being funded by the Trust from reserves. Easington will repay the sum from capital funds and, additionally, from revenue surplus going forward.

Central – The Trust have taken on further schools in year, therefore, there has been additional outlay in terms of services provided - these schools were already part of a small MAT, so no funding was received to cover legal expenses incurred. The central team capacity has also been increased in order to support this growth and future growth plans. The Trust expects to increase to 13 schools in 2024-25, with a further 3 schools joining the Trust. Therefore, it was necessary to have the central infrastructure in place ahead of the 2024-25 academic/financial year.

We anticipated a further two schools joining the Trust in 2023-24, but following due diligence exercises carried out by the central team, and by mutual agreement with these schools, these conversions did not take place, having an overall negative impact on our income. One of said schools has remained with the local authority and the other has now joined the Trust as of 1st December. This school will bring in a reserve of c£130k.

In addition to these factors, the Trust received an SRMA review in Spring 2024 and were recommended to amend the charging of top slice to include any funding that will be rolled into GAG in the future. We have implemented this for 2024-25 and will see positive impact from that. As part of our MTFP and Trust Development Plan we intend to further review our top slice charges and services offered to ensure sustainability for the Trust.

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2024	Total 2023
	£	£	£	£	£	£
St Mary's Cockerton Church of England Primary School	830,816	244,052	11,317	184,650	1,270,835	1,116,663
High Coniscliffe CofE Primary School	446,159	143,478	35,868	100,856	726,361	702,959
Wynyard Church of England Primary School	1,691,398	262,925	50,990	603,547	2,608,860	2,228,055
Esh CofE (Aided) Primary School	449,071	75,974	12,681	114,874	652,600	579,542
Greatham CofE Primary School	490,962	72,035	13,032	162,398	738,427	546,777
Easington CofE Primary School	592,897	98,230	41,140	122,061	854,328	314,409
Prior's Mill CofE Primary School	1,787,747	421,093	73,363	402,189	2,684,392	864,494
Abbey Infant School	635,500	154,505	13,527	105,649	909,181	-
Abbey Junior School	784,954	217,227	40,014	137,445	1,179,640	-
Central services	202,188	275,084	107,268	403,155	987,695	654,778
	<u>7,911,692</u>	<u>1,964,603</u>	<u>399,200</u>	<u>2,336,824</u>	<u>12,612,319</u>	<u>7,007,677</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	9,083,765	9,083,765
Current assets	460,694	1,441,082	35,143	1,936,919
Current liabilities	-	(1,372,506)	-	(1,372,506)
Pension scheme liability	-	(350,000)	-	(350,000)
Total net assets	<u>460,694</u>	<u>(281,424)</u>	<u>9,118,908</u>	<u>9,298,178</u>

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	5,804,358	5,804,358
Current assets	932,576	1,001,459	64,992	1,999,027
Current liabilities	-	(930,581)	-	(930,581)
Pension scheme liability	-	(532,000)	-	(532,000)
Total net assets	932,576	(461,122)	5,869,350	6,340,804

20 Post balance sheet events

On 1 December 2024, St Hild's College Church of England Primary School, Durham, converted to academy status and joined the academy trust.

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council & Teesside 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 that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £216,167 (2023: £126,707) were payable to the schemes at 31 August 2024 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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.

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

21 Pension and similar obligations

(Continued)

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

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

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

The employer's pension costs paid to the TPS in the period amounted to £1,060,509 (2023: £509,829).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.5 - 27.4% for employers and 5.5 - 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2024	2023
	£	£
Employer's contributions	657,000	320,000
Employees' contributions	196,000	90,000
Total contributions	<u>853,000</u>	<u>410,000</u>

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

21 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2024	2024	2023	2023
	%	%	%	%
	Durham	Teesside	Durham	Teesside
Rate of increase in salaries	3.5	3.65	3.6	3.95
Rate of increase for pensions in payment/ inflation	2.5	2.65	2.6	2.95
Discount rate for scheme liabilities	4.9	5.00	5.1	5.20
Inflation assumption (CPI)	2.5	2.65	2.6	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	2024	2023	2023
	Years	Years	Years	Years
	Durham	Teesside	Durham	Teesside
Retiring today				
- Males	21.5	20.4	21.7	20.5
- Females	23.8	23.4	23.9	23.5
Retiring in 20 years				
- Males	22.4	21.2	22.9	21.3
- Females	24.6	24.9	25.0	25.0

Sensitivity analysis

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

	2024	2023
	£	£
Discount rate + 0.1%	6,756,000	3,292,000
Discount rate - 0.1%	7,054,000	3,449,000
Mortality assumption + 1 year	6,708,000	3,271,000
Mortality assumption - 1 year	7,096,000	3,467,000
CPI rate + 0.1%	7,037,000	3,440,000
CPI rate - 0.1%	6,773,000	3,301,000

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

21 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2024 Fair value £	2023 Fair value £
Equities	4,019,080	1,740,510
Government bonds	561,000	228,000
Corporate bonds	533,000	202,000
Cash	146,440	78,480
Property	706,480	365,010
Other assets	939,000	421,000
Total market value of assets	6,905,000	3,035,000
Restriction on scheme assets	(353,000)	(198,000)
Net assets recognised	6,552,000	2,837,000

The actual return on scheme assets was £495,000 (2023: £(33,000)).

Amount recognised in the statement of financial activities	2024 £	2023 £
Current service cost	453,000	330,000
Interest income	(252,000)	(111,000)
Interest cost	259,000	136,000
Total amount recognised	460,000	355,000

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

Changes in the present value of defined benefit obligations	2024 £	2023 £
At 1 September 2023	3,369,000	2,820,000
Obligations acquired on conversion	-	623,000
Transferred in on existing academies joining the academy trust	2,692,000	-
Current service cost	453,000	330,000
Interest cost	259,000	136,000
Employee contributions	196,000	90,000
Actuarial loss/(gain)	16,000	(569,000)
Benefits paid	(83,000)	(61,000)
At 31 August 2024	6,902,000	3,369,000

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

21 Pension and similar obligations		(Continued)		
Changes in the fair value of the academy trust's share of scheme assets				
		2024	2023	
		£	£	
At 1 September 2023		3,035,000	2,229,000	
Assets acquired on conversion		-	490,000	
Transferred in on existing academies joining the academy trust		2,605,000	-	
Interest income		252,000	111,000	
Actuarial (gain)/loss		243,000	(144,000)	
Employer contributions		657,000	320,000	
Employee contributions		196,000	90,000	
Benefits paid		(83,000)	(61,000)	
At 31 August 2024		6,905,000	3,035,000	
Restriction on scheme assets		(353,000)	(198,000)	
Net assets recognised		6,552,000	2,837,000	
22 Analysis of changes in net funds		1 September	Cash flows	31 August
		2023		2024
		£	£	£
Cash		1,245,013	226,095	1,471,108
23 Reconciliation of net income to net cash flow from operating activities			2024	2023
	Notes		£	£
Net income for the reporting period (as per the statement of financial activities)			2,885,374	281,073
Adjusted for:				
Net surplus on conversion to academy			-	(351,681)
Net surplus on transfer of academy in the trust	27		(3,467,389)	-
Capital grants from DfE and other capital income			(93,431)	(125,845)
Investment income receivable	6		(189)	(108)
Defined benefit pension costs less contributions payable	21		(204,000)	10,000
Defined benefit pension scheme finance cost	21		7,000	25,000
Depreciation of tangible fixed assets			300,362	140,755
Decrease/(increase) in debtors			288,203	(437,967)
Increase in creditors			441,924	502,259
Stocks, debtors and creditors transferred on conversion			327,985	484,681
Net cash provided by operating activities			485,839	528,167

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

24 Long-term commitments

Operating leases

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

	2024	2023
	£	£
Amounts due within one year	35,852	43,439
Amounts due in two and five years	56,573	83,651
	<u>92,425</u>	<u>127,090</u>

25 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

Stephen Mackings Building and Joinery Services

This is a business operated by the brother of Paul Mackings, trustee of the academy trust..

- The academy trust purchased building services from the business totalling £91,445 during the period. There were no amounts outstanding at 31 August 2024.
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Mackings neither participate in, nor influenced
- In entering into the transaction, the academy trust has complied with the requirements of the Academy Trust Handbook
- The element above £2,500 has been provide at "no more than cost, and he business has provided a statement of assurance confirming this

All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

26 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 as stated in memorandum and articles of association for the debts and liabilities contracted before he or she ceases to be a member.

MELROSE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

27 Transfer of existing academies into the academy trust

Abbey Infant School

The academy joined the trust on 1 February 2024. An adjustment was made to recognise the change in the value of the LGPS liability when the academy joined the trust, compared to the value in its final accounts.

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Net assets acquired			
Leasehold land and buildings	1,403,336	-	1,403,336
Other tangible fixed assets	51,575	-	51,575
Other net assets	144,868	-	144,868
Pension scheme	(36,000)	(2,000)	(38,000)
Total net assets	<u>1,563,779</u>	<u>(2,000)</u>	<u>1,561,779</u>

Abbey Junior School

The academy joined the trust on 1 February 2024. An adjustment was made to recognise the change in the value of the LGPS liability when the academy joined the trust, compared to the value in its final accounts.

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Net assets acquired			
Leasehold land and buildings	1,707,222	-	1,707,222
Other tangible fixed assets	64,271	-	64,271
Other net assets	183,117	-	183,117
Pension scheme	(46,000)	(3,000)	(49,000)
Total net assets	<u>1,908,610</u>	<u>(3,000)</u>	<u>1,905,610</u>