



The Island Learning Trust

**The Island Learning Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2024**

**Company Registration Number:
10296549 (England and Wales)**

The Island Learning Trust
(A Company Limited by Guarantee)

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The Island Learning Trust
(A Company Limited by Guarantee)

Reference and administrative details

Members	Mrs H Pye (resigned 11 December 2023) Mr M Cheesbrough Mr N Pye (resigned 11 December 2023) Mr R Rousell Mr P Hill (appointed 11 December 2023) Mrs S Budds (appointed 11 December 2023) Mr V Goddard (appointed 11 December 2023)
Trustees	Mr H J Fisher, Chair Mr A Janes ¹ Mr G Jeffery ¹ Ms J A Hinds (resigned 20 May 2024) Mr B O Olagundoye (resigned 3 October 2023) Ms A L Payne ¹ Ms A L Pattenden Ms J Palmer Mr A Jackson (appointed 9 October 2023) ¹ Mr M A Gillyon (appointed 11 December 2023, resigned 17 July 2024) ¹ Member of Finance, Audit & Risk Committee
Company registered number	10296549
Company name	The Island Learning Trust
Principal and registered office	Minster in Sheppey Primary School Brecon Chase, Minster Sheerness Kent ME12 2HX
Chief executive officer	D Rousell
Senior management team	D Rousell, Chief Executive Officer R Driver, Deputy Chief Executive Officer P Reynolds, Chief Financial Officer J Tate, Director of Safeguarding (from 1 September 2023)
Independent auditor	UHY Hacker Young Chartered Accountants, Registered Auditors Thames House, Roman Square Sittingbourne Kent ME10 4BJ
Bankers	Lloyds Bank plc 125 High Street Sittingbourne Kent ME10 4BD
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report For the year ended 31 August 2024

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

The academy trust operates 3 primary academies, 2 on the Isle of Sheppey, Kent (Minster Primary School and Halfway Houses Primary School) and 1 in Sittingbourne (Sunny Bank Primary School). The Trust has a 1,575 combined pupil capacity and had a roll of 1,356, 86% capacity, in the October 2023 school census. Sunny Bank Primary School also had 11 nursery children. The trust's roll has decreased to 1,330 (84.4% capacity) in the October 2024 school census.

Structure, governance and management

Constitution

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

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

Subject to the provisions of The Companies Act 2006, the academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in their capacity as trustees of The Island Learning Trust.

Method of recruitment and appointment or election of trustees

The Island Learning Trust's articles of association state that:

-  Members appoint by ordinary resolution up to 11 trustees.
-  The number of trustees shall be not less than three but shall not be subject to any maximum.

It also describes that the academy trust shall have the following trustees:

-  A minimum of 2 parent trustees elected or appointed if no provision is made for at least 2 parent local governors on each established Local Governing Body.
-  The total number of trustees including the Chief Executive Officer, who are employees of the Trust shall not exceed one third of the total number of trustees.
-  The academy trust may also have co-opted trustees.

In the Island Learning Trust 2 parents sit on each of the Local Governing Bodies hence no parents currently sit on the board of trustees.

In the Island Learning Trust **no** employees sit on the board of trustees.

The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued) For the year ended 31 August 2024

Structure, governance and management (continued)

Currently our board of trustees comprises of 7 trustees, not including the Chief Executive Officer (CEO), who sits as an ex officio on the board. Their skills cover a wide range of areas: HR, finance, marketing, risk management, education and change management.

The CEO is the Trust's Accounting Officer.

All trustees are recruited based on the contribution they can make to the development and success of The Island Learning Trust. Trustees are appointed based on personal qualities, as well as the specific skills and expertise they can bring to the board, looking specifically to fill any specific skill or experience gaps as identified through analysis of our annual MAT NGA skills audit. Potential trustees undergo a rigorous selection process: they submit the NGA MAT audit along with a wider CV and statement about why they wish to be a trustee at The Island Learning Trust. They are then interviewed by the Chair and CEO prior to them being approved to join the trust board.

Previously a number of trustees have been recruited using Inspiring Governance, however, more recently trustees have been recruited using LinkedIn, a professional networking site.

Policies adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on existing experience. Where necessary, induction will provide training on charity, education, legal and financial matters. New trustees are invited to visit trust academies to meet staff and students. New trustees are offered a mentor from the current trust board to support and advise on policies and procedures. The trust's communication platform, Governor Hub, provides easy access to all information: policies, procedures, plans, budget information, to enable trustees to effectively carry out their role.

The trust purchases a governance training and development package from Kent County Council that trustees can access.

Furthermore the trust is a full member of the NGA and The Key, for trust boards, and so trustees have access to the NGA and The Key online training materials and model documents to support trustees further with understanding their roles and responsibilities.

The Chair of the trust, along with the CEO, also have access to material from the Confederation of Schools Trust thanks to the trust's membership.

Organisational structure

The leadership structure consists of three levels: the board of trustees, the Local Governing Bodies (LGB's) and the senior leadership teams. There is complete separation between the three layers. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. This structure sits within an overall framework that has some standardised functions, to allow strategic oversight whilst school autonomy and individual character is maintained. The current structure will develop as the trust grows.

Trustees are responsible for the strategic direction of The Island Learning Trust. They set the vision for the trust, the strategic development plan, general policy and the budget. The trustees monitor performance in education, compliance and finance. They make major decisions about the direction of The Island Learning Trust, capital expenditure and senior staff appointments. The board of trustees holds the CEO to account for the performance of the trust. The CEO is the Accounting Officer.

The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued) For the year ended 31 August 2024

Structure, governance and management (continued)

The board of trustees has established the following committees:

-  Finance, Audit and Risk Committee.
-  Pay and Appraisal Committee.
-  Local Governing Bodies (LGBs) which are established by the board to support the effective operation of the Academies.

A decision was taken that for 2023-24 the Education and Standards Committee would cease to be and would be replaced with a fixed Trust Board Monitoring Trio, as reflected in the trust's Scheme of Delegation.

The board of trustees established LGBs for its schools, each act as a separate committee of the trust board. An LGB may act in respect of two or more schools. A detailed handbook of Governance and the Scheme of Delegation, outlining the responsibility of all stakeholders, has been approved by the trust and is reviewed annually, or sooner if the need is identified.

The LGB monitors, challenges and supports school improvement: the quality of teaching and learning, the achievement of pupils, behaviour of pupils, building and maintenance and health and safety. They are also responsible for monitoring general policy and the progress of the individual schools including the delivery of the School Improvement Plan objectives.

Executive leaders and the senior leadership team are responsible for the day-to-day operation of the Trust and each school within it.

Arrangements for setting pay and remuneration of key management personnel

The board of trustees ensure that decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities. The board form a Pay and Appraisal Committee who oversee the appraisal process for executive leaders. Two trustees hold the initial review, objective-setting meeting, with advice and support from an external advisor. All have fully considered the evidence provided before making recommendations with regard to pay to the trust board. This process is facilitated and validated externally to ensure it is appropriately robust and challenging.

Pay ranges for the senior leaders are detailed in the trust's Pay Policy. Although academy trusts are not subject to the School Teachers' Pay and Conditions Document (STPCD), the board of trustees have chosen to use it to help set and bench mark executive pay. The leadership range in the STPCD makes specific references to headteachers in charge of more than one school. The STPCD is a starting point. The Pay and Appraisal Committee also investigate salaries on offer in other trusts of a similar size to ensure awards are competitive but not excessive.



Head of School pay is set using the formula within the STPCD. An executive leader from the trust and the LGB will agree the pay award within the STPCD guidance.

No leader in the Island Learning Trust is paid in excess of 25% above the leadership scale, in line with the national recommendations.

The Island Learning Trust
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Trustees' report (continued)
For the year ended 31 August 2024

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	£Nil
Total pay bill	£6,612,627
Percentage of total pay bill spent on facility time	0%

Paid trade union activities

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

The Trust does not have any related parties or other connected charities and organisations which it trades with other than those disclosed in the notes to the financial statements.

Objectives and activities

Objects and aims

The principal activity of the Multi-Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, managing and developing schools and settings offering a broad and balanced curriculum.

Objectives, strategies and activities

The Island Learning Trust is a forward thinking trust, we promote and strive to achieve excellence with meaningful and empowering contexts for learning. We recognise the importance of outstanding teaching and learning and are fully committed to the development of learners and staff to enable all: *"...to be the best we can be."*

We expect staff to maintain the highest professional standards and to be motivated to embark on their own learning journey to ensure our children experience the very best educational outcomes. We are a 'growth mindset' trust: we champion the message that 'everyone can'.

The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued) For the year ended 31 August 2024

Objectives and activities (continued)

As a multi-academy trust, TILT aims to develop identity as a group but to also protect the unique character of each school. Whilst there are clear consistencies across schools, these do not undermine individuality. Through collaboration, we seek to build on the strengths that exist within each school so that our collective capital benefits the wider TILT community.

We are unwavering about the main things: quality, standards and integrity.

TILT is passionate about securing the highest standards of achievement and education for all children. We are committed to achieving this by creating a fully inclusive environment that promotes social justice and equality, thereby enabling disadvantaged communities. We provide this through the creation of cognitively challenging contexts for learning that develop children's desire to learn. We believe that by encouraging children to become agents of their own learning, they are empowered to become autonomous, independent thinkers enabled to respond to present and future challenges. This enables them to grow into responsible citizens able to contribute positively to society.

As a trust, we develop ambitious, challenging and creative curricula that enable all children to flourish socially, spiritually, culturally, emotionally and academically. Whilst high academic attainment is important for all children's life chances, we also believe in the importance of providing a rich experience of the arts and physical development.

Trust Commitments

We are committed to:

-  Achieving the highest standards and outcomes for all children.
-  Professional learning for all.
-  Working in partnership with parents to ensure we are responsive to their aspirations for their children.
-  Collaborative developments in pedagogy and curricula.
-  Local admissions criteria who are hard to place – Fair Access Protocols.
-  Promoting the strengths of the trust and the benefits of collaborative development, for the good of the whole.
-  Sharing staff expertise, responding to the needs of the trust, and jointly finding solutions.
-  Working with schools beyond our immediate partnership.
-  The aims, values and ethos of the Trust.
-  The Articles, Scheme of Delegation and our One Trust policy to ensure targeted resourcing.

In 2023-24 our strategy to achieve our objectives were:

-  Joint training, bespoke mentoring and coaching for Heads of School, Senior Leadership Teams and all teachers, support staff based on: appraisal, best practice guidance, school data analysis.
-  Share the strongest teachers and Leaders: to support and drive improvement in all settings.
-  Ambitious target setting.
-  Further development of inclusive practice.
-  Review of the TILT curriculum to ensure the progression is clear.
-  Whole Trust monitoring and evaluation undertaken by the Executive Headteacher, CEO and trust board.

The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued) For the year ended 31 August 2024

Strategic report

Public benefit

In setting trust objectives the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education.

In accordance with its charitable objectives, The Island Learning Trust strives to advance the education of the pupils attending the schools that operate through the trust. All schools within the trust are state funded and strive to promote and support the advancement of education within the Swale Local Authority.

The trust is comprised of Minster Primary, Halfway Houses Primary and Sunny Bank Primary. All operate in areas of high deprivation and socio-economic challenges. Access to outstanding primary education is paramount to raising aspirations for the children and families we serve.

Achievements and performance

Pupils enter the schools from a range of social, cultural and economic backgrounds. Our schools are fully inclusive.



Ofsted:

The main KPI is the Ofsted grading for each school. Two trust schools were inspected in 2023-24.

 In March 2024, Halfway Houses Primary School had a monitoring inspection which confirmed Halfway Houses remains a good school.

 In July 2024, Sunny Bank Primary School had a full inspection. Sunny Bank achieved an overall judgement of good – a significant uplift, as it was judged as inadequate in June 2019.

 Minster is a good school (March 2022) and is next due inspection in Spring 2026.

SATs Outcomes: Outcomes in all TILT schools are high, end of Key Stage data is strong relative to national.

KPI	Grade	National	Halfway	Minster	Sunny Bank	TILT
EYFS	GLD	68%	61%	70%	50%	60%
Phonics	Y1	80%	72%	90%	78%	80%
	Y2	89%	91%	90%	78%	88%
KS1 Reading	EXP+	68%	64%	90%	66%	73%
	GDS	19%	14%	36%	10%	20%
KS1 Writing	EXP+	60%	53%	92%	52%	66%
	GDS	8%	5%	28%	10%	14%
KS1 Maths	EXP+	70%	70%	82%	55%	69%
	GDS	16%	11%	25%	10%	15%
Y4 MTC	25/25	31%	62%	68%	64%	65%

The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Strategic report (continued)

Achievements and performance (continued)

KEY STAGE 2

KPI	Grade	National	Halfway	Minster	Sunny Bank	TILT
KS2 R W & M	EXP+	61%	70%	92%	80%	81%
	GDS	8%	13%	21%	13%	16%
KS2 Reading	EXP+	74%	79%	96%	100%	92%
	GDS	29%	33%	49%	60%	73%
KS2 Writing	EXP+	72%	85%	92%	80%	84%
	GDS	13%	29%	30%	40%	33%
KS2 Maths	EXP+	73%	82%	99%	87%	89%
	GDS	24%	28%	32%	20%	27%
KS2 EPGS	EXP+	72%	77%	91%	67%	78%
	GDS	30%	33%	40%	13%	18%

KS2 data for all schools is great:



Halfway Houses is 10% above National (61%) with 70% combined.



Sunny Bank achieved 19% above National (61%) a phenomenal uplift since joining the Trust in February 2020, with an overall combined of 80%.



Minster achieved highly with well above average results with 31% above National (61%) with 92% combined.

All schools KS2 outcomes were stronger than 2022-23.

Finally, TILT was absolutely thrilled to have been shortlisted in a number of categories across various awards in 2023-24.

At the National MAT Awards, TILT was shortlisted in three categories – 'Most Improved MAT of the Year', 'MAT Leadership Team of the Year' and Maria Loughheed, a Learning Mentor and Forest School Lead at Sunny Bank, in the 'Rising Star Award'.

At the MAT Excellence Awards, TILT was shortlisted in two categories – 'Trust Executive Team of the Year' and Phil Reynolds, Chief Financial Officer, in the 'CFO of the Year'.



The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued) For the year ended 31 August 2024

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

The trustees consider that the following are key performance indicators for the trust:

-  School performance as detailed by Ofsted
-  Latest pupil outcome performance targets
-  Pupil attendance targets
-  Pupil numbers (leading directly to ESFA and Local Authority funding levels)
-  Percentage of income and expenditure spent on total staff costs
-  Staff costs per pupil
-  Staff numbers – both headcount and FTE
-  Pupil-to-teacher ratio
-  Reserves as percentage of total revenue income
-  General financial stability – aiming for income to match expenditure each year where possible

Going concern

After making appropriate enquiries, the trust board has a reasonable expectation that the 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.

Financial review

In this financial period (1st September 2023 - 31st August 2024) the Trust has received the majority of funds from the ESFA in the form of recurrent grants. The grants received from the ESFA and associated expenditure are shown as restricted funds in the Statement of Financial Activities (SoFA).

Additional ring-fenced grants such as PE and Sports, Pupil Premium, National Tutoring Programme, Universal Infant Free School Meals, Mainstream Schools Additional and Teacher Pay and Pension Grants were also received during the year from the ESFA. The Trust prides itself on ensuring that these grants are spent to ensure impact and legacy where possible.

In addition, TILT was successful in obtaining Condition Improvement Funding (CIF) for three projects across the trust's estate. £189,146 of funding was awarded to Sunny Bank Primary School for fencing to ensure their estate is robust from a safeguarding perspective. £847,797 of funding was awarded to Minster-in-Sheppey Primary School for urgent boiler and heating distribution replacement works, with another £1,090,611 of funding also awarded to Minster for urgent roof refurbishment works. TILT will be making a contribution towards all three projects of £129,840 from reserves.

TILT will continue to work with their CIF project bid partner, Academy Estate Consultants, to look for further projects to improve the trust's estates.

In 2022-23, TILT entered into an agreement with Meadowfield School for children with profound, severe and complex needs, located in Sittingbourne to house some of their pupils at Sunny Bank Primary School within satellite classes. This agreement continued throughout 2023-24 and has been extended for 2024-25.

The Island Learning Trust **(A Company Limited by Guarantee)**

Trustees' report (continued) **For the year ended 31 August 2024**

Strategic report (continued)

Financial review (continued)

In Spring 2023, it was identified that the roof in Sunny Bank Primary School's original building had been constructed using Reinforced Autoclaved Aerated Concrete (RAAC). Discussions with both Kent County Council and the Department for Education led to the decision to close the building and re-locate pupils and staff solely in our new build as a short-term measure. Propping works took place to enable the return of pupils and staff to the building after the October 2023 half term. The trust, alongside Kent County Council, continued to undertake quarterly monitoring inspections once the propping had been installed. This now continues to be performed solely by the trust but with financial support from the Department for Education.

In February 2024, the trust was delighted to receive confirmation from the Department for Education that the removal of RAAC at Sunny Bank Primary School will be through the Department for Education's School Rebuilding Programme as an urgent case.

Total income, including capital income, for the year amounted to £9,669,234 (2023: £8,251,929) of which £310,416 (2023: £245,774) was unrestricted income.

The SoFA shows net income/(expenditure) for the year, excluding pension reserve movements, of £1,038,868 (2023: (259,657)). This includes depreciation charges of £327,674 (2023: £343,083).

The increase in income funds of approximately £1.44m was due to the Trust receiving funding for Condition Improvement Funding projects in the year, as mentioned above, plus a significant upturn in High Needs Funding from the Local Authority as the demographic of our pupils continued to change. The Trust also continued to benefit from prudent investment management resulting in a boost to interest income of approximately £50,000.

The actuarial (gain)/loss on the Local Government Pension Scheme (LGPS) during the year arises due to changes in the actuarial assumptions used by the scheme's actuaries, which are updated at each accounting date to allow for changes in market conditions. Full details of the pension liability and assumptions used are disclosed in note 29. The actuarial (gain)/loss for the year is only part of the overall movement from last year's £Nil position, which has remained restricted to £Nil. The other elements are charged to the SoFA as expenditure for the year, within staff costs, as detailed in the accounting policies.

The movement on revenue income funds is not shown directly on the SoFA. The table which follows reconciles from the overall movement in funds by adjusting for non-revenue amounts to reach the increase in revenue funds during the year of £260,122 (2023: £212,912).

	2024 £	2023 £
Overall net movement in funds for the year per SoFA	923,868	610,343
Add:		
(Increase)/decrease in attributable fixed asset fund	(663,746)	349,569
LGPS actuarial (gain)/loss	115,000	(870,000)
LGP's service and interest costs	(115,000)	123,000
Surplus on revenue funds	260,122	212,912

The trust held fund balances at 31 August 2024 of £21,660,151 (2023: £20,736,283). These funds include restricted fixed asset funds of £19,897,507 (2023: £19,233,761) and unrestricted funds of £1,114,899 (2023: £958,116).

The restricted fund (excluding the restricted fixed asset fund) at 31 August 2024 continues to show a surplus. The pension reserve, relating to the present value of the LGPS defined benefit liability, shows a £Nil balance at 31 August 2024 (2023: £Nil). In accordance with accounting requirements, the Trust's share of LGPS is carried on the balance sheet, with movements each year quantified by the Local Authority's actuary and reflected through the SOFA.

The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued) For the year ended 31 August 2024

Strategic report (continued)

Financial review (continued)

In recent years the carried pension deficit has fallen significantly, and this trend continued during 2023-24. The valuation report received from the Local Authority appointed actuary indicated that a pension accounting surplus existed at 31 August 2024. The accounting standards state that if an employer has an accounting surplus, it should only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds. However, there are differing opinions across the whole of the public sector and the accounting profession as to the extent to which a pension surplus represents an "unconditional right" of employers and therefore the extent to which the surplus can be recognised as being of economic value, and to date the ESFA have been unable to give any guidance to academy trusts. The Trustees have therefore taken the view that, as a long-term employer open to new members, there is not a reasonable expectation of ever reaching a point of cessation and therefore being able to access a return of surplus. Accordingly, the surplus has not been included and a break-even Enil position has been reflected on the Balance Sheet. The pension surplus is disclosed in note 3 and the actuarial assumptions and other movements in the year are disclosed in note 28.

It is noteworthy that any pension surplus or deficit is merely an accounting figure calculated under Financial Reporting Standard (FRS) 102 for the purposes of the financial statements and has no direct effect on the employer contribution rate paid by the Trust, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the Academy Trust are fixed until 1 April 2026.

The main financial instrument used by TILT is cash held within bank accounts. The objective is that the trust manages its cash resource so that its operating objectives are met without the need for short-term borrowing.

Reserves policy

The board of trustees review the reserve levels of the trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be the equivalent of one month's salary currently this is around 620K. In addition, in line with our One Trust Policy, we hold £20K in case an academy leaves.

As at 31 August 2024, the trust's level of reserves is £1,762,644 (2023: £1,502,522), which includes unrestricted free funds of £1,114,899 (2023: £958,116) and restricted income funds of £647,745 (2023: £544,406). The trust also have £313,654 (2023: £93,204) of free capital reserves. £78,417 of the unrestricted funds have been designated to represent the Trust's contribution towards Condition Improvement Funding projects.

The trust board require reserves to fund future capital expenditure and offset forecast deficits. The forecast deficits are due to many unknowns at the time of setting the 3-year budget forecast in July 2024 as a result of a General Election being called and no firm guarantees around future funding to offset continued cost of living pressures and pay increases.

In future years, we aim to build and hold reserves between £50k and £100k to provide sufficient working capital to cover delays between spending, receipts of grants and to provide a cushion for unexpected emergencies.

The Trust maintains a pension reserve fund which represents each school's share of the Local Government Pension Scheme fund deficit, calculated in accordance with Financial Reporting Standard (FRS) 102. Further details of the calculations and assumptions underlying the balance on this fund are set out in note 28 to the financial statements.

The Trust Board recognises that as the Trust grows greater financial security will follow.

The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued) For the year ended 31 August 2024

Strategic report (continued)

Financial review (continued)

Investment policy

Trustees are committed to ensuring that all funds under their control are managed in such a way to maximise return whilst minimising risk. The trust endeavours to optimise investment by earning interest on its bank deposits whilst maintaining instant access to funds. The security of deposits takes precedence over revenue maximisation. The trust has a positive cash balance to cover eventualities and unforeseen expenses.

Principal risks and uncertainties

The main risks that the trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans. The board has classified all its risks into 4 categories and review the risk register at every board and committee meeting.

-  Strategic and Reputational - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy services, the trust operating outside its articles of association.
-  Organisational and Operational - These are the risks associated with appointing the right quality staff, the potential absence of key personnel and trustees'/governors' ability to lead the organisation and the individual academies.
-  Financial - The board monitors the financial risk associated with managing a large organisation that balances local autonomy with the need to establish good financial controls. There are also risks in connection with the numbers on roll at schools not increasing in line with expectations, a lack of trust growth threatening economies of scale, and finance risks linked to cybercrime.
-  Compliance - The risks in connection with meeting statutory requirements relating to employment, Health & Safety, safeguarding, estates and those set by the DfE.

Fundraising

The trust's schools are supported financially by the fundraising of individual Parent, Teacher and Friends Associations (PTFAs). None of the PTFAs are registered as legal entities with the exception of Friends of Halfway Houses Primary School, which is established as a separately registered charity, registration number 1146169, which organises various fundraising events to provide facilities for the pupils of Halfway Houses Primary School.

The PTFAs are essentially small scale in-house fundraising and the funds raised are used to benefit the pupils educated within the schools. A range of fundraising events are held: school discos, Christmas and summer fetes, firework displays (not exhaustive).

Fundraising across 2023-24 has continued to improve as the country recovers from the pandemic and the cost of living crisis. No commercial fundraisers are used.



The Island Learning Trust (A Company Limited by Guarantee)

Trustees' report (continued) For the year ended 31 August 2024

Plans for future periods

The Island Learning Trust will continue striving to improve the outcomes of its pupils and will continue its efforts to ensure its students are fully prepared for the next steps in their school life.

The success of all schools is dependent on the quality and capacity of leadership: the SLT, trust board and governors.

The following leadership objectives are identified for 2024-25:

-  Develop high performing schools – continue to – build staff talent – continue to develop inspiring, research informed staff
-  Further develop the curriculum to instil a love and respect for the natural world and develop sustainability practices

Funds held as custodian on behalf of others

The trust does not hold any funds on behalf of others.

Disclosure of information to auditor

In so far as the trustees are aware:

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

Auditor

The auditor, UHY Hacker Young, has indicated a willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2024 and signed on the board's behalf by:



Mr H J Fisher
Chair of Trustees

9 December 2024

The Island Learning Trust (A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

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

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

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

Governance

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

The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the full Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr H J Fisher, Chair	4	5
Mr A Janes, Vice Chair	5	5
Mr G Jeffery	2	5
Mr B O Olagundoye (resigned 3 October 2023)	0	0
Mrs J A Hinds (resigned 20 May 2024)	2	4
Mrs A L Payne	4	5
Ms A L Pattenden	2	5
Ms J Palmer	5	5
Mr A Jackson (appointed 9 October 2023)	1	4
Mr M A Gillyon (appointed 11 December 2023, resigned 17 July 2024)	2	3

The Trust Board continued a recruitment drive during the year. This was successful and saw 2 further appointments made who bring both educational and finance skills and knowledge to the Board. Although attendance at Board meetings has been low, Mr A Jackson has provided support to the Trust with his attendance at Finance, Audit and Risk committee meetings since his appointment and continues to provide support and counsel to the Chief Financial Officer. Mr M A Gillyon resigned as Trustee to now take up the role as Chair of Sunny Bank Primary School's local governing body after the departure of the long-standing Chair. Other Trustees who have been in post for the whole of 2023-24 remain committed and give good attendance on their respective committees. They are also actively involved via discussions and decisions on email.

There were two other resignations during the year, both due to increased work pressures.

Meetings

As stated in the Trust's Scheme of Delegation, the Trust Board maintains oversight of the Trust performance during the year via the sub-committees and local governing bodies. The Trustees triangulate all information available from internal processes, local governing body reports, external reports and the sub-committees to ensure the Trust is operating effectively.

The Island Learning Trust (A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Conflicts of interest

The Board ensure the regular completion and maintenance of a register of interests in order to reduce the Trust's exposure to conflicts of interests. All Trustees, Members, Governors and key management personnel complete an annual declaration of interests to enable completion of the register. Further conflicts of interest are declared throughout the year by Trustees at the start of every meeting via a standing item on all meeting agendas and the Trust's register of interests is duly updated for any changes by the Trust Clerk. The Trust's central finance team are aware of the register including any interests and alert the Chief Executive Officer and Chief Financial Officer of any potential transactions being made before they are entered into. The register of interests for Trustees is published on the Trust's main website and those of local governors are published on each school's website.

Governance review

The Trust Board has completed range of tasks contributing to a self-review of the effectiveness of the Trust Board. It has:

- Completed the annual review of the Scheme of Delegation.
- Completed the School Resource Management self-assessment.
- Undertaken the performance management of the CEO & Executive Headteacher.
- Considered the outcomes of the NGA Skills Audit.

The review of the effectiveness of the Board led to the following changes:

- The decision was taken that in 2024-25 The Education and Standards Committee would cease to be and would be replaced with a fixed Trust Board Monitoring Trio, this is reflected in the Scheme of Delegation September 2024.

The review confirmed:

- The information/data shared with the board is fit for purpose and allows them to discharge their duties effectively.
- The Trust's data management and reporting system is effective and facilitates challenge.

The Finance, Audit & Risk Committee is a sub-committee of the main Trust Board. Its core purpose is to ensure the appropriate use of Trust funds in accordance with Academy Trust Handbook, the Trust's finance and accounting policies and the Scheme of Delegation. The budget is monitored effectively by the Committee, in addition monthly Management accounts are viewed by the Chair and all other trustees monthly, both highlight areas of concern to the board if necessary.

This year the Committee also had oversight with regards to the risks arising from the identified RAAC at Sunny bank Primary School and subsequent mitigation. The Finance Audit & Risk Committee met on six occasions.

Attendance during the year at meetings of the Finance, Audit & Risk Committee was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Jeffrey, Chair	4	5
Mr A Janes	4	5
Mrs A L Payne	5	5
Mr A Jackson	4	5

The Island Learning Trust (A Company Limited by Guarantee)

Governance Statement (continued)

Review of value for money

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

The Accounting Officer considers how the 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 supported by the CFO for the Academy Trust has delivered improved value for money during the year by:

- Securing funding amounting to £2.12m for 3 CIF projects across the Trust's estate.
- Working with both Kent County Council and the Department for Education to reduce the Trust's financial exposure arising from the identification of RAAC at Sunny Bank Primary School and ensuring the estate remained safe and complied with regulations.
- Selling a minibus donated to the Trust and using the proceeds towards a new minibus lite on a 5-year lease which enable greater flexibility in its usage.
- Continuing to access a number of savings products from banking institutions through a single platform thus increasing the Trust's return on investment.
- Securing refunds from energy providers due to overpayments made in previous years for meters not in the control of the Trust.
- Ensuring smart meters are installed across the Trust estate so that energy costs are based on actual performance and not estimated.
- Entering into a new HR consultancy contract commencing September 2024 which will provide higher quality advice and support at lower cost.
- Introducing payment card readers in each school to reduce reliance upon cash payments from parents and improve debt management.
- Establishing a paperless purchase ordering system across the Trust and thereby improving efficiencies and reducing spend on paper.
- Establishing continued economies of scale by renegotiating existing contracts with different contract suppliers across schools to a one Trust supplier.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Island Learning Trust for the period 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 a formal ongoing 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 Island Learning Trust (A Company Limited by Guarantee)

Governance Statement (continued)

The risk and control framework

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

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

The board of trustees has decided to buy-in an internal audit service from McCabe Ford Williams. This option has been chosen due to the revised FRC Ethical Standard for auditors prohibiting a firm providing external audit to an entity also providing internal audit services to it.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- A review of the trust's financial systems to ensure key controls were operating effectively and in line with the procedures.

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

In addition, the Trust elected to commission a safeguarding review across all three schools from Brightcore Consultancy. The review coincided with the appointment of a new Director of Safeguarding, who requested the review to help them identify any improvements in systems and processes that could be made by the Trust.

The Trust confirms the internal auditor has delivered their schedule of work as planned and whilst some control issues were identified, none of these represented material control issues that remain unresolved at the end of the financial year.

Review of effectiveness

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

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

**The Island Learning Trust
(A Company Limited by Guarantee)**

Governance Statement (continued)

Review of effectiveness (continued)

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

Conclusion

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

Approved by order of the members of the board of trustees on 9 December 2024 and signed on its behalf by:



Mr H J Fisher
Chair of Trustees



Mrs D Rousell
Accounting Officer

**The Island Learning Trust
(A Company Limited by Guarantee)**

Statement of regularity, propriety and compliance

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

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

A handwritten signature in black ink, appearing to read 'DRousell', with a long, sweeping horizontal line extending to the right.

Mrs D Rousell
Accounting Officer

9 December 2024

The Island Learning Trust (A Company Limited by Guarantee)

Statement of Trustees' responsibilities

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

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

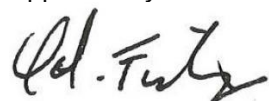
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the board of trustees on 9 December 2024 and signed on its behalf by:



Mr H J Fisher

Chair of Trustees

The Island Learning Trust (A Company Limited by Guarantee)

Independent auditor's report on the financial statements to the members of The Island Learning Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

The Island Learning Trust (A Company Limited by Guarantee)

Independent auditor's report on the financial statements to the members of The Island Learning Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The Island Learning Trust (A Company Limited by Guarantee)

Independent auditor's report on the financial statements to the members of The Island Learning Trust (continued)

Capability of the audit in detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Academy Trust Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The Island Learning Trust
(A Company Limited by Guarantee)

Independent auditor's report on the financial statements to the members of The Island Learning Trust (continued)

Use of our report

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink, appearing to read 'Allan Hickie', with a stylized flourish at the end.

Allan Hickie BSc FCA (Senior Statutory auditor)

for and on behalf of

UHY Hacker Young

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent ME10 4BJ

Date: 13 December 2024

The Island Learning Trust (A Company Limited by Guarantee)

Independent reporting accountant's assurance report on regularity to The Island Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Island 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 The Island 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 Island 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 The Island Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Island Learning Trust's funding agreement with the Secretary of State for Education dated 1 November 2016 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 Accountants 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.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants in England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Island Learning Trust for the year ended 31 August 2024 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

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

The Island Learning Trust
(A Company Limited by Guarantee)

Independent reporting accountant's assurance report on regularity to The Island Learning Trust and the Education and Skills Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

In line with the Framework and guide for External Auditors and Reporting Accountants of Academy Trusts issued April 2023, we have not performed any additional procedures regarding the academy trust's compliance with safeguarding, health and safety and estates management.

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.



Reporting Accountant
UHY Hacker Young
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent ME10 4BJ

Date: 13 December 2024

The Island Learning Trust
(A Company Limited by Guarantee)

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

	Note	Unrestricted Funds 2024 £	Restricted General Funds 2024 £	Restricted Fixed Asset Funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Donations and capital grants	4	23,892	-	1,010,089	1,033,981	279,746
Other trading activities	6	46,037	-	-	46,037	207,460
Investments	7	75,415	-	-	75,415	21,267
Charitable activities:						
Funding for the academy trust's educational operations	5	165,072	8,348,729	-	8,513,801	7,743,456
Total		310,416	8,348,729	1,010,089	9,669,234	8,251,929
Expenditure on:						
Raising funds	8	4,563	-	-	4,563	-
Charitable activities:						
Academy trust educational operations	9	165,072	8,130,390	330,341	8,625,803	8,511,586
Total		169,635	8,130,390	330,341	8,630,366	8,501,586
Net income / (expenditure)		140,781	218,339	679,748	1,038,868	(259,657)
Transfers between funds	18	16,002	-	(16,002)	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	28	-	(115,000)	-	(115,000)	870,000
Net movement in funds		156,783	103,339	663,746	923,868	610,343
Reconciliation of funds:						
Total funds brought forward		958,116	544,406	19,233,761	20,736,283	20,125,101
Net movement in funds		156,783	103,339	663,746	923,868	610,343
Total funds carried forward	18	1,114,899	647,745	19,897,507	21,660,151	20,736,283

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 57 form part of these financial statements.

The Island Learning Trust
(A Company Limited by Guarantee)
Registered number: 10296549

Balance Sheet
as at 31 August 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	15	19,583,853	19,142,559
Current assets			
Debtors	16	354,574	231,025
Cash at bank and in hand		2,649,605	1,723,796
		3,004,179	1,954,821
Liabilities			
Creditors: Amounts falling due within one year	17	(927,881)	(361,097)
Net current assets		2,076,298	1,593,724
Total assets less current liabilities		21,660,151	20,736,283
Creditors: Amounts falling due after more than one year		-	-
Net assets excluding pension liability		21,660,151	20,736,283
Defined benefit pension scheme liability	28	-	-
Total net assets		21,660,151	20,736,283
Funds of the academy trust:			
Restricted funds			
Fixed asset funds	18	19,897,507	19,233,761
Restricted income funds	18	647,745	544,406
Pension reserve	18	-	-
Total restricted funds		20,375,617	19,778,167
Unrestricted income funds	18	1,114,899	958,116
Total funds		21,660,151	20,736,283

The financial statements on pages 27 to 58 were approved by the trustees and authorised for issue on 9 December 2024 and are signed on their behalf by:



Mr H J Fisher
Chair of Trustees



Mrs D Rousell
Accounting Officer

The notes on pages 30 to 57 form part of these financial statements.

The Island Learning Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
for the year ended 31 August 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	602,160	(23,361)
Cash flows from investing activities	24	325,651	274,274
Cash flows from financing activities	23	(2,002)	(6,352)
Change in cash and cash equivalents in the reporting period		925,809	244,561
Cash and cash equivalents at 1 September 2023		1,723,796	1,479,235
Cash and cash equivalents at 31 August 2024	25/26	2,649,605	1,723,796

The notes on pages 30 to 57 form part of these financial activities.

The Island Learning Trust

(A Company Limited by Guarantee)

Notes to the financial statements

for the year ended 31 August 2024

1. General information

The Island Learning Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Minster in Sheppey Primary School, Brecon Chase, Minster, Sheerness, Kent, ME12 2HX. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

2. Accounting policies

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

2.1 Basis of preparation

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

The Island Learning Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

2.3 Income

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

Grants

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

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

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

The Island Learning Trust

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Notes to the financial statements

for the year ended 31 August 2024

2. Accounting policies (continued)

Donations

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

Other income

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

Donated fixed assets

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

2.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Tangible fixed assets

Assets (individual items) costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets purchased in bulk costing £5,000 or more are not capitalised.

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

The Island Learning Trust

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Notes to the financial statements

for the year ended 31 August 2024

2. Accounting policies (continued)

Depreciation is provided on all tangible fixed assets other than freehold / leasehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life, as follows:

- | | |
|----------------------------|---|
| • Freehold buildings | – 50 years straight-line basis |
| • Long leasehold buildings | – Over term of the lease |
| • Furniture and equipment | – 5 years straight-line basis |
| • Computer equipment | – 3 years straight-line basis |
| • Property improvements | – 50 - 30 years straight-line basis or over term of the lease |
| • Motor vehicles | – 5 years straight-line basis |

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

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

2.6 Liabilities

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

2.7 Provisions

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

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

2.8 Leased assets

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

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the Bank.

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Notes to the financial statements for the year ended 31 August 2024

2. Accounting policies (continued)

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

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

2.12 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 as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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.

2.13 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

The Island Learning Trust

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Notes to the financial statements

for the year ended 31 August 2024

2. Accounting policies (continued)

2.14 Pensions benefits

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

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

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

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

2.15 Fund accounting

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

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

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

The Island Learning Trust **(A Company Limited by Guarantee)**

Notes to the financial statements **for the year ended 31 August 2024**

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The academy 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.

Multi-employer defined benefit 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 (the estimated long-term investment returns). Any changes in these assumptions, which are disclosed in note 29, will impact on 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.

This year the discount rate used of 5.10% (2023: 5.30%) continued to be high. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the carried LGPS deficit remaining at £Nil during the year.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £19,583,853 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trusts' forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

The Island Learning Trust (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2024

3. Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme

The ultimate responsibility for setting the LGPS assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

FRS 102 section 28.22 allows an entity to recognise a pension asset "only to the extent it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan".

Whilst the LGPS actuarial valuation report for the year ended 31 August 2024 indicates a defined benefit asset of £451k exists at the year-end date, the Trustees have considered that there is insufficient evidence that a surplus being recognised would ever result in a repayment or reduction in contributions, given that such a surplus is probably only temporary. Also, as a longer-term employer that is open to new members, there isn't a reasonable expectation that the Trust will ever reach a point of cessation that would enable access to a return of surplus.

The actuarial gain has therefore been restricted to instead leave a break-even position on the Balance Sheet with neither an asset nor liability recognised.

4. Donations and capital grants

	Unrestricted funds 2024	Restricted funds 2024	Restricted fixed asset funds 2024	Total funds 2024	Total funds 2023
	£	£	£	£	£
Capital grants	-	-	1,010,089	1,010,089	253,007
Donated fixed assets	-	-	-	-	9,692
Other donations	23,892	-	-	23,892	17,047
	<u>23,892</u>	<u>-</u>	<u>1,010,089</u>	<u>1,033,981</u>	<u>279,746</u>
Total 2023	<u>17,047</u>	<u>-</u>	<u>262,699</u>	<u>279,746</u>	

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

5. Funding for the academy trust's charitable activities

Educational operations

	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	Total Funds 2023
	£	£	£	£
DfE / ESFA grants				
General Annual Grant (GAG)	-	6,262,247	6,262,247	6,016,138
Other DfE / ESFA grants				
UFSM	-	153,825	153,825	150,879
Pupil Premium	-	614,676	614,676	603,078
Teachers' Pay Grant	-	112,773	112,773	850
Teachers' Pension Grant	-	57,069	57,069	2,403
PE and Sports Grant	-	59,630	59,630	59,740
Supplementary Grant	-	-	-	180,164
Mainstream Schools Additional Grant	-	218,069	218,069	90,862
Others	-	9,222	9,222	14,400
	-	7,487,511	7,487,511	7,118,514
Other Government grants				
Local authority grants	-	771,721	771,721	521,407
COVID-19 additional funding (DfE/ESFA)				
Recovery premium	-	60,211	60,211	61,625
School-led Tutoring Grant	-	25,853	25,853	41,910
Other income from the academy trust's educational operations	165,072	3,433	168,505	-
	165,072	8,348,729	8,513,801	7,743,456
Total 2023	-	7,743,456	7,743,456	

The Trust received £60,211 (2023: £61,625) of funding for recovery premium and £25,853 (2023: £41,910) for School-led tutoring grant in the year. The costs incurred in respect of these funding streams totalled £86,064 (2023: £103,535).

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

6. Other trading activities

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£	£
Other income	12,552	-	12,552	12,841
Hire of facilities	27,725	-	27,725	24,080
General sales	1,197	-	1,197	1,094
Catering income	4,563	-	4,563	91,779
School trip income	-	-	-	77,666
	46,037	-	46,037	207,460
Total 2023	207,460		207,460	

7. Investment income

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£	£
Bank interest receivable	75,415	-	75,415	21,267
Total 2023	21,267	-	21,267	

8. Expenditure

	Staff costs 2024	Non-Pay Expenditure		Total funds 2024	As restated Total funds 2023
	£	Premises 2024	Other 2024	£	£
Expenditure on raising funds:					
Direct costs	-	-	4,563	4,563	-
Academy's educational operations:					
Direct costs	5,903,743	326,804	414,741	6,645,288	6,113,643
Allocated support costs	1,023,133	338,559	618,823	1,980,515	2,397,943
	6,926,876	665,363	1,038,127	8,630,366	8,511,586
Total 2023 as restated	6,392,525	946,768	1,172,293	8,511,586	

Following the reclassification in the Academies Accounts Direction 2023 to 2024, employee benefits are now reported under staff costs and no longer as other non-pay expenditure. The prior year numbers have been reclassified.

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

9. Charitable activities

	Total funds 2024 £	Total funds 2023 £
Direct costs – educational operations	6,645,288	6,113,643
Support costs – educational operations	1,980,515	2,397,943
	8,625,803	8,511,586

Analysis of direct costs – educational operations

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Educational supplies	-	159,462	159,462	166,987
Professional fees – educational	-	104,978	104,978	137,784
Teaching staff training	-	33,778	33,778	47,146
Other staff costs	-	6,090	6,090	7,302
Educational equipment	-	1,950	1,950	26,009
Depreciation	-	327,674	327,674	343,083
School trip expenditure	80,860	25,150	106,010	81,204
Uniform expenditure	-	1,603	1,603	2,963
Staff costs	-	5,903,743	5,903,743	5,301,165
Total direct costs	80,860	6,564,428	6,645,288	6,113,643
Total 2023	-	6,113,643	6,113,643	

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

9. Charitable activities (continued)

Analysis of support costs – educational operations

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	As restated Total funds 2023
	£	£	£	£
Support staff costs	-	1,023,133	1,023,133	1,091,360
Interest on pension scheme liabilities	-	(26,000)	(26,000)	22,000
Repairs and maintenance	-	129,900	129,900	396,787
Light, heat and water	-	118,264	118,264	189,932
Rates	-	46,750	46,750	38,938
Cleaning	-	37,572	37,572	27,143
Other premises costs	-	12,709	12,709	39,427
Print, postage and stationery	-	88,888	88,888	66,420
Subscriptions	-	19,259	19,259	11,647
Computer costs	-	48,508	48,508	34,100
Professional fees – other	-	132,866	132,866	147,747
Bank and Arbor charges	-	2,079	2,079	1,310
Insurance	-	31,384	31,384	28,959
Telephone and internet costs	-	14,421	14,421	18,782
Transport costs	-	10,480	10,480	12,740
Profit on disposal of tangible fixed assets	-	(9,117)	(9,117)	-
Catering costs	84,212	178,064	262,276	229,743
Advertising and publicity	-	6,195	6,195	14,022
General costs	-	9,996	9,996	4,520
Trustees' expenses	-	-	-	244
Internal Auditor	-	4,980	4,980	6,400
Auditor's remuneration	-	13,500	13,500	12,990
Auditor's remuneration – other audit	-	2,022	2,022	2,282
Auditor's remuneration – non-audit	-	450	450	450
Total support costs	84,212	1,896,303	1,980,515	2,397,943
 Total 2023 as restated	 -	 2,397,943	 2,397,943	

Following the reclassification in the Academies Accounts Direction 2023 to 2024, employee benefits are now reported under support staff costs and no longer as other staff costs. The prior year numbers have been reclassified.

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2024	2023
	£	£
Operating lease rentals	24,326	14,739
Depreciation	327,674	343,083
(Profit) on disposal of tangible fixed assets	(9,117)	-
Fees payable to auditor for:		
- audit	13,500	12,990
- other services	2,447	2,707

11. Staff

a. Staff costs and employee benefits

Staff costs during the period were:

	2024	As restated 2023
	£	£
Wages and salaries	5,296,142	4,888,712
Social security costs	464,692	409,501
Pension costs	1,122,998	1,044,644
Other employee benefits	13,855	8,201
	6,897,687	6,351,058
Agency staff costs	29,189	31,467
Staff restructuring costs	-	10,000
	6,926,876	6,392,525
Staff restructuring costs comprise:		
Severance payments	-	10,000
	-	10,000

Following the reclassification in the Academies Accounts Direction 2023 to 2024, employee benefits are now reported under staff costs and no longer as other costs. The prior year numbers have been reclassified.

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

b. Special staff severance payments

Included in staff restructuring costs is a special severance payment totalling £Nil (2023: £10,000).

c. Staff numbers

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

	2024	2023
	No.	No.
Teachers	52	53
Administration and support	168	162
Management	13	12
	233	227

d. Higher paid staff

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	3	4
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-

e. 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £430,590 (2023: £340,269).

The Island Learning Trust

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Notes to the financial statements

for the year ended 31 August 2024

12. Central services

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

- Financial services
- Educational support services
- Legal services
- Human resources

In accordance with the funding agreement with the DfE, the Trust pools the General Annual Grant (GAG) as part of a “one trust” approach and therefore does not recharge out central services.

13. Related party transactions – trustees’ remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2023: £Nil).

During the year ended 31 August 2024, no expenses were reimbursed or paid directly to any trustees (2023: £244 to 1 trustee).

Other related party transactions involving the trustees are set out in note 29.

14. Trustees’ and officers’ insurance

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

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

15. Tangible fixed assets

	Freehold land and buildings	Long-term leasehold land and buildings	Property improvements	Assets under construction	Motor Vehicles	Furniture and equipment	Computer equipment	Total
	£	£	£	£		£	£	£
Cost or valuation								
At 1 September 2023	7,892,793	11,915,672	763,319	-	9,692	31,341	87,299	20,700,116
Additions	-	-	24,395	751,458	-	-	-	775,853
Disposals	-	-	-	-	(9,692)	-	-	(9,692)
Transfers	-	-	-	-	-	-	-	-
At 31 August 2024	7,892,793	11,915,672	787,714	751,458	-	31,341	87,299	21,466,277
Depreciation								
At 1 September 2023	898,549	455,879	82,551	-	1,938	31,341	87,299	1,557,557
Charged in year	131,495	170,266	25,044	-	869	-	-	327,674
Disposals	-	-	-	-	(2,807)	-	-	(2,807)
At 31 August 2024	1,030,044	626,145	107,595	-	-	31,341	87,299	1,882,424
Net book values								
At 31 August 2024	6,862,749	11,289,527	680,119	751,458	-	-	-	19,583,853
At 31 August 2023	6,994,244	11,459,793	680,768	-	7,754	-	-	19,142,559

Included in freehold land and buildings is land at valuation of £1,318,050 which is not depreciated.

Included in leasehold land and buildings is land at valuation of £609,523 which is not depreciated.

The land and buildings were valued by Kent County Council on a depreciated replacement cost basis.

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Notes to the financial statements
for the year ended 31 August 2024

16. Debtors

	2024	2023
	£	£
Due within one year		
Trade debtors	775	127
VAT recoverable	22,158	15,434
Prepayments and accrued income	331,641	215,464
	354,574	231,025

17. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	123,711	78,784
Other taxation and social security	107,670	95,509
Other creditors	800	277
Loans	-	2,002
Accruals and deferred income	695,700	184,525
	927,881	361,097

	2024	2023
	£	£
Deferred income at 1 September 2023	92,396	72,255
Released from previous years	(92,396)	(72,255)
Resources deferred in the year	89,733	92,396
Deferred income at 31 August 2024	89,733	92,396

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, which related to the 2024/25 academic year.

Included within loans was a long term, interest free Salix loan from Kent County Council to Minster in Sheppey Primary School.

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Notes to the financial statements
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)	544,406	6,262,247	(5,605,908)	(553,000)	647,745
UIFSM	-	153,825	(153,825)	-	-
Pupil premium	-	614,676	(614,676)	-	-
Teachers' pay grant	-	112,773	(112,773)	-	-
Teachers' pension grant	-	57,069	(57,069)	-	-
PE & Sports grant	-	59,630	(59,630)	-	-
Mainstream Schools Additional Grant	-	218,069	(218,069)	-	-
Other ESFA/DfE grants	-	9,222	(9,222)	-	-
ESFA/DfE COVID-19 funding	-	86,064	(86,064)	-	-
Other government grants	-	771,721	(771,721)	-	-
Other income	-	3,433	(3,433)	-	-
Pension reserve	-	-	(438,000)	438,000	-
	544,406	8,348,729	(8,130,390)	(115,000)	647,745
Restricted fixed asset funds					
Restricted fixed asset funds	19,142,559	-	(318,557)	759,851	19,583,853
Salix loan	(2,002)	-	-	2,002	-
DfE/ESFA capital grants	93,204	986,059	(11,784)	(753,825)	313,654
KCC capital grants	-	24,030	-	(24,030)	-
	19,233,761	1,010,089	(330,341)	(16,002)	19,897,507
Total restricted funds	19,778,167	9,358,818	(8,460,731)	(131,002)	20,545,252
Unrestricted funds					
General funds	958,116	310,416	(169,635)	(62,415)	1,036,482
Designated funds	-	-	-	78,417	78,417
	958,116	310,416	(169,635)	16,002	1,114,899
Total funds	20,736,283	9,669,234	(8,630,366)	(115,000)	21,660,151

Under the funding agreement with the Secretary of State, the academy trust is not subject to GAG carried forward limits.

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

Unrestricted funds are applied to the general work of the academy trust to support activities inside and outside the curriculum.

The Island Learning Trust (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2024

18. Funds (continued)

Designated funds are funds ring-fenced from the Trust's reserves as contributions towards current Condition Improvement Funding projects at both Minster-in-Sheppey Primary School and Sunny Bank Primary School.

GAG represents to be used to cover the normal running costs of the academy trust.

Pupil premium funding is provided in order to be used to support disadvantaged pupils and to assist them in decreasing the attainment gap between those pupils and their peers.

UIFSM supports schools in delivering the legal requirement to offer free school meals to all reception, year 1 and year 2 pupils.

DfE/ESFA COVID-19 funding in the past two financial years has included recovery premium and school-led tutoring grant.

The recovery premium grant is part of the government's package of funding to support pupils whose education has been impacted by COVID-19.

School-led tutoring grant is funding to provide additional, targeted support for those children and young people who need the most help through access to, amongst other things, academic mentors and tutors.

Teachers' pay and pension grants are to provide support to schools in respect of the teachers' pay awards.

PE and Sports premium is funding to make additional and sustainable improvements to the quality of the PE, physical activity and sport schools provide.

Other government grants represents those grants provided for specific purposes to provide additional support to pupils where required.

Restricted fixed asset funds comprise the net book value of the Trust's fixed assets as at 31 August 2024, including the land and buildings which were donated upon conversion to academy status.

The Salix loan was transferred upon conversion to academy status and has been paid off each year in line with the loan agreement.

The DfE/ESFA capital grants fund are also represented and provide the Academy Trust with its own capital money to address improvements to the land and buildings and other facilities.

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Notes to the financial statements
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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)	553,244	6,016,138	(5,521,311)	(503,665)	544,406
UIFSM	-	150,879	(150,879)	-	-
Pupil premium	-	603,078	(603,078)	-	-
Supplementary grant	-	180,164	(180,164)	-	-
Teachers' pay grant	-	850	(850)	-	-
Teachers' pension grant	-	2,403	(2,403)	-	-
PE & Sports grant	-	59,740	(59,740)	-	-
Mainstream Schools Additional Grant	-	90,862	(90,862)	-	-
Other ESFA/DfE grants	-	14,400	(14,400)	-	-
ESFA/DfE COVID-19 funding	24,024	103,535	(127,559)	-	-
Other government grants	-	521,407	(521,407)	-	-
Pension reserve	(747,000)	-	(589,000)	1,336,000	-
	(169,732)	7,743,455	(7,861,653)	832,335	544,406
Restricted fixed asset funds					
Restricted fixed asset funds	19,475,950	9,692	(343,083)	-	19,142,559
Salix loan	(8,353)	-	-	6,351	(2,002)
DfE/ESFA capital grants	97,204	228,002	(262,564)	30,562	93,204
KCC capital grants	18,529	25,005	(44,286)	752	-
	19,583,330	262,699	(649,933)	37,665	19,233,761
Total restricted funds	19,413,598	8,006,155	(8,511,586)	870,000	19,778,167
Unrestricted funds					
General funds	712,342	245,774	-	-	958,116
	712,342	245,774	-	-	958,116
Total funds	20,125,940	8,251,929	(8,511,586)	870,000	20,736,283

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

18. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2024	2023
	£	£
Island Learning Trust	1,762,644	1,502,522
Minster in Sheppey Primary School	-	-
Halfway Houses Primary School	-	-
Sunny Bank Primary School	-	-
Total before fixed assets and pension reserve	1,762,644	1,502,522
Restricted fixed asset fund	19,897,507	19,233,761
Pension reserve	-	-
Total	21,660,151	20,736,283

Fund balances for each academy 31 August 2024 and 31 August 2023 were zero as a result of the Trust's "one trust" approach (note 12), hence a breakdown by academy is not included in these accounts.

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2024	Total 2023
	£	£	£	£	£	£
Island Learning Trust	471,230	152,491	48,743	304,122	976,586	1,116,856
Minster in Sheppey Primary School	2,236,148	366,136	125,237	263,512	2,991,033	2,744,045
Halfway Houses Primary School	2,141,123	264,878	154,506	263,795	2,824,302	2,647,512
Sunny Bank Primary School	1,055,242	211,636	55,377	188,516	1,510,771	1,660,090
Academy Trust	5,903,743	995,141	383,863	1,793,243	8,302,692	8,168,503

Costs not attributable totalled £327,674 (2023: £343,083).

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

19. Analysis of net assets between funds

Fund balances at 31 August 2024 are represented by:

	Unrestricted Funds 2024 £	Restricted general Funds 2024 £	Restricted fixed asset Funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	-	19,583,853	19,583,853
Current assets	1,116,799	997,499	889,881	3,004,179
Current liabilities	(1,900)	(349,754)	(576,227)	(927,881)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	-	-	-
Total net assets	1,114,899	647,745	19,897,507	21,660,151

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

	Unrestricted Funds 2023 £	Restricted general Funds 2023 £	Restricted fixed asset Funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	19,142,559	19,142,559
Current assets	958,116	811,399	185,306	1,954,821
Current liabilities	-	(266,993)	(94,104)	(361,097)
Pension scheme liability	-	-	-	-
Total net assets	958,116	544,406	19,233,761	20,736,283

20. Capital commitments

	2024 £	2023 £
Contracted for, but not provided in the financial statements	1,505,938	-

The Island Learning Trust
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Notes to the financial statements
for the year ended 31 August 2024

21. Long-term commitments, including 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	34,855	24,617
Amounts due between one and five years	100,933	82,155
Amounts due after five years	-	-
	135,787	106,772

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

	2024	2023
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,038,868	(259,657)
Adjusted for:		
Depreciation [note 15]	327,674	343,083
(Profit) on disposal of tangible fixed assets [note 10]	(9,117)	-
Capital grants from DfE and other capital income [note 4]	(1,010,089)	(253,007)
Interest receivable [note 7]	(75,415)	(21,267)
Defined benefit pension scheme cost less contributions payable [note 28]	(95,000)	97,000
Defined benefit pension scheme finance cost [note 28]	(20,000)	26,000
(Increase)/decrease in debtors	(123,549)	274,488
Increase/(decrease) in creditors	568,788	(220,309)
Donated fixed assets [note 4]	-	(9,692)
Net cash provided by / (used in) operating activities	602,160	(23,361)

23. Cash flows from financing activities

	2024	2023
	£	£
Repayments of borrowing	(2,002)	(6,352)
Net cash provided by / (used in) financing activities	(2,002)	(6,352)

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Notes to the financial statements
for the year ended 31 August 2024

24. Cash flows from investing activities

	2024	2023
	£	£
Dividends, interest and rents from investments	75,415	21,267
Purchase of tangible fixed assets	(775,853)	(9,692)
Donated fixed assets	-	9,692
Proceeds from sale of fixed assets	16,000	-
Capital grants from DfE Group	986,059	228,002
Capital funding received from sponsors and others	24,030	25,005
Net cash provided by / (used in) investing activities	325,651	274,274

25. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand and at bank	2,649,605	1,723,796
Total cash and cash equivalents	2,649,605	1,723,796

26. Analysis of changes in net debt

	At 1 September 2023	Cash flows	Other non- cash changes	At 31 August 2024
	£	£	£	£
Cash	1,723,796	925,809	-	2,649,605
Loans falling due within one year	(2,002)	2,002	-	-
Total	1,721,794	927,811	-	2,649,605

27. Member liability

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

The Island Learning Trust (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2024

28. 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 Kent County Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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.

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:

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Notes to the financial statements for the year ended 31 August 2024

28. Pension and similar obligations (continued)

- 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 TPS in the period amounted to £652,422 (2023: £570,132).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx).
(<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £690,000 (2023: £583,000), of which employer's contributions totalled £553,000 (2023: £466,000) and employees' contributions totalled £137,000 (2023: £117,000). The agreed contribution rates for future years are 22.5 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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Notes to the financial statements
for the year ended 31 August 2024

28. Pension and similar obligations (continued)

Principal actuarial assumptions	2024	2023
Rate of increase in salaries	3.75%	3.90%
Rate of increase for pensions in payment/inflation	2.75%	2.90%
Discount rate for scheme liabilities	5.10%	5.30%

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

	2024	2023
	Years	Years
<i>Retiring today</i>		
Males	20.7	20.7
Females	23.3	23.2
<i>Retiring in 20 years</i>		
Males	22.0	22.0
Females	24.7	24.6

Sensitivity analysis	2023	2023
	£000	£000
Discount rate +0.1%	(146)	(128)
Discount rate -0.1%	150	132
Mortality assumption – 1 year increase	201	177
Mortality assumption – 1 year decrease	(195)	(173)
Pension increases rate +0.1%	145	127
Pension increase rate -0.1%	(141)	(124)

The academy trust's share of the assets in the scheme were:

	2024	2023
	£	£
Equities	4,493,000	4,309,000
Gilts	550,000	40,000
Other bonds	1,143,000	938,000
Property	727,000	684,000
Cash and other liquid assets	191,000	72,000
Infrastructure	367,000	257,000
Absolute return fund	399,000	487,000
Total market value of assets	7,870,000	6,787,000

The actual return on scheme assets was £538,000 (2023: £(43,000))

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Notes to the financial statements
for the year ended 31 August 2024

28. Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2024	2023
	£	£
Current service cost	(458,000)	(563,000)
Interest income	374,000	259,000
Interest cost	(348,000)	(281,000)
Admin expenses	(6,000)	(4,000)
Total amount recognised in the SOFA	(438,000)	(589,000)

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

	2024	2023
	£	£
At 1 September	6,787,000	6,628,000
Current service cost	458,000	563,000
Interest cost	348,000	281,000
Employee contributions	137,000	117,000
Actuarial (gain)/loss	279,000	(656,000)
Benefits paid	(139,000)	(146,000)
At 31 August	7,870,000	6,787,000

Changes in the fair value of academy trust's share of scheme assets:

	2024	2023
	£	£
At 1 September	6,787,000	5,881,000
Interest income	374,000	259,000
Actuarial gain/(loss)	164,000	214,000
Employer contributions	553,000	466,000
Employee contributions	137,000	117,000
Benefits paid	(139,000)	(146,000)
Administration expenses	(6,000)	(4,000)
At 31 August	7,870,000	6,787,000

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Notes to the financial statements for the year ended 31 August 2024

29. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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.

The following related party transactions took place in the financial period:

Expenditure related party transactions

M Jeffery, spouse of G Jeffery, a Trustee, is employed by the Trust. M Jeffery's appointment was made prior to academy conversion, in open competition and G Jeffery was not involved in the governance of the Trust at the time of appointment. M Jeffery is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

O Jeffery, step-son of G Jeffery, a Trustee, is employed by the Trust. O Jeffery's appointment was made prior to G Jeffery joining the Trust Board. O Jeffery is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a Trustee.

Income related party transactions

J Palmer, a Trustee, is Headteacher of Meadowfield School. During the year, Meadowfield School paid £13,000 (£8,334) to the Trust in respect of the provision of classroom space and specified services on the Sunny Bank Primary School site for satellite classes.

30. Controlling party

The academy trust is run by the management team on a day-to-day basis. Strategic decisions are made by the board of trustees. There is no ultimate controlling party.