

NORTH HAMPSHIRE EDUCATION ALLIANCE

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2024

NORTH HAMPSHIRE EDUCATION ALLIANCE

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NORTH HAMPSHIRE EDUCATION ALLIANCE

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Ms Joanna Carver
Ms Alison Foss
Mr Andrew Harding
Mr Stephen Sheedy
Mr Jonathan Soar

Trustees

Mr Richard Ash (resigned 15 November 2024)
Mr David Ayre
Mr Roger Chung
Dr Janice de Sousa (resigned 2 May 2024)
Mr Mark Henderson (CEO/Principal)
Mr Gordon Holdcroft
Ms Julie McLatch (Chair of Trustees)
Mr Michael O'Dwyer
Mr David O'Donnell (1 September 2024)
Mr Guy Sudron (19 October 2023)
Mr Peter Stagg
Mr Neil Taylor
Ms Jean Thorpe

Senior management team

-CEO and Principal
-Deputy Principal
-Assistant Principal
-Assistant Principal
-Director of Finance and Commercial
Operations
-Director of HR and DSL

Mr Mark Henderson
Ms Kate Need
Mrs Helen Henderson
Ms Caroline Watson

Ms Amelia Nirmal
Mrs Sally-Anne Spooner

Company secretary

Dr T Baldwin

Company registration number

10933839 (England and Wales)

Principal and registered office

Cliddesden Road
Basingstoke
Hampshire
RG21 3HF
United Kingdom

NORTH HAMPSHIRE EDUCATION ALLIANCE

REFERENCE AND ADMINISTRATIVE DETAILS

Independent external auditor	Azets Audit Services Gladstone House 77-79 High Street Egham Surrey TW20 9HY United Kingdom
Bankers	Lloyds Bank 3 Town Quay Southampton Hampshire SO14 2AQ
Solicitors	Eversheds Sutherland 1 Wood Street London EC2V 7WS United Kingdom

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees of North Hampshire Education Alliance ('the Trust'/NHEA) present their annual report together with the financial statements and the auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a Trustees' report under charity law and a directors' report and strategic report under company law.

The North Hampshire Education Alliance is a Multi Academy Trust (MAT) in Basingstoke, created on 1st October 2017. The Trust was established by Queen Mary's College (QMC), which previously held Sixth Form College status, and contains one 16-19 academy (QMC) and a subsidiary company (QM Leisure Ltd.). The Trust is structured to enable other academies to join.

Queen Mary's College is an inclusive, high achieving Sixth Form College of around 2000 students - most of whom live in the Borough of Basingstoke and Deane. QMC provides a wide range of qualifications and opportunities; students study for A-Levels and applied vocational qualifications at Level 3 as well as GCSEs, some Level 2 applied vocational qualifications and foundation learning.

The financial statements have been prepared in accordance with the accounting policies set out in the attached financial statements and comply with the Trust's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The trustees of North Hampshire Education Alliance are also the directors of the charitable company for the purposes of company law. The charitable company is the North Hampshire Education Alliance but, for historical reasons, operates some aspects of its operations under the name 'Queen Mary's College'.

Details of the Trustees who served during the year, and to the date these financial statements are approved, are included in the reference and administrative information on page 1 along with details of the members. Details of the current local governors for QMC can be found on the QMC website (QMC.ac.uk).

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees. This cover is to indemnify a Trustee / governor from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides up to £1,000,000 limit of indemnity in the aggregate with £nil excess including payment of legal representation. For the purposes of this cover, Trustees/directors, local governors and officers are included.

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of Recruitment and Appointment or Election of Members and Trustees

Members, Trustees and local governors are recruited to provide the NHEA with a broad range of skills and knowledge and therefore the best possible advice and support in achieving its vision.

The Trust has five members all of whom have been associated with the Trust since its establishment. The members are two previous QMC principals/CEOs, the last chair of the sixth form college corporation and another corporation member as at academy conversion, and a previous chair of the Board of Trustees.

Trustees are recruited by the Trust on the basis of their skills and knowledge and either appointed by members in line with the articles of association or co-opted by the Board. During 2023/24 and to the date of this report, one member appointed Trustee and one co-opted Trustee resigned, one co-opted Trustee was appointed for a new term of office by the members and a new Trustee was co-opted by the Board resulting in a current membership of eleven Trustees. The Trust continues to review its membership and is in the process of succession planning for when several longstanding Trustees step down at the end of 2024/25.

Directors for QM Leisure Ltd. are appointed by the Board of Trustees. QM Leisure Ltd. has four directors; an NHEA Trustee, two members of the QMC senior leadership team and an independent director.

Membership of the QMC local governing body (LGB) is set out in the articles of association and consists of community governors who are appointed by the Board of Trustees, on the basis of their skills and knowledge, as well as two elected parent governors and two elected staff governors. QMC students are also involved in college governance with two (non-voting) student representatives selected by the QMC Student's Union each year to attend local governing body meetings. There have been a number of changes to the local governing body membership during 2023/24 and to the date of this report including changes in parent governors and the appointment of three new community governors bringing experience in post-16 teaching, SEND and business to the LGB. In addition, there were three Trustees appointed as community governors on the LGB from September 2024 (two remaining following a recent resignation) as part of the trust's approach to circulate Trustees across committees to ensure Trustees understanding of the college.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust has an induction and training policy for Trustees. Newly appointed Trustees and local governors are briefed by the CEO/Principal and the Chair of Trustees and/or local governing body as well as either attending the Wessex Group of Colleges induction training events or being briefed on governance by the Company Secretary. On-going training for Trustees and all those involved in NHEA governance include briefings on different issues within meetings and on-line training on for example, safeguarding, prevent and child protection, and Health and Safety. The Trust also subscribes to the Sixth Form College Association who provide useful briefings and webinars for Trustees and governors on a range of issues relevant to post-16 education. The Wessex Group of Colleges provides bespoke training for student representatives on governing bodies.

Organisational Structure

The Trustees have overall responsibility for the management of the NHEA and have put in place a scheme of delegation setting out which decisions are delegated to the CEO, the QMC local governing body (LGB) and the senior leadership team (SLT) and which decisions are retained. The scheme of delegation was reviewed and re-approved in May 2023. The local governing body's role, as set out in the scheme of delegation, is to exercise leadership on behalf of the Trust in the running of Queen Mary's College and to provide information to the Trust on the operation and performance of the Academy.

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Organisational Structure (continued)

Day-to-day management of the Trust and QMC is delegated to the SLT which during 2023/24 consisted of the Principal of QMC (also CEO of the Trust) and the Trust CFO along with the Deputy Principal of QMC, two Assistant Principals and the Director of Human Resources. The NHEA CEO is the Accounting Officer for the Trust.

QM Leisure Ltd., Company No: 12844595, (QM Leisure) is a wholly owned subsidiary company of the North Hampshire Education Alliance. QM Leisure Ltd. is based on the Queen Mary's College site and operates alongside the 16-19 Academy in the Trust. QM Leisure exists to provide first class leisure facilities for the students of QMC and the wider local community and was set up to assist the development of commercial opportunities within the Trust. QM Leisure's activities build on the sports centre, theatre and community lettings that have been in place at QMC for many years.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has designated the CEO/Principal and the QMC Deputy Principal as 'senior post holders'. Decisions relating to these two appointments and their remuneration are made by the Trustees on the recommendation of the Senior Post Holders Employment Committee and in line with the Education and Skills Funding Agency's guidance for academy trusts in setting executive salaries. This committee also makes recommendations to the Board of Trustees regarding the employment and remuneration of the company secretary. Senior post holders and the company secretary are paid in line with the benchmarking data and salary scales produced by the Sixth Form Colleges Association as well as with reference to academy benchmarking reports.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Decisions regarding the employment and remuneration of other key management personnel (i.e. the senior leadership team) are delegated to the CEO/Principal with oversight from the Senior Post Holders Employment Committee. All key management personnel are paid in line with the salary scales and benchmarking data produced by the Sixth Form Colleges Association as are all staff within the Trust.

Members, Trustees and local governors are unpaid positions, however, reasonable expenses can be paid as set out in the NHEA finance policy.

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
3	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1% - 50%	
51% - 99%	
100%	

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Trade Union Facility Time (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£4,656
Total pay bill	£9,335,310
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	0
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	

Related Parties and other Connected Charities and Organisations

NHEA has a trading subsidiary, QM Leisure Ltd, which oversees the running of the commercial operations across the Trust. QM Leisure Ltd is a private company limited by shares with NHEA being the sole shareholder. NHEA has not transferred any of its fixed assets to QM Leisure Ltd and any profits generated by QM Leisure are gifted to NHEA.

The Trust is part of the Wessex Group of Sixth Form Colleges. The Wessex Group office was housed at QMC during 2023/24 and remains housed at QMC for the foreseeable future.

OBJECTIVES AND ACTIVITIES

Objects and aims

The objects of the Trust, as set out in its Articles of Association, are:

- ♦ To advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing, mainstream Academies, alternative provision Academies, 16-19 Academies and/or Special Academies.
- ♦ To promote for the benefit of the inhabitants of the areas in which the Academies are situated and their surrounding areas, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, strategies and activities

The NHEA Board of Trustees last reviewed the vision, ethos, values and strategy of the Trust, along with members of the SLT and local governing body, in February 2024. The Trust adopted a three-year strategy for 2024-27 in March 2024 including updated strategic aims and objectives.

Our Strategy:

To use the capacity created by the Trust to work collaboratively with other educational institutions and stakeholders building on our collective strengths to give the regions' young people the opportunity to succeed, whatever their background.

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Objectives, strategies and activities (continued)

Our Vision:

For all young people within Basingstoke and North Hampshire to have the highest academic, social and practical skills to allow them to lead fulfilling lives.

Our Ethos:

Being aspirational and committed to excellence, being supportive yet courageous in our approach.

Our Values:

1. **To Excel** in everything we do.
2. **To be Inclusive** in our approach to learner recruitment, teaching, learning and support.
3. **To Innovate and Inspire** in curriculum delivery and design: our best keeps getting better.
4. **To Respond** to the needs of every learner regardless of their starting points; we will empower them with the skills, knowledge and resilience necessary for success.
5. **To Enable** every member of the Trust community to achieve the extraordinary.

STRATEGIC AIMS AND OBJECTIVES

The Trust has five overarching strategic aims and objectives under which actions and activities are monitored by the Board of Trustees. Details of activities during 2023/24 under each of these objectives are set out in the strategic report below.

1. **Leadership & Governance:** To use strategic leadership and governance to bring about sustainable development of the Trust through collaboration with schools across north Hampshire.
2. **Financial Sustainability & Resource Management:** To deliver the best possible learning environments through a staffing and resource infrastructure of the highest calibre, whilst sustaining the financial stability of the Trust.
3. **Teaching, Learning & Curriculum:** To ensure the Trust provides a coherent and responsive curriculum that successfully meets the needs and interests of all their learners.
4. **Quality & Standards:** To ensure that every individual taught within the Trust aspires to and achieves the highest possible learning outcomes, irrespective of their academic starting points.
5. **Reputation & Relationships:** To work in partnership with key stakeholders, to the benefit of the Trust, all schools in north Hampshire and the wider community.

Public Benefit

The North Hampshire Education Alliance is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education.

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Public Benefit (continued)

In setting the Trust's objectives and planning its activities, the Board of Trustees have carefully considered the Charity Commission's general guidance on public benefit and particularly its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. In delivering its mission, the Trust provides the following identifiable public benefits through the advancement of education:

- ◆ an inclusive approach to recruiting students;
- ◆ high quality education for all learners including the development of individual capabilities, competencies, skills and understanding;
- ◆ Equipping students with the capacity to understand and operate successfully in society and an excellent progression record for all learners;
- ◆ strong student support systems providing both academic and emotional support; and
- ◆ Life skills training including through links with employers, industry and commerce.

The Trust also continues to provide public benefit to the local community through its many activities, including the wide use of its facilities, involving primary and secondary pupils in the area as well as a broad cross section of the general public. Examples of the delivery of public benefit are given throughout this Trustees' report.

STRATEGIC REPORT

Achievements and Performance

Leadership and Governance: 2023/24 was a year of stability with both the Chair of Trustees and CEO/ Principal in the third full year of their appointments and no changes to the senior leadership team during the year. The Trust used its annual strategy day in February 2024 to reflect on its core vision, ethos and values and discuss how to drive continuous improvement across all its activities. The strategy day discussions resulted in a new 3-year strategic plan for the Trust. The Trust continues to review potential opportunities for development and growth whilst seeking excellence in everything that it does. Local Governors now have a greater awareness of progress with quality improvement actions across the Trust due to an improved half-termly monitoring report, Governor monitoring visits which focus on different curriculum areas and increased monitoring of the quality assurance processes.

Financial Sustainability & Resource Management: The trust continues to successfully recruit 16–18-year-old students. Student enrolment in September 2023 was in line with the previous two years with enrolment in September 2024 slightly lower but still at a healthy level. Student cohorts are expected to expand slowly for a few years in line with the increasing numbers of 16-year-olds living in the local area and being educated in Basingstoke secondary schools, before decreasing again towards 2030 in line with national demographics. However, there is a significant amount of current and projected housing development in the Basingstoke and Deane area which may counterbalance the national trend. The trust continues to take a cautious approach in predicting student numbers for financial forecasting.

The trust was successful with a number of bids during 2023/24 receiving funds to support the continuing development of the estate as well as Turing Scheme money to enable students to take 'Global Citizenship' trips to countries such as India, Peru and Thailand.

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Teaching, Learning & Curriculum: During 2023/24 the middle management of QMC was strengthened with the appointment of an additional director of learning for business and legal studies increasing capacity at this level. Training and development for directors of learning is a focus for 2024/25 to further drive improvements in curriculum areas and personal development. The SLT continue to monitor national issues including the introduction of T Levels and the reduction in applied general qualifications. Some changes were made to the curriculum for both 2023/24 and 2024/25 to reduce the number of large applied vocational courses where there is overlap with A Levels and T Levels and new qualifications have been introduced in areas of growth and local and national priorities, recent examples include, A Level statistics and A Level environmental studies.

Students coming to QMC have fewer gaps in skills and knowledge resulting from the Covid-19 pandemic but have an increasing need for wellbeing and social development support. During 2023/24 the college continued with a wide range of activities and enrichments to encourage students to be 'creative, courageous, curious and collaborative', and put in place new initiatives to support students' personal development.

- ◆ The structure and content of tutorial sessions were reviewed and strengthened in 2023/24 and have been further improved for 2024/25.
- ◆ A new 'social action week' took place in summer term 2024. First year students participated in community projects to both support the college's community and to help them develop skills such as planning, communication and teamwork, needed for their future progression.
- ◆ Support and progression for QMC students continued to improve. The trust was supported in this by Basingstoke and Deane Borough Council who provided a grant to refurbish and furnish the new 'progression hub' improving the space available for work experience, employer workshops and careers activities.

Quality & Standards: QMC was inspected by Ofsted in December 2022 and received an outstanding grade for behaviour and attitudes with an overall grade of good. During 2023/24 staff continued to respond to the recommendations from the Ofsted report and to continue to focus on attendance, retention and quality of teaching, learning and assessment. Overall attendance and retention rates improved significantly in 2023/24 and are continuing to improve in 2024/25. This cross-college approach to improving retention (through early intervention) has had a positive impact on achievement rates and therefore funding.

The mission and Values of the Trust reflect its commitment to enabling every learner to succeed and progress irrespective of their prior achievement, and QMC provides a broad curriculum with a wide range of subjects and progression routes. Young people come to QMC with a wide range of starting points and students at all levels progress well at QMC. The 'aspire' programme was launched in September 2022 and the cohort increased significantly in 2023/24. This programme was developed for students who were not quite ready to start a full Level 3 programme but who, after a year taking a structured Level 2/Level 3, were likely to progress to a full Level 3 programme. Students taking the aspire programme progressed both to Level 3 courses at QMC and externally to other institutions, apprenticeships and employment. The students achieved excellent GCSE results as can be seen in the table below, and the programme has been further refined for 2024/25.

The table below highlights the continuing high academic performance of QMC across all levels of qualification with significant improvements against 2022/23 although the college is not quite back to 2019 results. National 2024 benchmarks are not yet published so data has been benchmarked using the 'six dimensions report produced by the Sixth Form Colleges Association (data from sixth form colleges, 16-19 academies and 16-19 free schools).

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Queen Mary's College Achievement Targets	Current Position against Target
All major qualifications above national achievement rates SixD: benchmarks from 2024 six dimension report	Overall achievement rate 86.5% (83% in 22/23) A level: 86.2% (82% in 22/23) SixD 86% L3 Diploma: 93.2% (88.6% in 22/23) L3 Certificate: 82.1% (79.3% in 22/23) Extended Project: 100% (80% in 22/23) SixD 89.3% L2: 89.2% (85.7% in 22/23) L1 and Entry Foundation Learning: 81.4% (81.2% in 22/23)
GCSE Maths and English significantly above 9-4 grade benchmarks	GCSE English 73.4% pass rate (98.6% in 22/23) GCSE Maths 41% pass rate (47% in 22/23) QMC ranked 6 th out of 219 of colleges nationally for GCSE English results (top 3%) and 8 th out of 222 colleges nationally for GCSE Maths results (top 4%).
Overall Alps grade of 1-3 for all level 3 course types	A Level Alps Grade of 7 Applied General Alps Grade of 5 (2010 specs) and 7 (216 specs)
Attendance at classes >90%	Overall attendance: 90% (89% in 2023)
College Retention >97%	Overall retention: 97.2% (95.4% in 2023)
Positive destinations for all learners: including HE, FE, apprenticeships and employment HESA: Higher Education data analytics 2021/22 degree results (2022/23 data not available)	2023/24 87% in positive destinations. 10% unknown, 3% unemployed 2022/23 86% in positive destinations. 13% unknown, 1% unemployed HESA data shows that the percentage of First and Upper Second Degrees obtained by QMC graduates is higher than the Sixth Form sector average in both all UK HEIs, and Russell Group Universities. The percentage of First and Upper Second Degrees obtained by QMC graduates is also higher than the Sixth Form sector average for QMC students from areas with the lowest HE participation rates and for students whose parents didn't obtain HE qualifications.
Applicants gaining HE places in summer 2024: >90%	UCAS: 87.7% of applicants gained an HE place (92.6% in 2023). 84% were placed in their first-choice institution (89% in 2023).
Number of students enrolling by September 2024 at 50% of Basingstoke and Deane school leavers.	2023/24: 39% of Basingstoke schools' year 11 school leavers (2022/23: 46%, 2021/22: 48%).

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Reputation & Relationships: In line with other Trusts, the North Hampshire Education Alliance and Queen Mary's College have many stakeholders.

- ◆ Students and their parents;
- ◆ Local secondary schools and other local education institutions;
- ◆ Department of Education, Education Sector Funding Bodies, and the Regional DfE Director (previously Regional Schools Commissioner) and their team;
- ◆ Hampshire County Council, Basingstoke and Deane Council, elected representatives in local and national government and other civic organisations.
- ◆ The local community and local community and charitable projects
- ◆ Local employers and local and regional institutions such as EM3 (Local Enterprise Partnership).
- ◆ Staff and Trade Unions; and
- ◆ The Bank and other Professional Bodies.

Local stakeholders are well represented on QMC's Local Governing Body which has several governors from the local community, staff governors, parent governors and student representatives. Strong links are in place with the local secondary schools and the QMC Principal meets local head teachers both individually and through the Basingstoke Heads and North Hampshire Heads meetings. Close links are also in place with Basingstoke and Deane Council. In addition to activities with schools and public bodies, other relationships include:

- ◆ links to the national debate on education through membership of the Sixth Form College's Association including through the Chair of the Trust who is currently a member of the SFCA Governance Committee.
- ◆ Regional links to similar institutions through the Wessex Group of colleges enabling discussion of national issues, peer quality assurance assessments, curriculum and support staff networks as well as joint training opportunities.
- ◆ supporting teacher training through the local Basingstoke SCITT (BASCITT – Basingstoke Alliance School Centred Initial Teacher Training). BASCITT is led by Dove House School Academy Trust an outstanding Basingstoke special school, the trainees are based at QMC for their core training and QMC also hosts a pedagogic library for the benefit of the trainees and all Basingstoke teachers.
- ◆ Relationships integral to supporting student progression such as the Southern Universities Network (SUN) and the Careers and Enterprise Company.
- ◆ Promoting science to primary school pupils in the QMC Science Centre with continuing financial support from AWE.

Key Financial Performance Indicators

The main purpose of NHEA's financial strategy is to ensure that the Trust's objectives as set out in the strategic plan are achieved whilst at the same time, maintaining the financial viability and sustainability of the Trust. The Trust's overarching objectives are set out on page 7. The Trust is working to remain financially stable through a period of increased competitive action due to demographic dips in other areas of Hampshire and during constrained government funding without compromising student outcomes. Detailed objectives relating to financial sustainability and resource management are as follows:

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

STRATEGIC REPORT (continued)

Financial Objectives (continued)

- ♦ To recruit and retain high quality staff and support their professional development and health and wellbeing in order to ensure a highly motivated and well-equipped workforce
- ♦ To develop and maintain high quality, sustainable accommodation, learning resources and other technologies that inspire the whole Trust
- ♦ To use the Trust's facilities and resources to maximise opportunities for increasing the financial resilience of the Trust, within the context of the vision and aims of the Trust
- ♦ To achieve balanced budgets or better within every organisation in the Trust

Financial Performance Indicator	Actual (vs target) as at 31 st August 2024	Actual as at 31 st August 2023
Net Leverage: Net Debt to earnings before interest, tax, depn and amortization (EBITDA) as % of income	0.1	0.8
Staff costs as % of income	70.7%	73.9%
Cash in hand/liquidity (adjusted current ratio)	2.79	1.83
Borrowing as % of income	14.2%	16.6%
Reliance on ESFA Income	86%	84%

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the NHEA 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 adoption of the going concern basis can be found in the statement of accounting policies.

Preview of 2024/25

The 2024/25 budget was agreed July 2024 after considering assumptions relating to learner number projections, premises and educational costs, staffing costs including pension requirements and allocation for capital projects. The budget operating position is that of a slight surplus after adjustment for depreciation, loan capital repayment and capital projects.

Financial Review

The results for the period are shown on page 29 in the statement of financial activities.

During the year, the total income for the year was £13,997k (2023: £12,960k). Student numbers and base funding rate per student in 2023 were slightly higher than the previous year, resulting in additional funding. With this additional funding, strict cost management and improved commercial operations trading income the Trust was able to improve its financial position and set up a designated fund as a sinking fund for future estates projects and sports facility improvements. This was approved by the Board of Trustees at its meeting on 10 December 2024.

During 2023/24 QM Leisure Ltd (QML) generated a profit of £21k (2023 £3k).

The net decrease in funds for the year was £24k (2023: net increase of £646k). The operational result, which excludes depreciation and year end defined benefit pension scheme adjustments, showed a surplus of £219k (2023: surplus of £146k). The results for the period are shown on page 9.

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

STRATEGIC REPORT (continued)

Financial Review (continued)

The balance of unrestricted funds and general restricted funds (excluding the pension reserve) was £16.2m (2023: £16.6m). The NHEA ended the year with unrestricted reserves of £904k (2023: £685k) and designated funds of £155k.

Reserves Policy

The Trust Reserves Policy (approved March 2024) is in place to provide the Trust with stability in which to operate and give it the ability to adjust quickly to financial circumstances.

The Policy outlines the approval process for spending reserves along with arrangements for monitoring and reporting of reserves. In line with the most recent ESFA guidance, the NHEA aims for a level of unrestricted reserves, as defined by the ESFA, of between 5 and 20% of total income. The Trust has been able to add £219k to its reserves in 2023/24 and holds unrestricted reserves of £904k complying with the parameters set out in the reserves policy.

Investment (Treasury Management) Policy

The NHEA Treasury Management Policy (approved July 2022) sets out the processes by which Trustees meet their duties under the articles of association and academy trust handbook to invest monies surplus to operational requirements whilst ensuring that investment risk is properly and prudently managed.

The Treasury Management policy outlines the criteria used to manage risk, the procedures to be followed when making investment decisions and arrangements for monitoring and reporting of investment activity.

The Trust currently has no long-term investments and has around £0.5m invested in short to medium term investments with Lloyds Bank.

PRINCIPAL RISKS AND UNCERTAINTIES

The NHEA has a robust risk management approach which is designed to protect the assets and reputation; and to ensure its ability to continue to function effectively for the benefit of its students and local community.

The Trust has a risk management policy in place in line with the Academy Trust Handbook and Charity Commission guidance on risk management. The policy sets out the risk management process and format for the risk register along with reporting routes. The risk management policy and processes are reviewed and approved by the Finance, Audit and Risk Committee and the Board of Trustees at intervals with the current policy approved in March 2023.

The Trust occasionally approves supplementary risk registers to monitor specific areas of risk more closely. A Covid-19 supplementary risk register was in place from March 2020 to July 2023 and a supplementary estates risk register has been in place since October 2023. The estates risk register consists of risks relating to the safety and management of the Trust's estates along with anticipated costs of any potential remedial works. The estates risk register will continue to be updated and monitored as long as it proves a useful tool for the Board and SLT to monitor risk and prioritise funds.

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The highest risks identified and monitored through the NHEA risk register during 2023/24 were:

- ◆ 'Changes in Government Policy adversely affect NHEA'. i.e. the current proposed changes to applied general qualifications and unknown policy changes as a result of the change in Government.
- ◆ 'Systems Breach leading to data loss and/or systems lockout – cyberattack'. Mitigated by significant improvements to ICT infrastructure, cybersecurity and process documentation over the last few years which has been monitored by regular Internal Audits. Recommendations from the most recent cyber-maturity audit continue to be actioned, students and staff training is in place and SLT recently took part in an intensive table top security exercise.

FUNDRAISING

The NHEA does not use any external fundraisers. Any fundraising undertaken during the year was monitored by Trustees.

ENERGY AND CARBON REPORTING

As the Trust does not meet the criteria of a 'large company', it is not required to report on its emissions, energy consumption or energy efficiency activities under these regulations.

PLANS FOR FUTURE PERIODS

During 2024/25 work will continue in line with the NHEA strategy '*To use the capacity created by the Trust to work collaboratively with other educational institutions and stakeholders building on our collective strengths to give the regions' young people the opportunity to succeed, whatever their background.*' specifically:

- ◆ Continuing to improve both the physical estate and capacities of the Trust and QMC.
- ◆ Continuing to improve support and progression for QMC students with a focus on personal development and work experience as well as a new 'triple A+ programme' to support the most able students in making aspirational academic choices and achieving their full potential.
- ◆ Working with all education stakeholders, Local Authorities, maintained schools, other academies and academy chairs to provide opportunities for young people in the Borough and more widely.
- ◆ Continue to seek opportunities to develop the Trust, in line with its strategy.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The NHEA currently holds funds on behalf of two organisations who both work to support post-16 education across the region. These longstanding arrangements are monitored by both the Trust and the respective organisations with a member of SLT involved with each. Both funds are segregated and identifiable within the Trust's finance system:

- the Wessex Group of Colleges, a partnership of 14 Sixth Form Colleges primarily based in Hampshire, Southampton and Portsmouth, and
- EQR (External Quality Review), a peer review consortium of sixth form and general further education colleges in the south of England.

NORTH HAMPSHIRE EDUCATION ALLIANCE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors on 10th December 2024 and signed on the Board's behalf by:

J A McLatch

J A McLatch (Dec 16, 2024 10:49 GMT)

Ms Julie McLatch

Chair of Trustees

NORTH HAMPSHIRE EDUCATION ALLIANCE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the North Hampshire Education Alliance 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 the DfE's Academy Trust Governance Guide (2024).

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met five times during the year and held a strategy day where the Board met with members of the SLT and the QMC Local Governing Body.

One Trustee was appointed during 2023/24, and one Trustee resigned with a second Trustee resigning following the end of the financial year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of possible
Richard Ash	5	5
David Ayre	2	5
Roger Chung	4	5
Dr Janice de Sousa **	3	3
Mark Henderson (CEO/Principal)	5	5
Gordon Holdcroft	5	5
Julie McLatch	5	5
Guy Sudron **	2	4
Pete Stagg	5	5
Neil Taylor	5	5
Jean Thorpe	5	5

** part year only

The Board of Trustees had four sub-committees during 2023/24 as well as the QMC Local Governing Body. Terms of reference used in 2023/24 were approved in October 2022 and have since been reviewed and re-approved in October 2024.

- ◆ Finance Committee – details below
- ◆ Audit and Risk Committee – details below
- ◆ Search and Governance Committee – meets termly to consider potential trustees and local governors and to review governance arrangements such as governance documents, terms of reference and self-assessments.

NORTH HAMPSHIRE EDUCATION ALLIANCE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Governance (continued)

- ◆ Senior Post Holders Employment Committee – meets twice yearly, and additionally if required, to consider the employment and remuneration of the CEO/Principal and Deputy Principal including monitoring progress against agreed targets. This Committee also oversees the employment and remuneration of the company secretary.

QMC Local Governing Body – meets six times a year and focuses on monitoring and reviewing QMC’s teaching and learning activities as well as holding the senior leadership team to account for teaching and learning quality and the progress and achievements of the students. The LGB also focuses on careers and progression, support for students with SEND, and safeguarding and prevent. Local governors regularly visit the college during the working day, visit lessons and observe quality assurance processes. Details of the responsibilities and delegated powers of the QMC Local Governing Body are set out in the Trust’s Scheme of Delegation and the LGB’s terms of reference.

Conflicts of interest

The trust has processes in place to manage conflicts of interests, including, maintaining an up-to-date and complete register of interests and declaration of interests as an item on all agendas. A discussion of conflicts of interests forms part of the induction process for all Trustees and local governors and is included in governance briefings to the Board and local governing body (most recently June/July 2022). The Trust avoids conflicts of interest in its ownership of QM Leisure with similar declarations as well as the appointment of a director independent to the Board of Trustees.

Meetings

The CEO reported to the Board at each meeting. These reports included updates on QMC activities along with strategic developments and changes within the education sector. The CFO attended all Board meetings to report on the management accounts and financial matters and other members of the SLT attended meetings as appropriate. Reports from members of SLT during the year covered, cybersecurity, estates and health and safety, and staffing and human resources. The Deputy Principal attended the July meeting of the Board of Trustees to provide a review of curriculum and quality improvements that had taken place during the year and to report on developments for the upcoming year.

Governance Reviews

During 2023/24 the Search and Governance committee reviewed progress with actions from previous self-assessments of governance that had been carried out using the National Governance Association (NGA) documents “twenty-one questions for Multi-Academy Trust Boards” and “sixteen questions for academy committees”. As a result of actions identified in previous self-assessments, all members of SLT reported to at least one Board meeting during 2023/24 and more opportunities were provided for Trustees and local governors to visit the college during the working day.

In October 2023 the ‘Academy Trust Governance Code’ was published. This is a voluntary code for academy trusts in England produced in partnership by several educational organisations including the Confederation of School Trusts, the National Governance Association and Stone King LLP. The Board of Trustees agreed not to adopt the code, considering it less relevant to post-16 academies, but asked the Search and Governance Committee to use it as a self-assessment tool to identify general good governance practice. This self- assessment along with individual meetings between the Chair of Trustees and each of the Trustees resulted in a number of actions for the year including:

- ◆ Ensuring that the impact of governance is identified and evidenced
- ◆ Ensuring that the Trust’s commitment to equality, diversity and inclusion is explicit and evidenced
- ◆ Ensuring that relationships with stakeholders are explicit and evidenced

NORTH HAMPSHIRE EDUCATION ALLIANCE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Governance Reviews (continued)

The Search and Governance Committee is monitoring progress with these actions on behalf of the Trust and will carry out a further self-assessment during 2024/25. Independent external reviews of governance are not currently a requirement for multi academy trusts and finances were not available for an external review of governance during 2023/24, however, the Board continues to discuss appropriate timing for an external review of governance.

The **Finance Committee** was a sub-committee of the Board of Trustees during 2023/24. Its main purposes were, to review the budget for recommendation to the Board of Trustees, to review the monthly management accounts, to amend financial regulations and procedures, to monitor investments and to monitor any capital expenditure. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of possible
Michael O'Dwyer (Chair)	4	4
David Ayre	4	4
Mark Henderson (CEO/Principal)	4	4
Gordon Holdcroft (from September 2023)	4	4
Julie McLatch	4	4
Neil Taylor	4	4

The **Audit and Risk Committee** was also a sub-committee of the Board of Trustees during 2023/24. Its main purposes were, to advise the Board of Trustees on the adequacy and effectiveness of NHEA systems of internal control, to advise the Board of Trustees on the appointment of the financial statements auditors and the internal auditors and to liaise with each of these auditors to progress their work. In addition, the audit and risk committee oversaw the risk management process and the NHEA policies for anti-fraud and irregularity, anti-bribery, public disclosure internal scrutiny (whistleblowing) and GDPR. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of possible
Pete Stagg (Chair)	3	3
Richard Ash	3	3
Roger Chung	2	3
Gordon Holdcroft (part year)	1	1
Dr Janice de Sousa (part year)	2	2

From September 2024 the NHEA has established a joint finance, audit and risk committee, in line with the requirements for a Trust with an income below £50M. This new committee structure is compliant with the Academy Trust Handbook and will be reviewed should either the requirements of the Academy Trust Handbook, or structure or income of the Trust change. Terms of reference were written for the new committee drawing on DfE model terms of reference and these were approved, along with reviewed terms of reference for all the committees, by the Board of Trustees in October 2024. Based on the work of the audit and risk committee during 2023/24, and following further investigation, the finance, audit and risk Committee provided the Board of Trustees with independent assurance that its financial and other controls, and risk management procedures, were operating effectively enabling the Board to report this to the ESFA.

NORTH HAMPSHIRE EDUCATION ALLIANCE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Review of Value for Money

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

The Accounting Officer considered 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. During the year the following have been progressed:

- ◆ Annual benchmarking and data analysis using ESFA tools and reviewing specific areas of expenditure with comparator institutions.
- ◆ Negotiation of new utilities contracts to reduce the cost of energy used alongside Identifying further opportunities for energy efficiencies.
- ◆ Using Condition Improvement Funding (CIF), secured during 2023/24, to replace leaking roofs and windows on the largest teaching building thus improving heat retention and reducing ongoing repair costs.
- ◆ Continual systems development, including the development of a new in-house management information system and associated app for students, the implementation of new HR and Payroll systems during 2023/24 (further development of these systems during 2024/25) and the procurement of a new Finance system to be implemented during 2024/25.
- ◆ Significant investment in ICT security and ICT staff along with the leasing of specialist IT equipment to enhance teaching and learning whilst also improving cybersecurity.

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 the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Trust for the period from 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks (details in the Trustees' report on pages 13-14). The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the NHEA's significant risks that has been in place for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

The Risk and Control Framework

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The Risk and Control Framework (continued)

- ◆ 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 committee (now 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; and
- ◆ identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and continues to agree on the value of appointing an independent internal auditor. This position aligns with the revised FRC Ethical Standard for auditors which states that a firm providing external audit shall not also carry out internal audit functions. The Board of Trustees continued to employ The Internal Audit Association (TIAA) as the NHEA internal auditor for 2023/24 and TIAA remains the NHEA's internal auditors for 2024-25.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems as well as auditing other areas of the Trust identified either from the risk register of the Trust or from emerging risks within the sector.

The following areas were reviewed during 2023/24,

- ◆ Learner Numbers – Compliance Testing
- ◆ Catering – Assurance
- ◆ Off-Site Activities – Assurance

No significant control issues were identified by TIAA during 2023/24. TIAA provided substantial assurance for the Trust's catering and off-site activities with the learner number review compliance testing and therefore not given an assurance level. Each of the three audits resulted in a few routine recommendations that are being addressed. The audit and risk committee (now finance, audit and risk committee) meets termly and monitors progress with actions arising from the recommendations of the internal auditors at each meeting. In line with the requirements set out in the Academy Trust Handbook, TIAA produce an annual summary report outlining the areas reviewed, key findings, recommendations and conclusions. This Summary Internal Controls Assurance (SICA) report will be submitted to the ESFA along with this annual report and the report from the finance, audit and risk committee.

Review of Effectiveness

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

- ◆ the work of the internal auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the senior leadership team within NHEA/QMC who have responsibility for the development and maintenance of the internal control framework;

NORTH HAMPSHIRE EDUCATION ALLIANCE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

- ◆ the work of the external auditor; and
- ◆ the work of lead Trustees with the senior management.

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 Board of Trustees on 10th December 2024 and signed on its behalf by:

J A McLatch
J A McLatch (Dec 16, 2024 10:49 GMT)
.....
Ms Julie McLatch
Chair of Trustees

Mark Henderson
Mark Henderson (Dec 16, 2024 10:13 GMT)
.....
Mr Mark Henderson
CEO and Principal

NORTH HAMPSHIRE EDUCATION ALLIANCE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As Accounting Officer of North Hampshire Education Alliance, I have considered my responsibility to notify the NHEA 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 NHEA Board of Trustees are able to identify any material irregular or improper use of funds by the 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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA:

- **Non-financial issues**

During the year, the Academy Trust made a number of purchases on behalf of its trading subsidiary. This included the purchase of alcohol, in breach of section 2.32 of the Academy Trust Handbook 2023. I confirm that arrangements are being made to further segregate subsidiary funds including all purchases of alcohol to ensure full compliance with the Academy Trust Handbook.

Mark Henderson
Mark Henderson (Dec 16, 2024 10:13 GMT)

Accounting Officer
Mr Mark Henderson

Dec 16, 2024
Date:.....

NORTH HAMPSHIRE EDUCATION ALLIANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees (who are also the directors of the North Hampshire Education Alliance for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual 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 period. 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 Trust 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 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; and
- ◆ 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 the 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 (qmc.ac.uk). 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 10 December 2024 and signed on its behalf by:


J A McLatch (Dec 16, 2024 10:49 GMT)

Ms Julie McLatch
Chair of Trustees

NORTH HAMPSHIRE EDUCATION ALLIANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH HAMPSHIRE EDUCATION ALLIANCE FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

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

In our opinion the consolidated accounts:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the consolidated financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the consolidated 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 group and 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 Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. 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.

NORTH HAMPSHIRE EDUCATION ALLIANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH HAMPSHIRE EDUCATION ALLIANCE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the consolidated accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Trustees are responsible for assessing the group and academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated accounts

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

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

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

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH HAMPSHIRE EDUCATION ALLIANCE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

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

A further description of our responsibilities for the audit of the consolidated accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Azets Audit Services

Paul Creasey FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

18 December 2024

Chartered Accountants
Statutory Auditor

Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY
United Kingdom

NORTH HAMPSHIRE EDUCATION ALLIANCE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH HAMPSHIRE EDUCATION ALLIANCE AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2024

In accordance with the terms of our engagement letter dated 30 May 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North Hampshire Education Alliance 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 North Hampshire Education Alliance and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the North Hampshire Education Alliance 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 North Hampshire Education Alliance and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of North Hampshire Education Alliance's accounting officer and the reporting

The accounting officer is responsible, under the requirements of North Hampshire Education Alliance funding agreement with the Secretary of State for Education dated 29 September 2017 and the Academies Trust Handbook, extant from 1 September 2023 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH HAMPSHIRE EDUCATION ALLIANCE AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Conclusion

In the course of our work, except for that matters listed below, 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.

Purchase of alcohol

During the year, the Academy Trust made a number of purchases on behalf of its trading subsidiary. This included the purchase of alcohol, in breach of section 2.32 of the Academy Trust Handbook 2023.

Azets Audit Services

Reporting Accountant

Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY
United Kingdom

Dated: 18 December 2024

NORTH HAMPSHIRE EDUCATION ALLIANCE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from:						
Donations and capital grants	3	45	-	355	400	287
Charitable activities:						
- Funding for educational operations	4	116	12,175	-	12,291	11,563
Other trading activities	5	1,284	-	-	1,284	1,094
Investments	6	22	-	-	22	16
Total		<u>1,467</u>	<u>12,175</u>	<u>355</u>	<u>13,997</u>	<u>12,960</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	1,358	12,227	971	14,556	13,584
Total	7	<u>1,358</u>	<u>12,227</u>	<u>971</u>	<u>14,556</u>	<u>13,584</u>
Net income/(expenditure)		109	(52)	(616)	(559)	(624)
Transfers between funds	16	110	-	(110)	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	535	-	535	1,269
Net movement in funds		219	483	(726)	(24)	645
Reconciliation of funds						
Total funds brought forward		685	(272)	16,070	16,483	15,838
Total funds carried forward		<u>904</u>	<u>211</u>	<u>15,344</u>	<u>16,459</u>	<u>16,483</u>

NORTH HAMPSHIRE EDUCATION ALLIANCE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING AN INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted	Restricted funds:		Total
		funds £'000	General £'000	Fixed £'000	2023 £'000
Income and endowments from:					
Donations and capital grants	3	15	-	272	287
Charitable activities:					
- Funding for educational operations	4	142	11,421	-	11,563
Other trading activities	5	1,094	-	-	1,094
Investments	6	16	-	-	16
Total		<u>1,267</u>	<u>11,421</u>	<u>272</u>	<u>12,960</u>
Expenditure on:					
Raising funds	7	-	-	-	-
Charitable activities:					
- Educational operations	8	960	11,672	951	13,584
Total	7	<u>960</u>	<u>11,672</u>	<u>951</u>	<u>13,584</u>
Net income		307	(251)	(680)	(624)
Transfers between funds	17	(161)	-	161	-
Other recognised gains/(losses)					
Actuarial gain on defined benefit pension schemes	19	136	1,133	-	1,269
Net movement in funds		282	882	(519)	645
Reconciliation of funds					
Total funds brought forward		<u>403</u>	<u>(1,154)</u>	<u>16,589</u>	<u>15,838</u>
Total funds carried forward		<u>685</u>	<u>(272)</u>	<u>16,070</u>	<u>16,483</u>

NORTH HAMPSHIRE EDUCATION ALLIANCE

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2024

		2024	2023
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	17,273	18,136
Current assets			
Debtors	14	475	381
Investments		500	253
Cash at bank and in hand		1,437	1,159
		<u>2,412</u>	<u>1,793</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(1,578)	(1,143)
Net current assets		834	650
Non-current liabilities			
Creditors: amounts falling due after more than one year	16	(1,818)	(1,990)
Net assets excluding pension asset/(liability)		16,289	16,796
Defined benefit pension scheme asset/(liability)	19	211	(272)
Enhanced Pension Liability		(41)	(41)
Total net assets		<u>16,459</u>	<u>16,483</u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		15,344	16,070
- Restricted funds		-	-
- Pension reserve		211	(272)
Total restricted funds		15,555	15,798
Unrestricted income funds	16		
General Fund		883	680
Funds retained with subsidiary		21	5
Total funds		<u>16,459</u>	<u>16,483</u>

The accounts were approved by the Trustees and authorised for issue on 10th December 2024 and are signed on their behalf by:

J A McLatch
J A McLatch (Dec 16, 2024 10:49 GMT)

Ms Julie McLatch
Chair of Trustees

Company Number 10933839

NORTH HAMPSHIRE EDUCATION ALLIANCE

ACADEMY BALANCE SHEET

AS AT 31 AUGUST 2024

		2024	2023
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	17,273	18,136
Current assets			
Debtors	14	664	584
Investments		500	253
Cash at bank and in hand		1,198	938
		2,362	1,775
Current liabilities			
Creditors: amounts falling due within one year	15	(1,549)	(1,130)
Net current assets		813	645
Non-current liabilities			
Creditors: amounts falling due after more than one year	16	(1,818)	(1,990)
Net assets excluding pension liability		16,268	16,791
Defined benefit pension scheme asset/(liability)	19	211	(272)
Enhanced Pension Liability		(41)	(41)
Total net assets		16,438	16,478
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		15,344	16,070
- Pension reserve		211	(272)
Total restricted funds		15,555	15,798
Unrestricted income funds	17		
General funds		883	680
Total funds		16,438	16,478

The accounts were approved by the trustees and authorised for issue on 10th December 2024 and are signed on their behalf by:

J A McLatch
J A McLatch (Dec 16, 2024 10:49 GMT)

Ms Julie McLatch
Chair of Trustees

Company Number 10933839

NORTH HAMPSHIRE EDUCATION ALLIANCE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

		2024	2023
	Notes	£'000	£'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	A	418	386
Cash flows from investing activities	C	269	62
Cash flows from financing	B	(162)	(155)
Change in cash and cash equivalents in the year		525	293
Cash and cash equivalents at 1 September 2023		1,412	1,119
Cash and cash equivalents at end of the year D		1,937	1,412
A Reconciliation of net (expenditure)/income to net cash flow from operating activities			
		2024	2023
		£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)		(559)	(623)
Adjusted for:			
Depreciation charges		971	951
Capital grants for DfE and other capital income		(355)	(272)
Interest receivable		(22)	(16)
Defined benefit pension scheme cost less contributions payable		39	201
Defined benefit pension scheme finance cost		13	50
Decrease/(increase) in debtors		(94)	35
(Decrease)/increase in creditors		425	59
Net cash (used in)/provided by operating activities		418	386
B Cash flows from financing activities			
		2024	2023
		£'000	£'000
Repayments of borrowing		(162)	(155)
Net cash used in financing activities		(162)	(155)
C Cash flows from investing activities			
		2024	2023
		£'000	£'000
Dividends, interest and rents from investments		22	16
Purchase of tangible fixed assets		(108)	(226)
Capital grants from DfE and other capital income		355	272
Net cash provided by/ (used in) operating activities		269	62

NORTH HAMPSHIRE EDUCATION ALLIANCE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

D Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash in hand and at bank	912	393
Notice deposits (less than 3 months)	525	766
Short-term deposits (included in current asset investments)	500	253
Total cash and cash equivalents	1,937	1,412

E Analysis of changes in net funds

	1 September 2023 £'000	Cash flows £'000	31 August 2024 £'000
Cash and cash equivalents	1,412	525	1,937
Loans falling due within one year	(164)	(10)	(174)
Loans falling due in more than one year	(1,989)	171	(1,818)
	(741)	686	(55)

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

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

1.1 Basis of preparation

The consolidated accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their consolidated 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 North Hampshire Education Alliance meets the definition of a public benefit entity under FRS102.

Basis of consolidation

The financial statements consolidate the financial statements of North Hampshire Education Alliance and its wholly owned subsidiary undertaking, QM Leisure Limited, drawn up to 31 August each year. No statement of financial activities is presented for North Hampshire Education Alliance, as permitted by section 408 of the Companies Act 2006.

The net deficit for North Hampshire Education Alliance, the parent company, was £40k (2023: surplus of £646k).

1.2 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 charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the consolidated accounts and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated accounts.

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

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.

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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £750 or more per item are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	Over their expected useful economic life to the Trust.
Fixtures, fittings & equipment	Over their useful economic life of between 3-15 years.
Motor vehicles	Over their useful economic life of between 3-7 years.

Depreciation is charged on a straight line basis from the month following capitalisation of the item.

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Investments

Current asset investments comprise cash held on deposit for more than 90 days.

1.9 Financial instruments

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Financial assets

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

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

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Impairment of tangible assets

The Trust has to determine where there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The pension value also considered whether an asset ceiling adjustment would be required. The assumptions used to assess this were:

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

Critical areas of judgement

There are no critical areas of judgement.

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Capital grants	-	355	355	272
Other donations	45	-	45	15
	<u>45</u>	<u>355</u>	<u>400</u>	<u>287</u>

4 Funding for the academy trust's educational operations Group and Academy

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
DfE/ESFA grants				
General annual grant (GAG) : 16-19 Budget	-	11,128	11,128	10,495
Other DfE/ESFA grants:	-	-	-	-
Teachers' Pension Grant	-	505	505	400
	<u>-</u>	<u>11,633</u>	<u>11,633</u>	<u>10,895</u>
Other government grants				
Local authority grants	-	505	505	526
	<u>-</u>	<u>505</u>	<u>505</u>	<u>526</u>
Other incoming resources				
Other income from the academy trust's educational operations	116	37	153	142
	<u>116</u>	<u>37</u>	<u>153</u>	<u>142</u>
Total funding	<u>116</u>	<u>12,175</u>	<u>12,291</u>	<u>11,563</u>

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Hire of facilities	170	-	170	142
Income from other charitable activities	641	-	641	548
Catering	333	-	333	299
Transport	140	-	140	105
	<u>1,284</u>	<u>-</u>	<u>1,284</u>	<u>1,094</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Short term deposits	<u>22</u>	<u>-</u>	<u>22</u>	<u>16</u>

7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2024 £'000	Total 2023 £'000
Academy educational Operations:					
- Direct costs	7,273	971	1,050	9,294	8,273
- Allocated support costs	<u>2,633</u>	<u>1,679</u>	<u>950</u>	<u>5,262</u>	<u>5,310</u>
	<u>9,906</u>	<u>2,650</u>	<u>2,000</u>	<u>14,556</u>	<u>13,583</u>

Net income/(expenditure) for the year includes:
Group

	2024 £'000	2023 £'000
Fees payable to auditor for:		
- Audit – Azets Audit Services	25	-
- Other services – Azets Audit Services	6	-
- Audit – Buzzacott LLP	12	31
- Other services – Buzzacott LLP	1	-
Operating lease rentals	208	136
Depreciation of tangible fixed assets	971	951
Net interest on defined benefit pension liability	<u>13</u>	<u>50</u>

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Direct costs				
Educational operations	-	9,294	9,294	8,273
Support costs				
Educational operations	-	5,262	5,262	5,310
	-	14,556	14,556	13,583
Analysis of costs			2024 £'000	2023 £'000
Support costs				
Support staff costs			2,633	3,407
Technology costs			139	124
Premises costs			1,679	1,014
Other support costs			767	725
Governance costs			44	40
			5,262	5,310

9 Staff

Staff costs

Staff costs during the year were:

	2024 £'000	2023 £'000
Wages and salaries	7,479	7,004
Social security costs	738	616
Pension costs	1,679	1,945
	9,896	9,565
Staff restructuring cost	10	144
	9,906	9,709

Staff restructuring costs comprise:

Severance payments	10	144
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The Trust paid one severance payment in the year, disclosed in the following bands:

£0 - £25,000	1
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Included in the severance payments total is one special severance payment totalling £9,678 (2023: £nil).

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9 Staff (continued)

Staff numbers

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

	2024 Number	2023 Number
Teachers	108	109
Administration and support	104	99
Management	6	6
	<hr/> 218	<hr/> 214

The number of persons employed, expressed as a full time equivalent, was as follows:

	2024 Number	2023 Number
Teachers	95	95
Administration and support	79	77
Management	6	6
	<hr/> 180	<hr/> 178

Higher paid staff

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

	2024 Number	2023 Number
£60,000 - £70,000	6	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£90,001- £100,000	1	-
£110,001 - £120,000	1	1

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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £666,229 (2023: £673,368).

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Trustees' remuneration and expenses

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

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

Mr M Henderson (CEO/Principal)

Remuneration: £110,001 - £115,000 (2023: £110,001- £115,000)

Employers pension contributions £25,000- £30,000 (2023: £25,000 - £30,000)

During the year, travel and subsistence costs of £214 were reimbursed to one Trustee (2023: £Nil expenses reimbursed).

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5m on any one claim and the cost for the year ended 31 August 2024 was £500 (2023: £500). The cost of this insurance is included in the total insurance cost.

12 QM Leisure Limited

Included within the consolidated financial statements is QM Leisure Limited, Company number 12844595. The company is limited by guarantee, of which North Hampshire Education Alliance is the sole shareholder. QM Leisure Ltd runs the indoor and outdoor sports facilities, swimming pool and theatre space for NHEA using them, and other areas of the site for community lettings, holiday camps and events. The trading result of QM Leisure Limited is as follows:

	2024	2023
	£'000	£'000
Income	674	553
Administrative expenses	(653)	(551)
	<u>21</u>	<u>2</u>

The assets and liabilities of QM Leisure Limited at 31 August were:

	2024	2023
	£'000	£'000
Stock	2	1
Debtors	8	2
Cash at bank	239	221
Creditors	(228)	(219)
	<u>21</u>	<u>5</u>

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

13 Tangible fixed assets – Group and Academy

	Freehold land and buildings	Furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2023	22,475	40	1,780	24,295
Additions	<u>-</u>	<u>-</u>	<u>108</u>	<u>108</u>
At 31 August 2024	<u>22,475</u>	<u>40</u>	<u>1,888</u>	<u>24,403</u>
Depreciation				
At 1 September 2023	4,620	3	1,536	6,159
Charge for the year	<u>758</u>	<u>2</u>	<u>211</u>	<u>971</u>
At 31 August 2024	<u>5,378</u>	<u>5</u>	<u>1,747</u>	<u>7,130</u>
Net book value				
At 31 August 2024	<u>17,097</u>	<u>35</u>	<u>141</u>	<u>17,273</u>
At 31 August 2023	<u>17,855</u>	<u>37</u>	<u>244</u>	<u>18,136</u>

14 Debtors - Group

	2024 £'000	2023 £'000
Trade debtors	54	73
VAT recoverable	101	48
Prepayments and accrued income	320	259
Other Debtors	-	1
	<u>475</u>	<u>381</u>

Debtors - Academy

	2024 £'000	2023 £'000
Trade debtors	45	73
Amounts owed by group undertakings	199	203
VAT recoverable	100	49
Prepayments and accrued income	320	259
	<u>664</u>	<u>584</u>

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

15 Creditors: amounts falling due within one year – Group

	2024	2023
	£'000	£'000
Loan	174	164
Trade creditors	281	108
Other taxation and social security	353	311
Other creditors	310	325
Accruals and deferred income	460	235
	<u>1,578</u>	<u>1,143</u>

Creditors: amounts falling due within one year – Academy

	2024	2023
	£'000	£'000
Loan	174	164
Trade creditors	281	108
Other taxation and social security	338	308
Other creditors	307	322
Accruals and deferred income	449	228
	<u>1,549</u>	<u>1,130</u>

16 Creditors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Loans	1,818	1,990
	<u>1,818</u>	<u>1,990</u>
Loan maturity		
Debt due in on year or less	174	164
In more than one year but no more than two years	185	174
In more than two years but no more than five years	707	591
In five years or more	926	1,225

The Trust has one bank loan taken out to fund building projects prior to academy conversion. It is an unsecured fixed rate loan at 6.855% and is due to be repaid on 29 July 2033.

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

17 Deferred income – Group and Academy

	2024 £'000	2023 £'000
Deferred income is included within:		
Creditors due within one year	73	49
Deferred income at 1 September 2023	49	17
Released from previous years	(49)	(17)
Resources deferred in the year	73	49
Deferred income at 31 August 2024	73	49

Deferred income relates to course contributions collected in advance of the 2024-25 financial year.

17 Funds

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2024 £'000
Restricted general funds					
General Annual Grant (GAG)	-	11,128	(11,128)	-	-
Teachers' pension grant	-	505	(505)	-	-
Other government grants	-	505	(505)	-	-
Other restricted funds	-	37	(37)	-	-
Pension reserve	(272)	-	(52)	535	211
	<u>(272)</u>	<u>12,175</u>	<u>(12,227)</u>	<u>535</u>	<u>211</u>
Restricted fixed asset funds					
Transfers on conversion	17,197	-	-	-	17,197
Depreciation	(4,140)	-	(971)	-	(5,111)
Capital expenditure from GAG	1,863	355	-	(274)	1,944
Repayments of debt	1,150	-	-	164	1,314
	<u>16,070</u>	<u>355</u>	<u>(971)</u>	<u>(110)</u>	<u>15,344</u>
Total restricted funds	<u>15,798</u>	<u>12,530</u>	<u>(13,198)</u>	<u>425</u>	<u>15,555</u>
Unrestricted funds					
General funds	680	793	(705)	(40)	728
Designated funds	-	-	-	155	155
QM Leisure Ltd	5	674	(653)	(5)	21
	<u>685</u>	<u>1,467</u>	<u>(1,358)</u>	<u>110</u>	<u>904</u>
Total funds	<u>16,483</u>	<u>13,997</u>	<u>(14,556)</u>	<u>535</u>	<u>16,459</u>

NORTH HAMPSHIRE EDUCATION ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

17 Funds

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

General Annual Grant

Income received from the ESFA to cover the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024.

Other government grants

This includes additional funding received from the Local Authority.

Other restricted funds

This includes additional funding received from Enterprise M3 (Local Enterprise Partnership) to produce training materials for local skills development workshops.

Designated fund

A sinking fund for future estates projects and sports facility improvements.

Transfer between funds

The transfer between funds represents the purchase of capital items from restricted grants and the Trust's contribution towards capital projects.

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

17 Funds

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

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	-	10,495	(10,495)	-	-
Other government grants	-	421	(421)	-	-
Pension reserve	(1,154)	505	(756)	1,133	(272)
	<u>(1,154)</u>	<u>11,421</u>	<u>(11,672)</u>	<u>1,133</u>	<u>(272)</u>
Restricted fixed asset funds					
Transfers on conversion	17,197	-	-	-	17,197
Depreciation	(3,188)	-	(951)	-	(4,140)
Capital expenditure from GAG	1,585	272	-	6	1,863
Repayments of debt	995	-	-	155	1,150
	<u>16,589</u>	<u>272</u>	<u>(951)</u>	<u>161</u>	<u>16,070</u>
Total restricted funds	<u>15,435</u>	<u>11,693</u>	<u>(12,623)</u>	<u>1,294</u>	<u>15,798</u>
Unrestricted funds					
General funds	400	714	(409)	(25)	680
QM Leisure Ltd	3	553	(551)	-	5
	<u>403</u>	<u>1,267</u>	<u>(960)</u>	<u>(25)</u>	<u>685</u>
Total funds	15,838	12,960	(13,583)	1,269	16,483

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	17,273	17,273
Current assets	904	1,445	63	2,412
Current Liabilities	-	(1,404)	(174)	(1,578)
Non-Current Liabilities	-	(41)	(1,818)	(1,859)
Defined benefit pension surplus	-	211	-	211
Total net assets	904	211	15,344	16,459

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	18,136	18,136
Current assets	685	1,020	88	1,793
Current Liabilities	-	(979)	(164)	(1,143)
Non-Current Liabilities	-	(41)	(1,990)	(2,031)
Defined benefit pension liability	-	(272)	-	(272)
Total net assets	685	(272)	16,070	16,483

19 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 Hampshire Pensions Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £191k were payable to the schemes at 31 August 2024 (2023: £159k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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 and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,589k (2023: £1,027k).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Trust has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18% for employers and 5.5 to 12.5% for employees.

Total contributions made	2024 £'000	2023 £'000
Employer's contributions	428	301
Employees' contributions	153	79
Total contributions	581	380

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Local Government Pension Scheme (continued)

Principal actuarial assumptions	2024	2023
	%	%
Rate of increase in salaries	3.65%	4.00%
Rate of increase for pensions in payment/inflation	2.65%	3.00%
Discount rate for scheme liabilities	5.00%	5.20%
Inflation assumption (CPI)	2.65%	3.00%
Commutation of pensions to lump sums	<u>70.00%</u>	<u>70.00%</u>

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

	2024	2023
	Years	Years
Retiring today		
- Males	22.0	22.1
- Females	24.7	24.7
Retiring in 20 years		
- Males	22.5	22.6
- Females	<u>25.6</u>	<u>25.7</u>

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

	2024	2023
	£'000	£'000
Discount rate + 0.1%	(251)	(232)
Discount rate - 0.1%	251	232
Mortality assumption + 1 year	(550)	(513)
Mortality assumption - 1 year	550	513
CPI rate + 0.1%	251	226
CPI rate - 0.1%	<u>(251)</u>	<u>(226)</u>

Defined benefit pension scheme net surplus (liability)	2024	2023
	£'000	£'000
Scheme assets	13,956	12,818
Scheme obligations - funded	(13,745)	(12,589)
Scheme obligations – unfunded	-	(43)
Enhanced pension liability	<u>(41)</u>	<u>(41)</u>
Net Pension surplus (liability)	<u>170</u>	<u>(313)</u>

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Pension and similar obligations (continued)

The enhanced pension provision relates to the cost of staff who have already left the Trust's employment and commitments for reorganisation costs from which the Trust cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The academy trust's share of the assets in the scheme	2024 Fair value £'000	2023 Fair value £'000
Equities	7,675	7,428
Bonds	5,164	4,028
Property	977	755
Cash	140	378
Total market value of assets	13,956	12,589

The actual return on scheme assets was £1,179,000 (2023: £(58,000)).

Amount recognised in the statement of financial activities	2024 £'000	2023 £'000
Current service cost	467	669
Past service cost	-	45
Interest income	(659)	(505)
Interest cost	672	555
Total operating charge	480	764

Changes in the present value of defined benefit obligations	2024 £'000	2023 £'000
Scheme Obligation as at 1 September 2023	12,818	13,298
Current service cost	467	714
Interest cost	672	555
Employee contributions	153	163
Actuarial gain	28	(1,517)
Benefits Paid	(393)	(395)
At 31 August 2024	13,745	12,818

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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

	2024	2023
	£'000	£'000
Fair value of scheme assets at 1 September 2023	12,589	12,187
Interest income	659	505
Actuarial gain (loss)	520	(384)
Employer contributions	428	513
Employee contributions	153	163
Benefits paid	(393)	(395)
	<hr/>	<hr/>
At 31 August 2024	13,956	12,589
	<hr/>	<hr/>

At the year end, the Trust had a pension surplus of £211,000. The scheme actuary prepared an Asset Ceiling Calculation and determined that no restriction of the surplus was required. On this basis, Trustees have elected to recognise the surplus in full. Further details are given in note 2.

20 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
	£'000	£'000
Amounts due within one year	207	173
Amounts due in two and five years	246	330
Amounts due after five years	4	5
	<hr/>	<hr/>
	457	508
	<hr/>	<hr/>

21 Related party transactions

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

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Trust Handbook 2023.

Expenditure related party transactions

Mrs Helen Henderson, spouse of Mr Mark Henderson, CEO/Principal, is employed by the Academy Trust and is a member of the Senior Leadership Team. Mrs Henderson is not line managed by the CEO/Principal. Mrs Henderson is paid in line with the Sixth Form Colleges Association salary scales and benchmarking data for her role and receives no special treatment as a result of her relationship with the CEO/Principal.

NORTH HAMPSHIRE EDUCATION ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The Academy operates a trading company (QM Leisure Limited - company number 12844595 England and Wales), to raise funds primarily from the hire of sports and other facilities. The company is a related party by virtue that the Trust is its sole shareholder.

During the year the Trust received reimbursement of costs incurred on behalf of the company of £674k (2023: £553k) and donations under gift aid of £5k (2023: £2k). At 31 August 2024, the Academy Trust was owed £199k (2023: £203k) from the company which is included in debtors.

22 Members' liability

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

23 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year to 31 August 2024 the Trust received £73k (2023: £59k). All funds were disbursed by year end for the current and comparative year.











NHEA - 2024 accounts (FINAL)

Final Audit Report

2024-12-16

Created:	2024-12-16
By:	Dr. Toni Baldwin (Toni.baldwin@qmc.ac.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAtc4NjN5IDccNCxZteAJVBz45c5DIH8ST

"NHEA - 2024 accounts (FINAL)" History

-  Document created by Dr. Toni Baldwin (Toni.baldwin@qmc.ac.uk)
2024-12-16 - 9:56:08 AM GMT
-  Document emailed to mark.henderson@qmc.ac.uk for signature
2024-12-16 - 10:03:44 AM GMT
-  Email viewed by mark.henderson@qmc.ac.uk
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-  Signer mark.henderson@qmc.ac.uk entered name at signing as Mark Henderson
2024-12-16 - 10:13:31 AM GMT
-  Document e-signed by Mark Henderson (mark.henderson@qmc.ac.uk)
Signature Date: 2024-12-16 - 10:13:33 AM GMT - Time Source: server
-  Document emailed to julie.mclatch@easthants.gov.uk for signature
2024-12-16 - 10:13:36 AM GMT
-  Email viewed by julie.mclatch@easthants.gov.uk
2024-12-16 - 10:49:10 AM GMT
-  Signer julie.mclatch@easthants.gov.uk entered name at signing as J A McLatch
2024-12-16 - 10:49:52 AM GMT
-  Document e-signed by J A McLatch (julie.mclatch@easthants.gov.uk)
Signature Date: 2024-12-16 - 10:49:54 AM GMT - Time Source: server
-  Agreement completed.
2024-12-16 - 10:49:54 AM GMT



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