

**The Chelsea Academy
(A Science Academy)**

**Annual Report and Financial
Statements**

31 August 2024

Company Limited by Guarantee
Registration Number
06176090 (England and Wales)

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Reference and administrative information

Members	London Diocesan Board for Schools The Royal Borough of Kensington and Chelsea The Bishop of Kensington
Governors	Gary Griffin (Chair, from 1 August 2023) Mrs L Malkin (Vice-Chair) Mrs M Ardron (Principal) Mr R Blackwell Mr S Blakley (from 1 September 2023) Mr A Busawon Mr M Grey (from 19 October 2023) Mrs S Harris (to 19 March 2024) Reverend S Hole (to 19 March 2024) Ms H Hughes Reverend D Inman (from 4 October 2024) Mr J Lansley-Gordon Ms A Mould (from 1 September 2023) Mrs T Salam Dr V Salem (from 1 May 2024) Mr J Simmonds (to 16 June 2024)
Company Secretary	Sara Hopkins (to 31 August 2024) Diana Goodhugh (from 1 September 2024)
Leadership Team	
Principal	Mariella Ardron
Senior Vice Principal	Bernie Whittle (to 31 August 2024)
Vice Principal	Niamh McGuinness (to 31 July 2024) David Eagleton (from 1 September 2024)
Acting Vice Principal	David Greene (from 1 August 2024)
Director of Finance and Operations	Sara Hopkins (to 31 August 2024) Diana Goodhugh (from 1 September 2024)
Assistant Principal	David Greene
Assistant Principal	Joanne Holgate
Assistant Principal	Emma Rickford
Assistant Principal	David Whitley
Associate Assistant Principal	Jennifer Edge (from 1 September 2023 to 31 August 2024)
Registered address	Lots Road London SW10 0AB
Company registration number	06176090 (England and Wales)

Reference and administrative information

External Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Internal Auditor	MacIntyre Hudson LLP 2 London Wall Place Barbican London EC2Y 5AU
Bankers	HSBC Bank Plc 25 Notting Hill Gate London W11 3JJ
Solicitors	Browne Jacobson 15 th Floor 6 Bevis Marks London EC3A 7BA

Governors' report Year to 31 August 2024

The Governors of The Chelsea Academy (A Science Academy) ('the Academy') present their annual report, together with the financial statements and the auditor's report of the charitable company for the year to 31 August 2024. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 33 to 37 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Academy Trust operates an academy for students aged 11 to 18 serving the local community and the wider population of West London who want a Church of England school. This means that while the majority of our students live within two miles of the Academy (including those living in neighbouring boroughs including Wandsworth, Hammersmith & Fulham and Westminster), a significant number travel several miles to attend. It has a student capacity of 900 aged 11 to 16 and a maximum capacity of 300 for 16 to 19 year old places. In June 2023 the Department for Education approved the Academy's business case to open a Specialist Resource Provision on site with capacity for 14 autistic students. The Academy had a roll of 1,130 students in the school census on 3 October 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee with no share capital (company registration no. 06176090) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. The sponsors of the Academy are the London Diocesan Board for Schools (LDBS) and the Royal Borough of Kensington and Chelsea (RBKC). The Governors of Chelsea Academy (A Science Academy) are also the directors of the charitable company for the purposes of company law and trustees for the purposes of charity law. The charitable company is known as Chelsea Academy.

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.

Governors' indemnities

There are no qualifying third-party indemnity provisions to declare.

Principal activities

The objects of the charitable company, as set out in the memorandum of association, are to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, operating and developing a Church of England school, offering a broad curriculum with a strong emphasis on, but not limited to, the Sciences, conducted in accordance with the principles and practices of the Church of England.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The Governors are directors of the charitable company for the purposes of the Companies Act 2006. The following Governors served during the year as shown below:

Governor	Appointed	Resigned
Mr Gary Griffin (Chair)		
Ms Laura Malkin (Vice-Chair)	1 September 2023	
Mrs Mariella Ardron (Principal)		
Mr Roy Blackwell		
Mr Stuart Blakley	1 September 2023	
Mr Abheesh Busawon		
Mr Mark Grey	19 October 2023	
Mrs Susan Harris		19 March 2024
Reverend Dr Sam Hole		19 March 2024
Ms Hazel Hughes		
Mr Jonathan Lansley-Gordon		
Ms Alison Mould	1 September 2023	
Ms Tabia Salam		
Dr Victoria Salem	1 May 2024	
Mr Julian Simmonds		16 June 2024
Reverend Daniel Inman	4 October 2024	

Method of recruitment and appointment or election of Governors

The term of office for any Governor shall be four years, although the nominating bodies may re-nominate the Governor to serve for a further term. This time limit shall not apply to the Principal.

The articles of association provide for the appointment or election of up to 15 Governors, as follows:

- ◆ four governors appointed by the LDBS;
- ◆ three governors appointed by the RBKC;
- ◆ the Principal of Chelsea Academy;
- ◆ one elected parent governor;
- ◆ one governor, to represent the private sector, who is appointed by the LDBS and the RBKC; and
- ◆ up to four governors co-opted by the Governing Body.

The articles also allow for one elected staff governor, however, no staff governor has been appointed. This is in line with the Department for Education's preference, as stated in the Academy Trust Handbook.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Governors (continued)

Governors receive an induction and training programme on the Academy's policies and procedures appropriate to their skills and experience. As a minimum, this will include training on the Academy's Safeguarding policies and other essential training.

Organisational structure

As set out in the articles of association, the Governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy and consider any advice given by the Principal.

The Board of Governors of the Academy has three core roles:

- ◆ to set the Academy's strategic direction; its mission, ethos, core values, overall aims and objectives;
- ◆ to provide accountability for the Academy, for example by reporting to key stakeholder groups and providing information for those groups; or by hearing appeals against decisions of the Academy; and
- ◆ to monitor and evaluate the Academy's performance, for example against past performance, against other 'like' academies and against its own improvement plan, budgets and policies.

In particular, this means exercising responsibility for, and oversight over, the following:

- ◆ overall policy and strategic direction of the Academy;
- ◆ mission and vision of the Academy;
- ◆ the Academy's Development Plan;
- ◆ adoption and monitoring of key objectives;
- ◆ adoption of the annual budget and major financial decisions;
- ◆ overall curriculum;
- ◆ preparation of the annual report and financial statements;
- ◆ overall governance of the Academy, including oversight of committees and appointment of Governors;
- ◆ dealing with any statutory inspections of the Academy; and
- ◆ maintaining relations with the sponsors of the Academy and the Education and Skills Funding Agency (ESFA).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Principal is responsible for the internal organisation, management and control of the Academy and for advising on and implementing the Academy's strategic framework. In particular, the Principal and Leadership Team will formulate specific aims and objectives, policies and targets for the Governing Body to consider adopting. The Principal is responsible for discharging many responsibilities on the Governing Body's behalf, as well as for discharging his/her own responsibilities. The Principal is the Academy's Accounting Officer.

Chelsea Academy has no subsidiary companies.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel comprise the Governors and the Leadership Team as shown on page 1. As directors of the company, the Governors of the Academy are classed as key management personnel together with the Leadership Team. However, their role is non-executive and the day-to-day management of the Academy is undertaken by the Leadership Team. The Governors are not remunerated for their role as Governors.

The Human Resources Committee (HR) delegates the day-to-day implementation of the Pay Policy to the Principal. This includes setting initial pay levels, within the agreed pay structure, for all new staff and existing staff being appointed to new positions. It also includes decisions regarding the awarding of additional responsibility allowances and any revision of pay scales resulting from agreed changes to job descriptions, other than changes affecting Leadership Team posts.

The HR Committee is responsible for any decisions regarding exceptions to the pay policy and any changes relating to the pay of the Vice Principals, Director of Finance and Operations and Principal.

The responsibility for performance management, with the exception of that of the Principal, is delegated to the Principal and subsequently to other line managers. All pay decisions for the Vice Principals and Director of Finance and Operations will be based on recommendations by the Principal and for the Principal it will be based on the recommendation of the Chair of Governors and the Chair of the HR Committee. The HR Committee, acting on behalf of the Board of Governors, will quality control these decisions and ensure that they are fair and transparently applied. The HR Committee will also consider pay progression of over one point for any member of staff.

Leadership pay is within the recommended minimum and maximum thresholds of the School Teachers Pay and Conditions Document (STPCD) 2023 (paragraph 4.4, page 11, STPCD, 2023).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

No employees were identified as trade union officials, and no time was recorded on paid trade union activities during the period.

Risk management

During the year ended 31 August 2024, the Risk Register has been used by the Governors to ensure that the major risks to which the Academy is exposed have been kept under review, in particular those relating to teaching, the provision of facilities and other operational areas of the Academy, and its finances.

Systems are in place, including operational procedures (e.g. vetting of new staff and visitors) and internal financial controls, in order to minimise risk. Where significant financial risk still remains, the Academy has ensured it has adequate insurance cover. The Academy has a system of internal financial control and more details are provided on pages 17 and 18.

Connected organisations, including related party relationships

The Academy's sponsors are the Royal Borough of Kensington and Chelsea (RBKC) and the London Diocesan Board for Schools (LDBS). Details of any financial transactions during the year with these two organisations are given in note 19.

The Chelsea Academy Foundation, a registered charity (charity number 1120784), exists to raise funds to support access for all students to an extended range of curriculum at the Academy. Details of donations from the Chelsea Academy Foundation during the year are given in note 19.

OBJECTIVES AND OUTCOMES

Chelsea Academy is a mixed Church of England Academy for students aged between 11 and 19 years. The sponsors' vision is for a school that serves its local community and has a distinctive Christian ethos. Our objective is to deliver a high-quality education for all students who attend the Academy.

The Academy opened in September 2009 and has places for 180 students per year group. 615 applications were received for the Academy's current Year 7 cohort.

Chelsea Academy was graded Good by Ofsted in its inspection on 27 September 2023, and Outstanding by the National Society and the Methodist Church for the conduct of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) in July 2017.

The Academy's historic specialism is the Sciences. The vision of the science specialism is for all students to develop an understanding of the importance of science. It is our priority to ensure that students are enthused by science and we work hard to teach engaging and memorable lessons. Over 50% of our Sixth Form students study a science or Maths A Level and, through developing strong links with universities, we have ensured that they are aware of the career opportunities that studying science can lead to.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

As has always been the case, on 1 September 2023 50% of places allocated for Year 7 were foundation (church) places and 50% were community (open) places. Priority is given to the siblings of students who attend the Academy.

The Academy encourages academic success in all disciplines but also recognises and celebrates the need to develop the whole child. The Academy has outstanding pastoral structures and processes to support, educate and safeguard students and has a highly aspirational Personal Development programme. This includes an Extended Curriculum through which students flourish and gain significant cultural capital.

The ability profile of the students who attend Chelsea Academy is slightly above the national average. The catchment is diverse and its deprivation indicators are worse than the national average according to Analyse School Performance (ASP). Student mobility has increased and there has been a marked increase in student mobility since 2020.

Vision Statement

In 2019, and again in 2021, we revisited and revised our vision, mission and values and sharpened our curriculum intent. Chelsea Academy is Anchored in Christ. This roots all that we do in a shared vision so that we can achieve excellence.

- ◆ Our vision is Learning together to flourish.
- ◆ Our mission: Work Hard Be Kind No Excuses.
- ◆ Our values are Joy, Perseverance, Forgiveness, Charity and Servant leadership.

The Principal's vision is that:

We will be a diverse and inclusive community welcoming both students and staff with open arms. Our Christian values will anchor us, providing the framework with which to live, learn and work together through kindness and love.

Throughout their time at Chelsea Academy each student will flourish, benefitting from a rich academic curriculum and strong pastoral care. Learning will excite, inspire and challenge. Beyond the taught curriculum there will be many opportunities for students to develop their interests and passions. We aspire to acknowledge and embrace vulnerability. All students will develop: resilience, wisdom, hope and skills with which to lead happy, healthy and fulfilling lives.

STRATEGIC REPORT

Achievements, performance and review of activities

2023/24 was a strong year for the Academy with a stable and near complete staff body, a successful Ofsted inspection and good public examination outcomes. We were thrilled that many of our students progressed onto appropriate post-18 destinations including apprenticeships or gained places at selective/ super selective universities. These included: Imperial College London, Manchester, Cambridge and Southampton.

STRATEGIC REPORT (continued)

Achievements, performance and review of activities (continued)

We continued to be oversubscribed at Year 7; our reputation has helped to increase the number of first choice families in Year 7. The Principal has invested time and resources to ensure that we continue to be an attractive and preferred choice for families both local and further afield. Visits to feeder primary schools, including talks to Y5 and 6 parents/carers, as well as increased Academy tours, ensured that parents and carers are actively selecting the Academy as a first choice school for their child.

The Key Stage Three programme of study is now three years in total. This has ensured a broad and balanced curriculum for students in Years 7-9. Leaders believe that as a result of this change, students made better-informed decisions about their Key Stage Four (GCSE) choices.

The successful Ofsted inspection in September 2023 highlighted that Academy priorities already identified by senior leaders in conjunction with their own self-evaluation were both forensic and appropriate to drive further Academy improvement in terms of academic outcomes for all student groups. In addition, our Personal Development offer continued apace with over a hundred trips and residentials taking place across the year. This provision complements the excellent pastoral curriculum and care that allows all students to flourish. Children continued to report that they feel safe and happy at the Academy and pastoral care remained an area of excellence at the Academy.

The Academy had a lower number of Early Career Teachers (ECTs) this year but ensured that the training and support, as required by the Early Careers Framework, was of the highest quality. More experienced colleagues supported new entrants to the profession in a variety of ways so that new entrants feel valued and equipped to carry out their roles.

The Leadership Team worked strategically across the year on identified priorities, as set out in the Academy Development Plan, to continue improving both outcomes and the experiences for young people who attend the Academy.

Improving student attendance in line with the government's own priority was a significant focus for the Academy's leaders - especially the pastoral team. An incisive focus and rigorous approach to work collaboratively with families and external agencies, including local authorities, ensured that the Academy ended the academic year with an attendance figure of 92%. Although this is a couple of percent below the Academy's pre pandemic figures, this figure was significantly above local and national averages.

Preparation for the Academy's SIAMS has continued and leaders are confident that this impending inspection will recognise the many achievements and improvements since the last inspection.

The Governors confirm that they have considered the advice contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. The Governors consider that the Academy's aims are demonstrably for the public benefit.

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

The financial position of the Academy at 31 August 2024 was strong. The Academy achieved an operating surplus of £584,000 before transfers to the fixed asset fund of £50,000 (2023 – surplus of £804,000) equivalent to 5.2% of its operating income (2023 – 7.5%). The reconciliation between the net movement in funds and the operating surplus above is shown in note 21.

The results for the year are shown on page 29.

The net decrease in funds for the year was £415,000 (2023 – net decrease of £112,000). This was made up as follows:

- ◆ The operating surplus, which excludes transactions relating to the fixed asset fund and FRS 102 pension liability adjustments, was £584,000 (2023 – surplus of £804,000).
- ◆ The actuarial gains in the year were £75,000 (2023 – gains of £68,000). The valuation of the Local Government Pension Scheme (LGPS) resulted in a non-cash charge to expenditure of £75,000 (2023 – £68,000).
- ◆ The other factors contributing to the difference between the operating surplus and the net movement in funds were the depreciation charge of £1,024,000 (2023 – £1,008,000), fixed asset fund income of £25,000 (2023 – £92,000) and transfers of £50,000 (2023 – £82,000) representing restricted income funds utilised on fixed asset purchases.

The pension liability adjustments and depreciation charge have had no cash impact on the Academy or other effect on its normal operations during the year to 31 August 2024. The pension liability adjustments represent the reduced cost this year of providing the Academy's future pension obligations to its staff. These adjustments are derived from changes in actuarial assumptions in calculating the long-term liability. Staff costs as a percentage of total income, excluding capital grants, increased slightly from 71% in 2022/23 to 72% in 2023/24 (excluding notional pension adjustments for the LGPS).

Financial and risk management objectives and policies

The Academy's risk management system is designed to involve all the relevant members of the Leadership Team. The strategic risk register is reviewed at each of its meetings by the Finance, Risk and Audit Committee, a Governors' sub-committee tasked to review all financial matters, and annually by the full Board of Governors.

The Academy's risk management objective is to balance the mitigation of risk against the cost of doing so, given the likelihood and potential cost of the risk materialising.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

As at 31 August 2024 the Academy had reserves of £2,636,000 (2023 – £2,102,000) made up of unrestricted funds (also free reserves) of £882,000 (2023 – £763,000) and £1,754,000 (2023 – £1,339,000) restricted general funds, which may be used for any education-related purpose. This capital would cover the Academy for 3.5 months' worth of its payroll costs (circa £750,000 per month). The Governing Body has adopted a policy on reserves to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal, future investments and any other unforeseen contingencies.

The Governors aim to maintain a level of reserves over time, without adversely affecting the ability of the Academy to achieve its other objectives. The Governors are satisfied that the level of reserves are sufficient in the context of the Reserves policy. It is planned that these reserves will be allocated in part to major refurbishment of internal areas, including the Sixth Form Centre and the Specialist Resource Provision.

Investment policy

The Governors' investment powers are governed by the memorandum and articles of association. These permit those Academy funds not immediately required for the furtherance of its objects to be invested in, or upon, such investments, securities or property as may be thought fit, subject to such conditions and consents as may for the time being be imposed or required by law.

The Academy continued with its Investment Policy adopted in June 2023 which restricts investments to fixed term deposits with UK clearing banks.

Where there are sufficient funds to meet all of the Academy's financial commitments and surplus funds exist, the Governors may seek to optimise returns by placing these in high interest-bearing accounts or fixed term deposits with UK regulated banks. With the oversight of the Finance, Risk and Audit Committee the Director of Finance and Operations (DFO) may invest surplus funds provided these do not result in the cash funds being unavailable for longer than 12 months.

The Academy has invested surplus funds in fixed term deposits of maturity between 1 month and 6 months with UK regulated banks during the year.

Principal risks and uncertainties

There are three major risks facing the Academy:

- ◆ School funding is insufficient to meet inflationary pressures including staff salary increases and utility costs;
- ◆ Falling demand for places, both for Year 7 and Sixth Form, particularly as a result of changing demographics; and
- ◆ Reduced ability to recruit and retain appropriately skilled staff, in particular in shortage subjects.

STRATEGIC REPORT (continued)

Financial review (continued)

Principal risks and uncertainties (continued)

The Academy is seeking to mitigate the first of the above risks through seeking to ensure that we have a balanced budget, modelling different budget scenarios and ensuring the Academy has time to implement changes, if required. The Principal sits on RBKC Schools Forum so has access to forward projections from the Local Authority and can plan for the impact on the Academy.

There is an ongoing programme to promote the Academy, its offering and its successes, to potential applicants and their families.

The Academy is working to recruit and retain high-quality staff through providing appropriate terms and conditions to attract the best candidates, having a dynamic recruitment strategy and investing in staff professional development and well-being.

The Academy ensures that it carefully considers any future risks to the Estate and that the Estate is safe, well maintained and compliant with all relevant regulations. Trustees review this regularly through the risk register and additional mechanisms.

The funding of both the Teachers' Pension Scheme and Local Government Pension Scheme remain the major non-operational financial risks for the Academy.

FUNDRAISING

Chelsea Academy did not carry out any direct fundraising in 2023/24 but cooperates closely with Chelsea Academy Foundation (a related party – see note 19) which works to support the Academy via its own fundraising and donations back to Chelsea Academy.

PLANS FOR FUTURE PERIODS

The Academy Development Plan

The Academy is now in its 15th year and continues to aspire to be 'one of the best schools in London by 2025' in every sense of the word. We have four priorities between now and 2025. These are detailed in a Five Year Plan (2020-2025) with criteria for each of the four priorities. These are:

Priority 1: Ensure that all students are prepared for a successful future with a strong focus on pastoral care and careers education that outlines pathways for individual success.

Priority 2: Ensure that staff are looked after and their wellbeing and professional development are protected and enhanced.

PLANS FOR FUTURE PERIODS (continued)

Priority 3: Ensure that the Academy is successful in the delivery of strong outcomes and recognised as such.

Priority 4: Ensure that the Academy remains an excellent Church of England School that celebrates the diversity of the community it serves.

Our annual Academy Development Plan details actions, key individuals and potential impact to ensure that we met key strands of each of the four priorities by the end of the academic year 2024.

Areas for Academy development in 2023 and 2024

Leadership and Management

- At GCSE, ensure that the Academy Attainment 8 figure is between 52-53 and that the attainment gaps between different groups are smaller than the national average.
- At A Level, overall L3VA should be positive with the average points score being higher than for 2023. Ensure that the recruitment and retention of Academy staff continues to put the Academy in a position of strength
- Ensure that the Academy is financially secure and a three-year balanced budget is set and kept to.
- Ensure that governance remains strong and challenging.

Quality of Education

- Ensure that the Chelsea Academy Absolutes 2.0 continue to be embedded consistently across the Academy (to include an ongoing focus on Adaptive teaching)
- SEND across the Academy
- Develop students' understanding of how they learn effectively both inside and outside of the classroom.

Personal Development

- Ensure an increased focus on Coaching Time promotes opportunities for collective worship, spiritual development, personal development and engaging in Flourish 8
- Ensure we improve student buy-in to our culture and ethos (including developing students' self-regulation) – focussing on our mission: Work Hard, Be Kind, No Excuses.

Behaviour and Attitudes

- Ensure that the whole-Academy drive to improve attendance so that whole-Academy attendance remains above the national average and 'attendance gaps' are further reduced for key groups. e.g. SEND
- Continue to develop strategies to improve student self-regulation during unstructured times. e.g. Corridors, around the Academy building during transitions, and at the start and end of the day, including off site.

PLANS FOR FUTURE PERIODS (continued)

Areas for Academy development in 2023 and 2024 (continued)

The Sixth Form

- The Sixth Form: Teaching and Learning/Independent Study and the Chelsea Absolutes
- Increased focus on the Chelsea Absolutes at Sixth Form and what that means for teachers of A level subjects
- Ensure the teaching of PSHE in the Sixth Form meets the guidance of the PSHE association
- Development of the Sixth Form space

Effectiveness as a Church School

- Ensure we are well prepared for our SIAMS inspection and the Academy community can confidently articulate how we live up to our theologically rooted Christian vision
- Post 16 RE provision

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

AUDITOR

Insofar as the Governors are aware:

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

Governors' report, incorporating a strategic report, approved by order of the Governing Body on and signed on its behalf by:



Gary Griffin
Chair of Governors
Date: 12 December 2024

Scope of responsibility

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

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

Governance

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

The information on governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities. The Governors formally met four times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr Gary Griffin – Chair	4	4
Mrs Mariella Ardron	4	4
Mr Roy Blackwell	3	4
Mr Stuart Blakley	3	4
Mr Abheesh Busawon	4	4
Mr Mark Grey	4	4
Mrs Susan Harris	3	3
Revd Sam Hole	3	3
Ms Hazel Hughes	3	4
Mr Jonathan Lansley-Gordon	4	4
Ms Laura Malkin	4	4
Ms Alison Mould	4	4
Ms Tabia Salam	4	4
Dr Victoria Salem	1	1
Mr Julian Simmonds	3	3

The Board has maintained effective oversight of funds with fewer meetings by delegating certain areas to sub-committees, which are described on the following pages. The board receives a range of data from both internal and external nationally recognised sources such as the DfE and the London Diocesan Board for Schools to help it carry out governance.

Conflicts of interest

Chelsea Academy manages conflicts of interest through maintaining an up-to-date and complete register of interests for both Governors and members of the Extended Leadership Team. Any conflicts of interests for Governors are also declared before every meeting. Where a conflict of interest is identified the affected Governor or member of the Extended Leadership Team absent themselves from any discussion where it is possible that it may impact their duty to act solely in the interests of the Academy.

Governance reviews

Governance was reviewed externally in June 2024 by our internal auditors. Each year the Governors undergo a process of self-evaluation and participate in training in conjunction with the Leadership Team. The Governors completed a skills audit last autumn. Two new governors have been recruited at the end of 2023/24 to help ensure the Governing Body maintains the appropriate balance of experience and skills that allow the education, finance, legal and HR aspects of the Academy to be challenged and supported.

Training sessions have looked at: five-year strategic planning, as well as the annual development priorities for the Academy; safeguarding; equality, diversity and inclusion; significance of the English Baccalaureate; support for students with special educational needs and disabilities; and the OFSTED framework; in addition to reviewing teaching and learning within specific curriculum areas.

The **Finance, Risk and Audit Committee** is a sub-committee of the main Governing Body. Its purpose is to review all non-academic operational matters on behalf of the Governing Body, including the regular consideration of the Academy's financial position and risk management. Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Julian Simmonds (Chair – to 19 June 2024)	2	3
Ms Alison Mould (Chair – from 19 June 2024)	3	3
Mrs Mariella Ardron	3	3
Mr Mark Grey	2	3
Mr Gary Griffin	3	3
Ms Hazel Hughes	3	3

In addition to the Finance, Risk and Audit Committee, governance is exercised through a number of other Committees, including the Student and Curriculum Committee and the Remuneration Committee. The Chair of Governors and the Chair of the Finance, Risk and Audit Committee review the Management Accounts monthly and all Governors review the accounts bi-monthly, together with the Finance, Risk and Audit Committee at all its meetings.

Review of value for money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy 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.

Review of value for money (continued)

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

- ◆ Combining transactions to obtain volume discount, collaborating between departments to obtain better prices and securing discounts from bulk buying.
- ◆ Optimising the cost of delivering services and goods over the full life of contracts, rather than minimising the initial price.
- ◆ Reviewing all contracts to ensure that they offer value for money and where necessary changing suppliers for key items such as gas and electricity and consumables.
- ◆ Competitively tendering any major expenditure and presenting these to the Finance and Audit Committee for scrutiny and justification for value for money.
- ◆ Relevant funding has been used to ensure the Trust's estate is safe, well-maintained, and complies with regulations. The Academy's procurement process ensures good value for money, for example, tendering for the cleaning contract. Building and maintenance costs are budgeted for as part of wider financial strategic planning.
- ◆ Operating in line with the Academy Trust Handbook

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 Academy'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.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems, with an annual budget and periodic financial reports, which are reviewed and agreed by the Board of Governors;

The risk and control framework (continued)

- ◆ regular reviews by the Finance, Risk and Audit 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;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and in line with the newly revised FRC Ethical Standard appointed MacIntyre Hudson LLP as the Academy's internal auditor for the 2023/24 financial year. The internal auditor's role includes performing a range of checks on the Academy's financial systems and assessing the adequacy of controls in place to mitigate the risks faced by the Academy. The internal auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

During 2023/24 three internal audits focused on three areas, being review of the Academy's governance, financial controls and compliance with data protection legislation.

In the year ended 31 August 2024, the Governors confirm that the internal audit function has been delivered in line with requirements of the ESFA and the internal auditor is not aware of any material internal control issues in the year.

Review of effectiveness

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

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

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

Conclusion

Based on the advice of the Finance, Risk and Audit 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 Governing Body on 12 December 2024 and signed on their behalf by:



Gary Griffin
Chair of Governors



Mariella Ardron
Accounting Officer

Statement on regularity, propriety and compliance 31 August 2024

As Accounting Officer of The Chelsea Academy (A Science Academy), I have considered my responsibility to notify the Academy's Board of Governors and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

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

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



Mariella Ardron
Accounting Officer
Date: 12th December 2024

Statement of Governors' responsibilities 31 August 2024

The Governors (who act as trustees of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued 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 Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Academy and of its income and expenditure for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2023 to 2024;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 Academy will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy 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 Governors are responsible for the maintenance and integrity of the charity and financial information included on the Academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors on 12th December 2024 and signed on its behalf by:



Gary Griffin
Chair of Governors

Independent auditor's report to the members of The Chelsea Academy (A Science Academy)

Opinion

We have audited the financial statements of The Chelsea Academy (A Science Academy) (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. 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), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP (FRS 102)) and the Academies Accounts Direction 2023 to 2024.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of 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 (FRS 102) and 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information (covering the reference and administrative details, the report of the Governors and Strategic Report and the Governance Statement)

The Governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

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 Governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' report, which is also the directors' report for the purposes of company law and includes the 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the strategic report.

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

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

Responsibilities of Governors

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

Responsibilities of Governors (continued)

In preparing the financial statements, the Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2023 to 2024, the Academy Trust Handbook 2023, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of governors' meetings and papers provided to the governors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of governors meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

This report is made solely to the 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.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

16 December 2024

Independent reporting accountant's assurance report on regularity to The Chelsea Academy (A Science Academy) and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 31 July 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 The Chelsea Academy (A Science Academy) during the period from 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Chelsea Academy's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Chelsea Academy's funding agreement with the Secretary of State for Education dated 2 April 2007 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 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.

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 limited assurance 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.

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

Nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 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.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

16 December 2024

Statement of financial activities (including income and expenditure account)
Year to 31 August 2024

	Notes	Restricted funds			2024 Total funds £'000	2023 Total funds £'000
		Un- restricted general fund £'000	General £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	2	—	159	25	184	310
Charitable activities						
. Funding for the Academy's educational operations	4	—	10,807	—	10,807	10,084
Other trading activities	3	235	10		245	232
Investments	5	—	101	—	101	46
Total income		<u>235</u>	<u>11,077</u>	<u>25</u>	<u>11,337</u>	<u>10,672</u>
Expenditure on:						
Charitable activities						
. Academy's educational operations	7	<u>116</u>	<u>10,537</u>	<u>1,024</u>	<u>11,677</u>	<u>10,852</u>
Total expenditure	6	<u>116</u>	<u>10,537</u>	<u>1,024</u>	<u>11,677</u>	<u>10,852</u>
Net income (expenditure) before transfers		119	540	(999)	(340)	(180)
Transfers between funds	14	<u>—</u>	<u>(50)</u>	<u>50</u>	<u>—</u>	<u>—</u>
Net (expenditure) income		119	490	(949)	(340)	(180)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	18	<u>—</u>	<u>(75)</u>	<u>—</u>	<u>(75)</u>	<u>68</u>
Net movement in funds		119	415	(949)	(415)	(112)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2023		<u>763</u>	<u>1,339</u>	<u>30,688</u>	<u>32,790</u>	<u>32,902</u>
Total fund balances carried forward at						
31 August 2024		<u>882</u>	<u>1,754</u>	<u>29,739</u>	<u>32,375</u>	<u>32,790</u>

All of the Academy's activities derived from continuing operations during the above two financial periods.

All gains and losses are included in the above Statement of Financial Activities.

Balance sheet 31 August 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	11		29,739		30,688
					<u>30,688</u>
Current assets					
Stock		—		—	
Debtors	12	348		510	
Cash on deposit		2,100		1,300	
Cash at bank and in hand		1,007		1,180	
		<u>3,455</u>		<u>2,990</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(819)		(888)	
Net current assets			<u>2,636</u>		<u>2,102</u>
Net assets excluding pension scheme liability					
			32,375		32,790
Defined benefit pension scheme liability	18		<u>—</u>		<u>—</u>
Total net assets			<u>32,375</u>		<u>32,790</u>
Restricted funds					
Fixed assets fund			29,739		30,688
Restricted income fund	14	1,754			1,339
Pension reserve	14	—			—
Total restricted funds	14		<u>31,493</u>		<u>32,027</u>
Unrestricted income funds					
General fund	14		882		763
Total funds			<u>32,375</u>		<u>32,790</u>

The financial statements on pages 29 to 53 were approved by the Governors, and authorised for issue on 12th December 2024 and are signed on their behalf by:



Gary Griffin
Chair

The Chelsea Academy (A Science Academy), Company Limited by Guarantee
Registration Number: 06176090 (England and Wales)

Statement of cash flows Year to 31 August 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	576	516
Cash flows from investing activities			
	B	(749)	(1,336)
Change in cash and cash equivalents in the year		(173)	(820)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2023		1,180	2,000
Cash and cash equivalents at 31 August 2024	C	1,007	1,180

A Reconciliation of net expenditure to net cash provided by operating activities

	2024 £'000	2023 £'000
Net expenditure for the year (as per the statement of financial activities)	(340)	(180)
Adjusted for:		
Depreciation (note 11)	1,024	1,008
Capital grants from DfE and other capital income	(25)	(92)
Interest receivable	(101)	(46)
Defined benefit pension scheme cost less contributions payable (note 18)	4	93
Defined benefit pension scheme finance cost (note 18)	(79)	(25)
Decrease in stock	—	16
Decrease (increase) in debtors	162	(49)
Decrease increase in creditors	(69)	(209)
Net cash provided by operating activities	576	516

B Cash flows used in investing activities

	2024 £'000	2023 £'000
Interest from investments	101	46
Purchase of tangible fixed assets	(75)	(174)
Capital grants from DfE/ESFA	25	74
Cash placed on deposit	(800)	(1,300)
Capital funding received from sponsors and others	—	18
Net cash provided used in investing activities	(749)	(1,336)

Statement of cash flows Year to 31 August 2024

C Analysis of cash and cash equivalents

	2024	2023
	£'000	£'000
Cash at bank and in hand	1,007	480
Short-term deposits (less than 3 months)	—	700
Total cash and cash equivalents	1,007	1,180

D Analysis of changes in net debt

	At 1 September 2023 £'000	Cash flows £'000	At 31 August 2024 £'000
Cash and cash equivalents	1,180	(173)	1,007
Total	1,180	(173)	1,007

Principal accounting policies Year to 31 August 2024

Statement of 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.

Basis of preparation

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

The financial statements are presented in sterling and are rounded to the nearest thousand.

Going concern

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

Income

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

Grants

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance 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.

Income (continued)

Sponsorship income

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

Donations

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

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's 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 has provided the goods or services.

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.

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to the restricted fixed assets fund in the statement of financial activities and are carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed assets fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Principal accounting policies Year to 31 August 2024

Tangible fixed assets (continued)

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

◆ Buildings	2%
◆ Leasehold improvements	3.33 - 33%
◆ Furniture and equipment	20%
◆ Computer equipment	33%
◆ Motor vehicles	20%

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.

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.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Cash at bank and cash on deposit – are classified as basic financial instruments and are measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

Restricted fixed assets funds are resources which are to be applied to specific capital purposes imposed by the ESFA, Department for Education or other funder, where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted resources received and include grants from the ESFA and Department for Education.

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Agency arrangements

The Academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 22.

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2024 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. Any savings in excess of these limits may be taken into account in the payment of subsequent grants.

The Academy has exceeded these limits during the year and has plans in place to address this moving forward. As a result, the Academy has not adjusted for the excess within these financial statements.

2 Donations and capital grants

2024	Restricted funds £000	Restricted fixed assets funds £000	2024 Total funds £000
Capital grants	—	25	25
Donated fixed assets	—	—	—
Other donations	159	—	159
	159	25	184

2023	Restricted funds £000	Restricted fixed assets funds £000	2023 Total funds £000
Capital grants	—	84	84
Donated fixed assets	—	3	3
Other donations	218	5	223
	218	92	310

3 Other trading activities

2024	Unrestricted funds £000	Restricted funds £000	2024 Total funds £000
Hire of facilities/ lettings income	132	—	132
Income from other charitable activities	29	10	39
Income from ancillary trading activities	74	—	74
	235	10	245

2023	Unrestricted funds £000	Restricted funds £000	2023 Total funds £000
Hire of facilities/ lettings income	129	—	129
Income from other charitable activities	25	13	38
Income from ancillary trading activities	65	—	65
	219	13	232

4 Funding for the Academy's educational operations

2024	Unrestricted funds £000	Restricted funds £000	2024 Total funds £000
DfE/ESFA grants			
General Annual Grant (GAG) (note 1)	—	7,147	7,147
16-19 funding	—	1,860	1,860
Pupil premium	—	417	417
Catch up/recovery premium	—	111	111
Mainstream schools additional grant	—	268	268
Teachers' pay grant	—	137	137
Teachers' pension grant	—	155	155
Other DfE	—	112	112
	—	10,207	10,207
Other Government grants			
. Local authority grants	—	553	553
	—	553	553
Other income from the Academy Trust's educational operations	—	47	47
	—	47	47
	—	10,807	10,807
<hr/>			
	<i>Unrestricted funds £000</i>	<i>Restricted funds £000</i>	<i>2023 Total funds £000</i>
2023			
DfE/ESFA grants			
General Annual Grant (GAG)	—	6,786	6,786
16-19 funding	—	1,761	1,761
Pupil premium	—	405	405
Catch up/recovery premium	—	111	111
Mainstream schools additional grant	—	112	112
Teachers' pay grant	—	65	65
Teachers' pension grant	—	231	231
Other DfE	—	136	136
	—	9,607	9,607
Other Government grants			
. Local authority grants	—	405	405
	—	405	405
Other income from the Academy Trust's educational operations	—	72	72
	—	72	72
	—	10,084	10,084

Notes to the financial statements Year to 31 August 2024

5 Investment income

	Restricted funds £000	Restricted fixed assets funds £000	2024 Total funds £000	2023 Total funds £000
Interest from short term deposits	101	—	101	46
	101	—	101	46

6 Expenditure

2024	Staff costs (note 9) £000	Non pay expenditure		2024 Total funds £000
		Premises £000	Other costs £000	
Academy's educational operations (note 7)				
. Direct costs	6,839	1,024	967	8,830
. Support costs	1,303	902	642	2,847
	8,142	1,926	1,609	11,677

2023	Staff costs (note 9) £000	Non pay expenditure		2023 Total funds £000
		Premises £000	Other costs £000	
Academy's educational operations (note 7)				
. Direct costs	6,461	1,008	841	8,310
. Support costs	1,115	835	592	2,542
	7,576	1,843	1,433	10,852

	2024 Total funds £000	2023 Total funds £000
Net expenditure for the year is stated after charging:		
Operating lease rentals	60	72
Depreciation	1,024	1,008
Fees payable to auditor		
. Statutory audit	16	17
. Other services	4	4

7 Charitable activities – Academy's educational operations

	2024 Total funds £000	2023 Total funds £000
Direct costs	8,830	8,310
Support costs	2,847	2,542
	11,677	10,852

	2024 Total funds £000	2023 Total funds £000
Analysis of support costs		
Support staff costs	1,303	1,115
Technology costs	42	42
Premises costs	902	835
Legal costs	3	2
Other support costs	573	523
Governance costs	24	25
Total support costs	2,847	2,542

Notes to the financial statements Year to 31 August 2024

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2023 between restricted and unrestricted funds:

	Notes	Un-restricted general fund £'000	Restricted funds		2023 Total funds £'000
			General £'000	Fixed assets fund £'000	
<i>Income from:</i>					
Donations and capital grants	2	—	218	92	310
<i>Charitable activities</i>					
. Funding for the Academy's educational operations	4	—	10,084	—	10,084
Other trading activities	3	219	13	—	232
Investments	5	—	46	—	46
Total income		219	10,361	92	10,672
<i>Expenditure on:</i>					
<i>Charitable activities</i>					
. Academy's educational operations	7	85	9,759	1,008	10,852
Total expenditure	6	85	9,759	1,008	10,852
Net income (expenditure) before transfers		134	602	(916)	(180)
<i>Transfers between funds</i>	14	—	(82)	82	—
Net (expenditure) income		134	520	(834)	(180)
<i>Other recognised gains and losses</i>					
Actuarial gains on defined benefit pension scheme	18	—	68	—	68
Net movement in funds		134	588	(834)	(112)
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September 2022		629	751	31,522	32,902
Total fund balances carried forward at 31 August 2023		763	1,339	30,688	32,790

9 Staff

(a) Staff costs

Staff costs during the year were:

	2024 Total funds £000	2023 Total funds £000
Wages and salaries	6,026	5,649
Social security costs	684	644
Pensions	1,124	1,110
	7,834	7,403
Supply staff costs	308	155
Staff restructuring costs	—	18
	8,142	7,576
Staff restructuring costs comprise:		
Redundancy payments	—	18
	—	18

(b) Special staff severance payments

There were no special staff severance payments in 2023/24 (2022/23: none).

(c) Staff numbers

The average number of persons (including the Leadership Team) employed by the Academy during the year ended 31 August 2024 was as follows:

Charitable activities	2024 No.	2023 No.
Teachers	70	74
Administration and support	42	43
Management	9	9
	121	126

The average number of persons (including the Leadership Team) employed by the Academy during the year ended 31 August 2024 expressed as full-time equivalents was as follows:

Charitable activities	2024 FTE	2023 FTE
Teachers	68	70
Administration and support	38	39
Management	9	9
	115	118

(d) Higher paid staff

The number of employees whose emoluments (excluding employer pension costs) fell within the following bands was:

	2024	2023
£60,001 - £70,000	19	11
£70,001 - £80,000	6	5
£80,001 - £90,000	5	1
£90,001 - £100,000	1	1
£110,001 - £120,000	—	—
£120,001 - £130,000	—	1
£130,001 - £140,000	1	—

Staff (continued)

(d) Higher paid staff (continued)

All of the above employees participated in either the Teachers' Pension Scheme (TPS) or the Local Government Pension Scheme (LGPS). During the year ended 31 August 2024 pension contributions for these staff members amounted to £530,137 (2023 – £308,295).

e) Key management personnel

The key management personnel of the Academy comprise the Governors and the Leadership Team as listed on page 1. The Governors were not remunerated for their role as Governors. The total value of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Academy was £1,105,510 (2023 – £980,020).

9 Governors' remuneration and expenses

The Principal only receives remuneration in respect of services they provide undertaking the role of Principal and not in respect of their service as a Governor. Other Governors did not receive any payments from the Academy in respect of their role as Governors. The value of Governors' remuneration and other benefits for the period in which they served as a Governor was as follows:

	2024	2023
	£'000	£'000
Mariella Ardron, Principal and Trustee		
. Remuneration	130-140	120-125
. Employer's pension contributions	30-35	25-30

The value of expense claims reimbursed to Governors during the year ended 31 August 2024 was £nil (2023 – £nil).

Other related party transactions involving the Governors are set out in note 19.

10 Governors' and Officers' insurance

The Academy is a member of the Risk Protection Arrangement, the Government scheme which provides comprehensive risk protection for public sector schools. The scheme includes an indemnity to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

11 Tangible fixed assets

	Leasehold buildings £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total funds £000
Cost					
At 1 September 2023	41,046	1,036	1,193	28	43,303
Additions	—	24	51	—	75
Disposals	—	(7)	(9)	—	(16)
At 31 August 2024	41,046	1,053	1,235	28	43,362
Depreciation					
At 1 September 2023	10,713	881	993	28	12,615
Charge in year	876	39	109	—	1,024
Disposals	-	(7)	(9)	—	(16)
At 31 August 2024	11,589	913	1,093	28	13,623
Net book value					
At 31 August 2024	29,457	140	142	—	29,739
At 31 August 2023	30,333	155	200	—	30,688

12 Debtors

	2024 £'000	2023 £'000
Trade debtors	9	4
VAT recoverable	57	83
Prepayments and accrued income	282	423
	348	510

13 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	311	344
Taxation and social security	172	163
Other creditors	234	253
Accruals and deferred income	102	128
	819	888
Deferred income (included above)		
Deferred income at 1 September 2023	1	25
Released during the year	(1)	(25)
Resources deferred in the year	5	1
Deferred income at 31 August 2024	5	1

Deferred income relates to income for trips received in advance.

14 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)	1,339	7,147	(6,682)	(50)	1,754
. 16-19 funding	—	1,860	(1,860)	—	—
. Pupil premium	—	417	(417)	—	—
. Catch-up/Recovery premium	—	111	(111)	—	—
. Mainstream schools additional grant	—	268	(268)	—	—
. Teachers' pay grant	—	137	(137)	—	—
. Teachers' pension grant	—	155	(155)	—	—
. Local authority funding	—	553	(553)	—	—
. Other	—	429	(429)	—	—
. Pension reserve	—	—	75	(75)	—
	<u>1,339</u>	<u>11,077</u>	<u>(10,537)</u>	<u>(125)</u>	<u>1,754</u>
Restricted fixed assets fund					
. DfE/ESFA capital grants	24,909	25	(716)	50	24,268
. Capital expenditure from GAG	104	—	(34)	—	70
. Capital grants from Local Authority	4,107	—	(224)	—	3,883
. Private sector capital sponsorship	1,568	—	(50)	—	1,518
	<u>30,688</u>	<u>25</u>	<u>(1,024)</u>	<u>50</u>	<u>29,739</u>
Unrestricted funds					
. General funds	763	235	(116)	—	882
Total unrestricted funds	<u>763</u>	<u>235</u>	<u>(116)</u>	<u>—</u>	<u>882</u>
Total funds	<u>32,790</u>	<u>11,337</u>	<u>(11,677)</u>	<u>(75)</u>	<u>32,375</u>

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

Restricted funds

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2024. Note 1 discloses whether the limit was exceeded.

Fixed asset fund

These grants relate to funding received from the DfE, ESFA and private sponsors to carry out works of a capital nature as part of the School Building project at Lots Road and other fixed assets purchased by the Academy.

Pension reserve

The pension reserve relates to the Academy's share of the assets and obligations in the Local Government Pension Scheme administered by the Royal Borough of Kensington & Chelsea.

14 Funds (continued)

Comparative information

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

	<i>Balance at 1 September 2022 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains, losses and transfers £000</i>	<i>Balance at 31 August 2023 £000</i>
<i>Restricted general funds</i>					
. General Annual Grant (GAG)	751	8,630	(7,960)	(82)	1,339
. Pupil premium	—	405	(405)	—	—
. Catch-up/Recovery premium	—	111	(111)	—	—
. Other DfE/ESFA COVID-19 funding	—	23	(23)	—	—
. Other COVID-19 funding	—	110	(110)	—	—
. Other	—	1,082	(1,082)	—	—
. Pension reserve	—	—	(68)	68	—
	<u>751</u>	<u>10,361</u>	<u>(9,759)</u>	<u>(14)</u>	<u>1,339</u>
<i>Restricted fixed assets fund</i>					
. DfE/ESFA capital grants	25,556	74	(721)	—	24,909
. Capital expenditure from GAG	37	—	(15)	82	104
. Capital grants from Local Authority	4,316	13	(222)	—	4,107
. Private sector capital sponsorship	1,613	5	(50)	—	1,568
	<u>31,522</u>	<u>92</u>	<u>(1,008)</u>	<u>82</u>	<u>30,688</u>
<i>Unrestricted funds</i>					
. General funds	629	219	(85)	—	763
<i>Total unrestricted funds</i>	<u>629</u>	<u>219</u>	<u>(85)</u>	<u>—</u>	<u>763</u>
<i>Total funds</i>	<u>32,902</u>	<u>10,672</u>	<u>(10,852)</u>	<u>68</u>	<u>32,790</u>

15 Analysis of net assets between funds

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset fund £000	Total 2024 £000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	—	—	29,739	29,739
Current assets	882	2,573	—	3,455
Current liabilities	—	(819)	—	(819)
Total net assets	<u>882</u>	<u>1,754</u>	<u>29,739</u>	<u>32,375</u>

15 Analysis of net assets between funds (continued)

	<i>Unrestricted funds £000</i>	<i>Restricted general funds £000</i>	<i>Restricted fixed asset fund £000</i>	<i>Total 2023 £000</i>
<i>Fund balances at 31 August 2023 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	30,688	30,688
<i>Current assets</i>	763	2,227	—	2,990
<i>Current liabilities</i>	—	(888)	—	(888)
<i>Total net assets</i>	<u>763</u>	<u>1,339</u>	<u>30,688</u>	<u>32,790</u>

16 Commitments under operating leases

Operating leases

At 31 August 2024, the total of the Academy's future minimum lease payments under operating leases for equipment was as follows:

	2024 £'000	2023 £'000
Amounts due within one year	62	50
Amounts due between two and five years inclusive	76	30
	<u>138</u>	<u>80</u>

17 Members' liability

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

18 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Royal Borough of Kensington and Chelsea. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £127,036 were payable to the schemes at 31 August 2024 (2023 – £113,553) and are included within creditors.

18 Pension and similar obligations (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The actuarial valuation of the TPS which applied during the year was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

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

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

The employer's pension costs paid to TPS in the period amounted to £993,896 (2023 – £850,429).

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

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

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £294,000 (2023 – £275,000) of which employer’s contributions totalled £206,000 (2023 – £194,000) and employees’ contributions totalled £88,000 (2023 – £81,000). The agreed contribution rates for future years are 15.3% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022.

Principal Actuarial Assumptions	At 31 August 2024	At 31 August 2023
Rate of increase in salaries	3.65%	3.95%
Rate of increase for pensions in payment / inflation	2.65%	2.95%
Discount rate for scheme liabilities	5.00%	5.20%
Inflation assumption (CPI)	2.65%	3.10%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2024 years	At 31 August 2023 years
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.5	24.5
<i>Retiring in 20 years</i>		
Males	22.7	22.8
Females	25.6	25.7

Sensitivity analysis

The below analysis shows the monetary increase to the defined benefit obligation for the following changes in assumptions:

	At 31 August 2024 £'000	At 31 August 2023 £'000
Discount rate +0.1%	(122)	(113)
Discount rate -0.1%	122	113
Mortality assumption – 1 year increase	157	141
Mortality assumption – 1 year decrease	(157)	(141)
CPI rate +0.1%	124	113
CPI rate -0.1%	(124)	(113)

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2024 £'000	Fair value at 31 August 2023 £'000
Equities	4,928	4,182
Corporate bonds	243	201
Property	670	504
Cash and other liquid assets	243	151
Total market value of assets	6,084	5,038
Less: liabilities	(3,924)	(3,521)
Adjustment recognised in actuarial losses to cap the scheme surplus*	(2,160)	(1,517)
Deficit in the scheme	—	—

*As the LGPS surplus is irrecoverable, recognition of the scheme surplus on the balance sheet has been restricted to nil. The adjustment of £2,160,000 has been offset against the overall actuarial gain for the year.

Amounts recognised in statement of financial activities	2024 £'000	2023 £'000
Current service cost	208	287
Interest income	(269)	(197)
Interest cost	190	172
Administration expenses	—	—
Total amount recognised in the SOFA	129	262

Analysis of pension finance (income)/costs

Expected return on pension scheme assets	(269)	(197)
Interest on pension liabilities	190	172
Pension finance (income)/costs	(79)	(25)

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

	2024 £'000	2023 £'000
At 1 September 2023	3,521	3,883
Current service cost	208	287
Interest cost	190	172
Employee contributions	87	81
Actuarial loss	(59)	(886)
Benefits paid	(23)	(16)
At 31 August 2024	3,924	3,521

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy's share of scheme assets:	2024 £'000	2023 £'000
At 1 September 2023	5,038	4,502
Interest income	269	197
Actuarial gain	509	80
Employer contributions	204	194
Employee contributions	87	81
Benefits paid	(23)	(16)
At 31 August 2024	6,084	5,038

19 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Academy sponsors are the Royal Borough of Kensington and Chelsea (RBKC) and the London Diocesan Board for Schools (LDBS). During the year ended 31 August 2024, £393,804 (2023 – £267,594) was received from RBKC and £20,284 was included in debtors at the year-end (2023 - £54,524).

The Academy bought back a number of services from both sponsors during the year ended 31 August 2024 including commercial waste disposal, educational psychology and recruitment advertising.

During the year ended 31 August 2024 payments to RBKC were £20,660 (2023 – £23,382). Business rates of £88,479 were paid directly to RBKC by the ESFA and were deducted off the Academy's GAG funding (2023 - £83,081). At year end a balance of £nil was owed to RBKC (2023 – £ nil).

Payments of £10,679 were made to LDBS during the year for services which were provided at cost (2023 – £10,500).

The Academy paid Marylebone Boys School £nil for Business manager support services in the year (2023 – £600) and received donated assets valued at £nil (2023 - £2,500) from Marylebone Boys School. Marylebone Boys School is a related party of the Academy as the Principal's spouse is the headteacher of the School.

Aside from the late notification of one of the above related party transactions, the Academy has complied with the requirements of the Academy Trust Handbook in connection with these transactions.

19 Related party transactions (continued)

The Chelsea Academy Foundation (“the Foundation”) is a legally separate charity which is, nevertheless, closely associated with the Academy. The Foundation and the Academy had one common trustee until 28 February 2024 when the trustee resigned from the Foundation’s board of trustees. The Foundation exists to raise funds to support access for all students, regardless of their financial means, to the range of extended curriculum. During the year, the Foundation agreed to fund £159,016 (2023 – £218,170) of the Academy’s expenditure. £9,016 was owed to the Academy at 31 August 2024 (2023 – £18,944).

Other than the above and the transactions disclosed in note 9, there were no further related party transactions in the year (2023 – none).

20 Capital commitments

The Academy had capital commitments of £nil at 31 August 2024 (2023 – £nil).

21 Reconciliation of net movement in funds to operating surplus excluding movements in fixed assets and pension scheme adjustments

	2024	2023
	£’000	£’000
Net movement in funds	(415)	(112)
Add back:		
. Depreciation	1,024	1,008
. Pension finance costs	(79)	(25)
. Pension adjustment to staff costs	4	93
. Actuarial (gains) losses on pension scheme	75	(68)
Deduct:		
. Capital grant income	(25)	(92)
Operating surplus for the year before transfers	584	804
Transfers representing restricted funds utilised on fixed asset purchases	(50)	(82)
Operating surplus for the year	534	722

22 Agency agreements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2024 the Academy received £27,800 (2023 – £23,104) and disbursed £32,065 (2023 - £10,562) from the fund. An amount of £28,880 (2023 - £33,145) is included in other creditors relating to undistributed funds.