

COMPANY REGISTRATION NUMBER: 07840925

(England and Wales)

ARNSIDE NATIONAL CHURCH OF ENGLAND SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

Year Ended 31st August 2025

ARNSIDE NATIONAL CHURCH OF ENGLAND SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2025

| CONTENTS | PAGE |
|--|-------------|
| Reference and Administrative Details | 2 |
| Trustees' Report | 4 |
| Governance Statement | 10 |
| Statement on Regularity, Propriety and Compliance | 14 |
| Statement of Trustees' Responsibilities | 15 |
| Independent Auditor's Report on the Financial Statements | 16 |
| Independent Reporting Accountant's Report and Regularity | 20 |
| Statement of Financial Activities Incorporating the Income and Expenditure Account | 22 |
| Balance Sheet | 23 |
| Statement of Cash Flows | 24 |
| Notes to the Financial Statements, incorporating: | |
| Statement of Accounting Policies | 25 |
| Other Notes to the Financial Statements | 29 |

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---------------------------------|---|
| Members | The Right Reverend Rob Saner-Haigh, The Bishop of Penrith The Venerable Vernon Ross, Archdeacon of Westmorland and Furness. The Reverend Andrew Norman Mr Mark Chater - Diocesan Board of Finance Mrs T Taylor, The Chairperson of Governors |
| Trustees | Mr N Sharp (Head Teacher and Accounting Officer) ** Mr I Service (Foundation Governor, Vice Chair) Mrs S Griffith (Foundation Governor, resigned 1-1-25) ** Rev'd A Norman (Ex officio Foundation Governor) ** Mr G Armstrong (Co-opted Governor, resigned 12-10-25) ** Mr C Hargreaves (Parent Governor, resigned 12-10-24) ** Mr C Myers (Parent Governor – Chairperson, resigned 8-7-25) Mrs C Hartropp (Staff Governor) Rev'd H Wallace (Foundation Governor) Mrs S Woodburn (Foundation Governor, resigned 8-7-25) ** Mrs T Taylor (Foundation Governor – Chairperson from 8-7-25) Mrs C Firth (Foundation Governor) Ms J Lee (Foundation Governor appointed 4-12-24) ** Mrs G Singleton (Parent Governor, appointed 17-9-24) ** Mrs L Taylor (Parent Governor, appointed 16-9-25) **Members of Finance Committee |
| Company Secretary | Mrs S Glendinning |
| Senior Management Team | Head Teacher - Mr N Sharp |
| Company Name | Arnside National Church of England School |
| Principal and registered office | Church Hill Arnside Carnforth Cumbria LA5 0DW |
| Company registration number | 07840925 (England and Wales) |
| Independent Auditors | Saint & Co Chartered Accountants & Statutory Auditors The Old Police Station Church Street Ambleside Cumbria, LA22 0BT |
| Bankers | Cumberland Building Society Cumberland House Castle Street Carlisle, CA3 8BR |
| Solicitors | Beaty & Co 1 Victoria Place Wigton Cumbria, CA7 9PJ |

TRUSTEES' REPORT

The trustees' present their annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2024 to 31 August 2025. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area around Arnside. It has a pupil capacity of 168 and had a roll of 104 (includes 9 nursery pupils) on the school census in January 2025.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees act as the governors for the charitable activities of Arnside National Church of England School Academy Trust Limited and are also directors of the charitable company for the purpose of company law. The charitable company is known as Arnside National Church of England School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 2.

Members' Liability

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

Trustees' Indemnities

Arnside National Church of England School Academy have liability insurance in place, note 10 refers.

Method of Recruitment and Appointment or Election of Trustees

The Trustees' term of office is four years, but they are eligible for re-election at the meeting at which they retire. Both the chair and vice –chair have been elected for a four-year term (2022-2026). Mr G Myers was elected as Chair of Governors on the 9-7-24 and resigned on the 8-7-25, Mrs T Taylor is now the elected Chair of Governors from 8-7-25 and Mr I Service as Vice Chair of Governors.

During the period under review the Trustees held five full meetings.

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Foundation Governors are appointed by the Diocesan Board of Education after consulting with the PCC of the Parish, the LA will appoint the LA Governor and the parents of the pupils within the academy shall elect the Parent Governor with Co-opted Governors appointed by the Governing Body.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new non-staff Trustees have an induction meeting usually with the Clerk and Head Teacher, the training and induction process will depend on their existing experiences. Trustees have access to all policies, improvement plans; minutes and other relevant documentation that they need to undertake their role as trustee.

Organisational Structures

The management structure consists of two levels: The Trustees and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointment. The Leadership Team is comprised of the Head Teacher. The Leadership Team control the Academy at a day to day level, implementing the policies laid down by the Trustees and reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

The trust has adopted the Local Authority recommended pay policy and appraisal policy. This follows the guidance set out in the Teachers' Pay and Conditions document. Salary progression is linked to staff meeting all appraisal objectives.

Related Parties and other Connected Charities and Organisations

The trust does not have any related parties or connections with other charities and organisations.

Trade Union Facility Time

No staff time was allocated to union activities.

Risk Management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

The Trustees have overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure the financial statements comply with the Companies Act. The Trustees also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Academy is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or dispositions.
- The proper records are maintained, and financial information used within the Academy or for publication is reliable.
- The Academy complies with relevant laws and regulations.

Objectives and Activities

Objects and Aims

The principal objective and activity of the charitable company is the operation of Arnside National Church of England School, to provide education for pupils aged 3 to 11.

In accordance with the Funding Agreement made under section 1 of the Academies Act 2010, between the Secretary of State for Education and the Academy Trust, the Academy is governed by a board of trustees which exercises the powers and functions with a view to fulfilling a largely strategic role in the running of the school. The curriculum, in substance, complies with statutory requirements.

Objectives, Strategies and Activities

The main objectives of the Academy during the year ended 31 August 2025 are summarised below:

- To ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement and progress of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To maintain close links with the community;
- Effectively use Carlisle Diocese and local cluster networks to improve school-to-school support;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The Academy's main strategy is to raise standards of achievement and progress through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy is teaching and learning: its people and resources are constantly measured by their contribution to the overall quality of teaching and learning and therefore the standards achieved by its students.

Key activities which support the main strategic purpose of the organisation are:

- Robust quality assurance processes which are transparent and inform all subsequent actions;
- Secure use of data and tracking to measure progress and inform actions and interventions;
- A constant review of CPD and training opportunities for staff.

Equal opportunities policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Ramps are installed and the door widths are adequate to enable wheelchair access to the main areas of the school. The policy of the school is to support recruitment and retention of pupils and employees with disabilities. The Academy does this by adapting the physical environment, by making resources available and through training and career development.

Public Benefit

In setting our objectives and planning our activities the trustees have complied with the Charity Commission's general guidance on public benefit. Pupils are admitted in accordance with the admissions policy agreed with the Department for Education (DfE). Children are admitted from a range of backgrounds. The school has a rich curriculum which aims to deliver good academic progress with a range of activities and experiences, offering pupils a chance to demonstrate their abilities and potential.

Strategic Report

Achievements and Performance

There are currently 97 pupils on roll (including 10 part time nursery pupils).
Statutory assessments in 2024 – 2025 were fully completed and outcomes were:

In the Reception (8 pupils), Early Years Foundation Stage Profile (EYFSP) 63% of pupils made a ‘good level of development’ (GLD).

In the Year 1 phonics test, 100% of pupils gained the expected level.

Our results for the OPTIONAL 2025 KS1 National Standard Attainment Tests were as follows:

| Key Stage 1 12 Pupils Teacher Assessment | Working towards the expected Year 2 standard WTS | Working at the expected Year 2 standard and above EXS+ | Working at greater depth Year 2 standard GDS |
|---|--|--|--|
| Maths | 25% | 75% | 16% |
| Reading | 25% | 75% | 8% |
| Writing | 25% | 75% | 8% |
| Spelling and grammar | 42% | 58% | 8% |
| Science | 16% | 84% | |

Our results for the 2025 KS2 National Standard Attainment Tests (SATs) were as follows:

| Key Stage 2 17 Pupils (1 pupil = 6%) Test results | | Not achieved the expected Year 6 standard (NS) | Achieved the expected Year 6 standard (AS) |
|--|--|--|--|
| Maths | | - | 100% |
| Reading | | - | 100% |
| Spelling and grammar | | - | 100% |

| Key Stage 2 17 Pupils (1 pupil = 6%) Teacher assessment | Working towards the expected Year 6 standard WTS | Working at the expected Year 6 standard and above EXS+ | Working at greater depth Year 6 standard GDS |
|--|--|--|--|
| Writing | - | 100% | 18% |
| Science | - | 100% | |

The main achievements for the period included:

- School has received a successful OFSTED visit with ‘GOOD’ outcomes (June ’24);
- School has recruited new Governors based on the skills audit;
- Class teachers have developed curriculum mapping to ensure clarity and progression across all subject areas;
- All staff have access high quality CPD through cluster networks and the PTI learning platform;
- School has successfully developed weekly playgroup provision for toddlers;
- The budget was carefully monitored by the Governing Body to ensure minimum impact.

Going Concern

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

Financial Review

Financial Review for the year

Most of the academy's income is obtained from the DFE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year ended 31 August 2025 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DFE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2025, the excess of income over expenditure on the restricted funds for the period was £31,650 (excluding the pension deficit transferred and the pension fund movement).

During the year ended 31 August 2025, the excess of income over expenditure on the un-restricted fund for the period was £619.

At 31 August 2025 the net book value of fixed assets was £1,967,865 as shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The Governors are aware of the financial challenges faced by schools in relation to the ongoing review of funding both locally and nationally. The Governors receive regular financial updates and formally meet as a finance committee to discuss these. The reporting allows Governors to monitor financial position against budget and highlight any areas of concern.

Reserves Policy

The academy's 'free reserves' are its funds after excluding restricted funds. "Free reserves" are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent funds that are not yet spent, committed or designated.

The academy's current level of 'free reserves' is £43,312.

Demands on the academy's restricted general reserves will vary over the coming years. The academy's long-term policy is that the appropriate level of restricted general reserves should be at least £20,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy's current level of restricted general reserves is £67,800.

Investment Policy

The trustees have resolved to hold only one bank account, if fund levels increase the opening of a deposit account will be reviewed.

Principal Risks and Uncertainties

Arnside National Church of England School currently has 97 pupils on roll, the key risk to the school is fluctuations in pupil numbers, this risk is deemed high as the school had been full for a number of years, and numbers have now started to fall due to larger year 6 groups leaving and a smaller reception year group starting, this has been a trend for the past 3 years, this is likely to be an issue for the next few years.

Trust Estate Management

The trust undertakes regular reviews of the principal risks faced and the control measures in place to mitigate these risks. To assist in this process, the trust uses external Health and Safety consultants to undertake regular audits of the trust's practices and procedures, and provide help and guidance on implementing legislative changes and best practice.

Financial and Risk Management Objectives and Policies

As an academy funded directly by the Department for Education, funding streams are considered to be reasonably safe and secure. The risk mainly arises from changes in Government policy, funding levels and fluctuations in pupil numbers, especially if the roll falls.

The academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The academy's share of the scheme's assets is currently assessed to be more than its liabilities in the scheme, which gives rise to an asset value of £119,000. As explained in note 23 this asset is not recognised in the academy balance sheet.

The employer contributions were reassessed in 2022 and has identified a £6,800 deficit recovery over 3 years.

Principal Funding Sources

The majority of the Academy's income is obtained from the Department of Education (DFE) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Fundraising

All fundraising for the school is carried out by the PTA committee and the school access this by submitting requests to the PTA for financial support towards specific projects.

Plans for Future Periods

The academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure all students are secure in their next steps on leaving the academy.

To ensure that standards are continually raised, the Academy, the Board of Trustees and the Leadership Team will:

- Continue to operate a robust quality assurance calendar which monitors the quality of teaching and learning;
- Undertake a rigorous review of attainment using teacher assessment and levels of progress of students, paying particular regard to their achievement on entry and levels of progress secured;
- Use attainment trackers to monitor the progress of all pupils to meet their individual needs;
- To develop teaching and learning effectively to ensure that all children access the demands of the National Curriculum with a particular emphasis on the RE and English curriculum.

The academy’s key objectives for the forthcoming year are:

- To sustain attainment and progress in maths by the end of Key Stage 2.
- Work in collaboration with the cluster network to contribute positively in school to school support;
- Use the Governor skills audit to develop succession planning for the future;
- Promote well-being and mental health awareness for pupils and staff;
- Embed church school distinctiveness in all aspects of school life.
- To develop outdoor provision for SEND and vulnerable pupils.

Auditor

Insofar as the trustees are aware:

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

The Trustees’ report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on their behalf by:

.....

Mrs T Taylor
Trustee

Date:

GOVERNANCE STATEMENT

Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in the DFE's Governance Guide.

The board of trustees has delegated the day-to-day responsibility to Mr N Sharp, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Arnside National Church of England School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met five times during the year to 31 August 2025. Attendance during this period at meetings of the board of trustees was as follows:

| Governor | Meetings Attended | Out of a possible |
|---|--------------------------|--------------------------|
| Mr N Sharp (head teacher and accounting officer) | 5 | 5 |
| Mr I Service (Foundation Governor, Vice Chair) | 5 | 5 |
| Mrs S Griffith (Foundation Governor, resigned 1-1-25) | 1 | 2 |
| Rev'd A Norman (Ex officio Foundation Governor) | 4 | 5 |
| Mr G Armstrong (Local Authority, resigned 12-10-25) | 4 | 5 |
| Mr C Hargreaves (Parent Governor, resigned 12-10-24) | 0 | 1 |
| Mrs C Hartropp (Staff Governor) | 5 | 5 |
| Mr C Myers (Parent Governor – Chairperson, resigned 8-7-25) | 5 | 5 |
| Rev'd H Wallace (Foundation Governor) | 5 | 5 |
| Mrs S Woodburn (Foundation Governor, resigned 8-7-25) | 5 | 5 |
| Mrs T Taylor (Foundation Governor - Chairperson) | 4 | 5 |
| Mrs C Firth (Foundation Governor) | 5 | 5 |
| Mrs Janice Lee (Foundation Governor, appointed 4-12-24) | 3 | 3 |
| Mrs G Singleton (Parent Governor, appointed 17-9-24) | 4 | 4 |
| Mrs L Taylor (Parent Governor, appointed 16-9-25) | 0 | 0 |

Board of Trustees work, performance and changes in composition

The new Chair of Trustees, Mrs T Taylor, took up her post on the 8th July 2025.

We have signed up to the National Governor Association training programme which provides online training courses, this has been a valuable resource at a time when face to face training has not been taking place. Governors are provided with all papers including policies, finance reports and updates to Government guidance in advance of meetings to enable an informed discussion to take place.

Conflicts of interest

All Governors complete the Register of Business Interests on an annual basis at the first meeting of the Academic Year and Related Party forms during the audit process. Details of all interests declared are posted on the school's website. As well as the annual declaration, there is also a standing agenda item at all meetings to declare a conflict of interest on any agenda items.

The declaration register is referred to when procuring goods and services to ensure a Governor who has declared an interest is not party to making a decision during the procurement process. If any conflict arises during a Governing Body meeting, the individual would be asked to leave the meeting for that agenda item.

Governance Review

A review of governance utilising OFSTEDs "Effective Governance Criteria" was undertaken at the start of the academic year 2016/17 by the full governing body. The review was carried out to identify areas for improvement for governance in relation to leadership & management within the school. A full governing body skills audit was completed in September 2024 to identify the current skills of governors and any gaps which could be addressed as vacancies arise.

The **Finance Committee** is a sub-committee of the main board of trustees. Its purpose is to:

- Oversee the implementation of the school's policy for financial delegation;
- Agree objectives for the Head Teachers Performance Review with the Head teacher and external Advisor;
- Monitor the Head teachers progress towards these objectives;
- Determine the Head teachers' remuneration;
- Determine the pay of all teaching and non-teaching staff annually and inform them of their decision;
- Prepare and recommend the budget plan to the governing body' including the delegation of budget responsibilities;
- Regularly monitor income and expenditure against each budget heading;
- Ensure all financial returns are produced and reviewed;
- Award contracts by tender up to a specific limit (as set out in the financial delegation policy).

Attendance at meetings in the year was as follows:

| Trustee | Meetings Attended | Out of a possible |
|--|--------------------------|--------------------------|
| Mr N Sharp (head teacher and accounting officer) | 3 | 3 |
| Mrs S Griffith (Foundation Governor) | 1 | 1 |
| Rev'd A Norman (Foundation Governor) | 2 | 3 |
| Mr C Hargreaves (Parent Governor) | 0 | 1 |
| Mr G Armstrong (LA Governor) | 3 | 3 |
| Mrs S Woodburn (Foundation Governor) | 3 | 3 |
| Mrs J Lee (Foundation Governor) | 2 | 2 |
| Mrs G Singleton (Parent Governor) | 3 | 3 |

As the Trust's annual income is below the threshold set within the Academies Financial Handbook, there is no requirement for the Governing Body to establish a dedicated Audit & Risk Committee. Nevertheless, the Finance Committee and approves the Trust's programme of internal scrutiny in order to ensure that risks are being addressed appropriately and reports its findings to the full Governing Body on a regular basis.

Review of Value for Money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during the academic year, and reports to the governing body where value for money can be improved, including the use of

benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Always undertaking the principles of best value when purchasing goods and services;
- The flexible use of staffing to ensure continued provision for all pupils with an adult / pupil ratio that enables all pupils, regardless of age or ability to achieve;
- Develop a contracts register to enable the Academy to plan for potential changes;
- Liaise with the DFE on a regular basis to report changes and potential future financial issues;
- Implement recommendations from the SRMA report.

The school Finance Committee will hold regular finance meetings to monitor the budget and discuss problem areas and strategies on how to deal with any particular situation that may arise. The full Governing Body will be kept informed through financial reports tabled at Governors meetings.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Arnside National Church of England School for the year to 31st August 2025 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that the risks for the Academy are low and the monitoring of such risks through evaluating and managing them have been in place during the year to 31st August 2025 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Clearly defined purchasing guidelines as set out in the Financial Delegation Policy;
- Delegation of authority and segregation of duties as set out in the Financial Delegation Policy;
- Identification and management of risks.

Internal Scrutiny

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, they have appointed Mrs G Singleton a trustee to carry out a programme of internal checks. The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account / bank reconciliations

The reviewer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Along with this role the trustees have also bought in external financial support through 'Accountancy Service 4 Schools' to work with the school administrator to ensure the accounting system is accurate, that the system balances to external records on a monthly basis and reflects the true position of the school finances.

During the financial year the school has completed an Internal Scrutiny Visit, this involves a peer review being undertaken by a local trusts Chief Finance Officer. It involved the scrutiny of risk management procedures and non-financial controls within the school, looking at areas including – HR and Staffing, Safeguarding, Health & Safety, Risk Management, Insurance, IT Procedures, GDPR, Leadership and Governance and a light touch financial review.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The independent review of the system of internal controls has found these to be good and working as expected.

This option has been chosen because it was deemed most appropriate for an academy of this size and provides the best value for money.

Review of Effectiveness

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the Responsible Officer;
- The work of 'Accountancy Services 4 Schools';
- The work of a trustee
- The work of the peer reviewer

The accounting officer has been advised of the implications of the results of their review of the system of internal control to ensure continuous improvements of the system is in place.

Conclusion

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

Approved by order of the members of the governing body on and signed on behalf by:

Mrs T Taylor

Trustee

Mr N Sharp

Accounting Officer

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Arnside National Church of England School, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the trust's funding agreement with DFE and the requirements of the Academy Trust Handbook, including responsibilities for estate safety and management. I have also considered my responsibility to notify the academy trust board of trustees and DFE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estate safety and management.

I confirm that I and the board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the framework of authorities.

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

Mr N Sharp

Accounting Officer

.....

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of Arnside National Church of England School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Department for Education, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the governing body on and signed on behalf by:

Mrs T Taylor

Director and Chair of Governors

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ARNSIDE NATIONAL CHURCH OF ENGLAND SCHOOL

Opinion

We have audited the financial statements of the Arnside National Church of England School for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2024 to 2025.

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 Arnside National Church of England School's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ARNSIDE NATIONAL CHURCH OF ENGLAND SCHOOL (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (including the incorporated strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 trustees' report.

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

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

Responsibilities of trustees

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ARNSIDE NATIONAL CHURCH OF ENGLAND SCHOOL (continued)

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 and non-compliance with laws and regulations, is detailed below:

- 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 company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- 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 assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

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

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

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ARNSIDE NATIONAL CHURCH OF ENGLAND SCHOOL (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.

Mr Ian Thompson (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors

The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Date

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ARNSIDE NATIONAL CHURCH OF ENGLAND SCHOOL AND THE SECRETARY OF STATE FOR EDUCATION

In accordance with the terms of our engagement letter dated 09/10/2024 and further to the requirements of the Department for Education (DfE) as included in the extant Framework Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Arnside National Church of England School during the period 01 September 2024 to 31 August 2025 have not been applied to the purposes intended by Parliament and that the financial transactions do not conform to the authorities which govern them.

Respective Responsibilities of Arnside National Church of England School's accounting officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of the Arnside National Church of England School's funding agreement with the Secretary of State for Education dated 28/11/2011 and the Academy Trust Handbook 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 01 September 2024 to 31 August 2025 have not been applied for the 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 DfE, which requires a limited assurance engagement as set out in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- the Financial Management & Governance Evaluation (FMGE) was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing of borrowing agreements, including leases, to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests;
- where present obtaining the accounting officer's file.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
ARNSIDE NATIONAL CHURCH OF ENGLAND SCHOOL AND THE SECRETARY OF STATE
FOR EDUCATION (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2024 to 31 August 2025 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

This report is made solely to Arnside National Church of England School and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Arnside National Church of England School and the Secretary of State for Education 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 Arnside National Church of England School and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

Mr Ian Thompson (Reporting Accountant)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors

The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Date

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025

| | <i>Note</i> | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2025 £ | Total 2024 £ |
|--|-------------|----------------------------|-------------------------------------|--|-----------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and Capital Grants Charitable Activities | 3 | 4 | - | 5 | 9 | 15 |
| Funding for the academy trusts educational operations | 4 | 20 | 815 | - | 835 | 798 |
| Other trading activities | | 23 | - | - | 23 | 21 |
| Total | | <u>47</u> | <u>815</u> | <u>5</u> | <u>867</u> | <u>834</u> |
| Expenditure on: | | | | | | |
| Raising Funds Charitable Activities | | | | | | |
| Academy trust educational operations | 6,7 | (47) | (775) | (46) | (868) | (849) |
| Other | | | | | | |
| Total | | <u>(47)</u> | <u>(775)</u> | <u>(46)</u> | <u>(868)</u> | <u>(849)</u> |
| Net Income / (Expenditure) | | - | 40 | (41) | (1) | (15) |
| Transfer between funds | | - | (32) | 32 | - | - |
| Other recognised gains / (losses) | | | | | | |
| Actuarial loss on defined benefit pension scheme | 23 | - | 67 | - | 67 | (8) |
| Net movement in funds | | - | 75 | (9) | 66 | (23) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | <u>43</u> | <u>68</u> | <u>1,997</u> | <u>2,108</u> | 2,131 |
| Total funds carried forward | | <u>43</u> | <u>143</u> | <u>1,988</u> | <u>2,174</u> | 2,108 |

The notes on pages 23 to 34 form part of these financial statements

BALANCE SHEET
AS AT 31 AUGUST 2025

| | Note | 2025 £ | 2025 £ | 2024 £ | 2024 £ |
|---|------|------------|----------------------------|------------|----------------------------|
| Fixed Assets | | | | | |
| Tangible Assets | 11 | | 1,968 | | 1,978 |
| Current Assets | | | | | |
| Debtors | 12 | 27 | | 20 | |
| Cash at bank and in hand | 20 | 134 | | 158 | |
| | | <u>161</u> | | <u>178</u> | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 13 | <u>30</u> | | <u>48</u> | |
| Net current assets | | | 131 | | 130 |
| Total assets less current liabilities | | | <u>2,099</u> | | <u>2,108</u> |
| Defined benefit pension scheme asset / (liability) | 23 | | 75 | | - |
| Net assets including pension asset / (liability) | | | <u><u>2,174</u></u> | | <u><u>2,108</u></u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 14 | 1,988 | | 1,997 | |
| Restricted income fund | 14 | 68 | | 68 | |
| Pension reserve | 14 | <u>75</u> | | <u>-</u> | |
| Total restricted funds | | | 2,131 | | 2,065 |
| Unrestricted income funds | | | <u>43</u> | | <u>43</u> |
| Total Funds | | | <u><u>2,174</u></u> | | <u><u>2,108</u></u> |

The financial statements were approved by the trustees and authorised for issue on 2025 and are signed on their behalf by

Mrs T Taylor
Trustee

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025

| | Note | 2025 £ | 2024 £ |
|--|------|--------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | 18 | 7 | 16 |
| Cash flows from investing activities | 19 | (31) | (7) |
| Cash flows from financing activities | | - | - |
| Change in cash and cash equivalents in the reporting period | | <u>(24)</u> | <u>9</u> |
| Cash and cash equivalents as at 1 September 2024 | | 158 | 149 |
| Cash and cash equivalents as at 31 August 2025 | | <u>134</u> | <u>158</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2025

1. 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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the United Kingdom 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 United Kingdom and Republic of Ireland (Charities SORP (FRS 102)), the Academies Accounts Direction 2024 to 2025 issued by the DFE and the Charities Act 2011 and the Companies Act 2006.

Arnside National School Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other Income**

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

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

Assets costing £250 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 for the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Land and Buildings are included in the accounts following a valuation on 31st July 2016. The school buildings are situated on land owned by the Carlisle Diocesan Board of Finance. A lease has been signed giving the academy the right to occupy the land. The lease gives the Carlisle Diocesan Board of Finance the right to terminate the agreement with two years notice. The governors have capitalised the leasehold land and buildings as they are not aware of any intention by the Carlisle Diocesan Board of Finance to serve notice in the future.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction at rates calculated so as to write off the cost of an asset, less its estimated residual values, over the useful economic life of that asset as follows:

| | |
|----------------------------------|--------------------------------|
| Fixtures, fittings and equipment | Reducing balance 20% per annum |
| ICT equipment | Straight line over 5 years |
| Long Leasehold Buildings | Straight line over 50 years |
| Land | Not depreciated |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

The Academy has a lease 'to occupy' with the Diocese over the property occupied for educational purposes. The Governors have assessed the remaining useful life of the property and believe that 50 years is an appropriate estimation over which to depreciate the buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed assets 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.

Provisions

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

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

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. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 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. Amounts due to charity's wholly owned subsidiary are held at face value less and impairments.

Taxation

The Academy Trust is considered to pass the test set out in Paragraph 1 schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Pensions Benefits

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

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

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

is also recognised in the Statement of Financial Activities and comprise the interest cost on the defined benefit obligation and interest income on the schemes asset, calculated by multiplying the fair value of the scheme asset at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme asset and the actual return on 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 represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 23, 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 31st March 2022 has been used by the actuary in valuing the pensions liability at 31st August 2025. 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.

Critical areas of judgement

The trust has not recognised this surplus on the LGPS Pension Scheme as an asset, as FRS102 states that a surplus can only be recognised to the extent that it reduces future contributions. The rate of future contributions are set at the triennial reviews of the LGPS, the last one was at 31 March 2022. In the supporting valuation reports, this stated that only surpluses over 110% of liabilities are able to be returned to scheme participants through reduced future contributions. In the academy's case the assets do not exceed 110% of the liabilities, therefore, under the scheme's current funding strategy the academy cannot reduce its future contributions.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31st August 2025 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.

a. Results and Carry Forward for the Year

| | 2025 | 2024 |
|--|--------------|--------------|
| | £'000 | £'000 |
| GAG brought forward from previous year | 68 | 64 |
| GAG allocation for current year | 601 | 592 |
| Total GAG available to spend | 668 | 656 |
| Recurrent expenditure from GAG | (569) | (579) |
| Fixed assets purchased from GAG | (32) | (9) |
| GAG Carried forward to next year | 68 | 68 |
| Maximum permitted GAG carry forward at end of current year (12% of allocation for current year) | (72) | (71) |
| GAG to surrender to DFE | (4) | (4) |
| (12% rule breached if result is positive) | no breach | no breach |

The academy trust has not exceeded these limits during the year ended 31st August 2025.

3. Donations and Capital Grants

| | Unrestricted | Restricted | Total | <i>Total</i> |
|---------------------|---------------------|-------------------|--------------|--------------|
| | Funds | Funds | 2025 | 2024 |
| | £'000 | £'000 | £'000 | £'000 |
| ESFA Capital Grants | - | 5 | 5 | 11 |
| Other Donations | 4 | - | 4 | 4 |
| | 4 | 5 | 9 | 15 |
| <i>2024 Total</i> | <i>4</i> | <i>11</i> | | <i>15</i> |

4. Funding for the Academy Trust's Educational Operations

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2025 £'000 | <i>Total</i> 2024 £'000 |
|--|--------------------------------|------------------------------|------------------------|-------------------------------|
| DFE / EFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 601 | 601 | 592 |
| UIFSM | - | 13 | 13 | 11 |
| Pupil Premium | - | 23 | 23 | 29 |
| Teachers Pay Grant | - | 10 | 10 | 10 |
| Teachers Pension Grant | - | 12 | 12 | 5 |
| Sports Premium | - | 17 | 17 | 17 |
| Rates Reclaim | - | 3 | 3 | 3 |
| Other DFE Grants | - | 27 | 27 | 24 |
| | - | 706 | 706 | 691 |
| Other Government Grants | | | | |
| Local Authority Grants | - | 94 | 94 | 78 |
| | - | 94 | 94 | 78 |
| Other income from the academy trust's educational operations | 20 | 15 | 35 | 29 |
| | 20 | 815 | 835 | 798 |
| 2024 Total | 19 | 779 | | 798 |

5. Income from Other Trading Activities

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2025 £'000 | <i>Total</i> 2024 £'000 |
|---|--------------------------------|------------------------------|------------------------|-------------------------------|
| Out of School Club | 20 | - | 20 | 17 |
| Extended Services (Nursery / Wrap Around) | 3 | - | 3 | 4 |
| | 23 | - | 23 | 21 |
| 2024 Total | 21 | - | | 21 |

6. Expenditure

| | Staff | Non Pay Expenditure | | Total | Total |
|----------------------------------|------------|---------------------|-------------|------------|------------|
| | Costs | Premises | Other Costs | 2025 | 2024 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Academy's educational operations | | | | | |
| Direct costs | 560 | | 62 | 622 | 597 |
| Allocated support costs | 81 | 53 | 112 | 246 | 252 |
| | <u>641</u> | <u>53</u> | <u>174</u> | <u>868</u> | <u>849</u> |
| 2024 Total | <u>586</u> | <u>66</u> | <u>197</u> | | <u>849</u> |

Net income / (expenditure) for the period includes:

| | 2025 | 2024 |
|------------------------------|-------|-------|
| | £'000 | £'000 |
| Depreciation | 46 | 48 |
| Fees payable to auditor for: | | |
| Audit | 5 | 5 |
| Operating Leases | 5 | 5 |

7. Charitable Activities

| | Total | Total |
|--|------------|------------|
| | 2025 | 2024 |
| | £'000 | £'000 |
| Direct Costs - educational operations | 622 | 597 |
| Support costs - educational operations | 246 | 252 |
| | <u>868</u> | <u>849</u> |

Analysis of support costs

| | Educational | Total | Total |
|---------------------|-------------|------------|------------|
| | operations | 2025 | 2024 |
| | £000 | £000 | £000 |
| Support staff costs | 81 | 81 | 72 |
| Depreciation | 46 | 46 | 49 |
| Premises costs | 53 | 53 | 66 |
| Other support costs | 61 | 61 | 61 |
| Governance costs | 5 | 5 | 4 |
| | <u>246</u> | <u>246</u> | <u>252</u> |
| 2024 Total | <u>252</u> | | <u>252</u> |

8. Staff

a) Staff costs and employee benefits

Staff costs during the period were:

| | 2025 | <i>2024</i> |
|--|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Wages and salaries | 473 | <i>436</i> |
| Social security costs | 43 | <i>37</i> |
| Operating costs of defined benefit pension schemes | 125 | <i>100</i> |
| | 641 | <i>573</i> |
| Supply teacher costs | - | <i>13</i> |
| | 641 | <i>586</i> |

b) Staff Numbers

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

| | 2025 | <i>2024</i> |
|----------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| Teachers | 7 | <i>7</i> |
| Administration and support | 8 | <i>7</i> |
| Management | 1 | <i>1</i> |
| | 16 | <i>15</i> |

c) Non statutory / non contractual staff severance payments

The school has made no non-statutory / non-contractual severance payments (2024: £0)

d) Higher Paid Staff

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

| | 2025 | <i>2024</i> |
|--------------------------|-------------|-------------|
| £60,001 - £70,000 | - | <i>1</i> |
| £70,001 - £80,000 | 1 | <i>-</i> |

e) Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £103,917 (2024: £89,556).

9. Related Party Transactions - Trustees Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contract of employment. The value of governor's remuneration and other benefits was as follows:

| | |
|---|---|
| N Sharp (Head Teacher and Staff Governor) | |
| Remuneration | 2025: £70,001 - £75,000 (2024: £60,001 - £70,000) |
| Employer's pension contributions | 2025: £20,001 - £25,000 (2024: £10,001 - £20,000) |
| C Hartropp (Staff Governor) | |
| Remuneration | 2025: £45,001 - £50,000 (2024: £40,001 - £45,000) |
| Employer's pension contributions | 2025: £10,001 - £15,000 (2024: £10,001 - £20,000) |

During the year ended 31st August 2025 no expenses were paid to Governors.

10. Trustees' and Officers' Insurance

The academy trust has opted into the DFE's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10,000,000 (2024: £10,000,000) on any one claim.

The cost of this insurance is included in the total insurance cost. It is not possible to quantify the trustees and officer's indemnity element from the overall cost of the RPA scheme membership.

11. Tangible Fixed Assets

| | Freehold Land and Buildings £'000 | Leasehold Land and Buildings £'000 | Furniture and Equipment £'000 | Computer Equipment £'000 | Total £'000 |
|------------------------|---|---|-------------------------------------|--------------------------------|----------------|
| Cost | | | | | |
| At 1 September 2024 | 2,158 | - | 144 | 75 | 2,377 |
| Transfer on conversion | | | | | - |
| Additions | - | - | 32 | 4 | 36 |
| Disposals | - | - | - | - | - |
| At 31 August 2025 | 2,158 | - | 176 | 79 | 2,413 |
| Depreciation | | | | | |
| At 1 September 2024 | 253 | - | 82 | 64 | 399 |
| Charged in year | 28 | - | 13 | 5 | 46 |
| Disposals | - | - | - | - | - |
| At 31 August 2025 | 281 | - | 95 | 69 | 445 |
| Net book values | | | | | |
| At 31 August 2025 | 1,877 | - | 81 | 10 | 1,968 |
| At 31 August 2024 | 1,905 | - | 62 | 11 | 1,978 |

Valuation

The Leasehold property was valued by Kier on behalf of the Education Funding Agency. The valuers hold the appropriate MRIS qualification and performed a desktop valuation of the property, using The Depreciated Replacement Cost method as at 31st March 2016. The valuation of £2,158,000 included £753,000 for the Land Element.

Leases

The school buildings are situated on land owned by the Carlisle Diocesan Board of Finance Limited (CDBF). A Church Supplemental Agreement has been signed giving the academy the right to occupy this land. The Church Supplemental Agreement gives the CDBF the right to terminate the agreement with two years notice. The Governors have capitalised the Leasehold Land and Buildings as they are not aware of any intention by the CDBF to serve notice in the future.

12. Debtors

| | 2025 | <i>2024</i> |
|-----------------|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Other debtors | 6 | - |
| VAT Recoverable | 10 | 8 |
| Prepayments | 11 | 12 |
| | <u>27</u> | <u>20</u> |

13. Creditors: Amounts falling due within one year

| | 2025 | <i>2024</i> |
|------------------------------|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Trade creditors | 3 | 3 |
| Other creditors | 1 | 12 |
| Accruals and deferred income | 26 | 33 |
| | <u>30</u> | <u>48</u> |

Deferred Income

| | 2025 | <i>2024</i> |
|--------------------------------------|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Deferred income at 1 September 2024 | 16 | 12 |
| Resources deferred in the year | 8 | 16 |
| Amounts released from previous years | (16) | (12) |
| Deferred income at 31 August 2025 | <u>8</u> | <u>16</u> |

At the balance sheet date the Academy Trust was holding £7,522 for funds received in advance from the DFE for Universal Infant Free School Meals Grant for the 2025/26 academic year.

14. Funds

| | Balance at 1 September 2024 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Gains, Losses and Transfers £'000 | Balance at 31 August 2025 £'000 |
|---------------------------------------|--|--------------------------------|--------------------------------|---|---------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 68 | 601 | (569) | (32) | 68 |
| Pupil Premium | - | 23 | (23) | - | - |
| Sports Premium | - | 17 | (17) | - | - |
| Universal Infant Free School Meals | - | 13 | (13) | - | - |
| Teachers Pay Grant | - | 10 | (10) | - | - |
| Teachers Pension Grant | - | 12 | (12) | - | - |
| Rates Reclaim | - | 3 | (3) | - | - |
| Other EFA Income | - | 27 | (27) | - | - |
| Other Income | - | 15 | (15) | - | - |
| Pension reserve | - | | 8 | 67 | 75 |
| Other Government Grants | - | 94 | (94) | - | - |
| | 68 | 815 | (775) | 35 | 143 |
| Restricted fixed assets funds | | | | | |
| Transfer on conversion | 1,905 | | (28) | - | 1,877 |
| DFE / EFA capital grants | 67 | 5 | (13) | - | 59 |
| GAG funded capital | 25 | | (5) | 32 | 52 |
| | 1,997 | 5 | (46) | 32 | 1,988 |
| Total restricted funds | 2,065 | 820 | (821) | 67 | 2,131 |
| Unrestricted funds | | | | | |
| Unrestricted funds | 43 | 47 | (47) | | 43 |
| Total Unrestricted funds | 43 | 47 | (47) | - | 43 |
| Total Funds | 2,108 | 867 | (868) | 67 | 2,174 |

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2025. Note 2 discloses whether the limit was exceeded.

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

General Annual Grant Fund (GAG)

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education Skills funding Agency.

Pupil Premium Fund

This represents funding paid by the ESFA to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

Universal Infant School Meals (UIFSM)

This represents funding from the ESFA to fund school meals for all infant pupils.

Pension Reserve

This represents the surplus / deficit on the Local Government Pension Scheme (LGPS) at the year end, additional contributions are being made and this is reviewed every 3 years by the LGPS.

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

| | Balance at 1 September 2023 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Gains, Losses and Transfers £'000 | Balance at 31 August 2024 £'000 |
|---------------------------------------|--|--------------------------------|--------------------------------|---|---------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 64 | 592 | (579) | (9) | 68 |
| Pupil Premium | - | 29 | (29) | - | - |
| Sports Premium | - | 17 | (17) | - | - |
| Universal Infant Free School Meals | - | 11 | (11) | - | - |
| Teachers Pay Grant | - | 10 | (10) | - | - |
| Teachers Pension Grant | - | 5 | (5) | - | - |
| Rates Reclaim | - | 3 | (3) | - | - |
| Other EFA Income | - | 24 | (24) | - | - |
| Other Income | 4 | 10 | (14) | - | - |
| Pension reserve | - | | 8 | (8) | - |
| Other Government Grants | - | 78 | (78) | - | - |
| | 68 | 779 | (762) | (17) | 68 |
| Restricted fixed assets funds | | | | | |
| Transfer on conversion | 1,934 | | (29) | - | 1,905 |
| DFE / EFA capital grants | 73 | 11 | (17) | - | 67 |
| GAG funded capital | 24 | | (8) | 9 | 25 |
| | 2,031 | 11 | (54) | 9 | 1,997 |
| Total restricted funds | 2,099 | 790 | (816) | (8) | 2,065 |
| Unrestricted funds | | | | | |
| Unrestricted funds | 32 | 44 | (33) | - | 43 |
| Total Unrestricted funds | 32 | 44 | (33) | - | 43 |
| Total Funds | 2,131 | 834 | (849) | (8) | 2,108 |

15. Analysis of net assets between funds

Fund balances at 31 August 2025 are represented by:

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total Funds £'000 |
|--------------------------|---|---|---|------------------------------|
| Tangible fixed assets | - | - | 1,968 | 1,968 |
| Current assets | 43 | 98 | 20 | 161 |
| Current liabilities | - | (30) | - | (30) |
| Pension scheme liability | - | 75 | - | 75 |
| Total net assets | 43 | 143 | 1,988 | 2,174 |

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

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total Funds £'000 |
|--------------------------|---|---|---|------------------------------|
| Tangible fixed assets | - | - | 1,978 | 1,978 |
| Current assets | 43 | 116 | 19 | 178 |
| Current liabilities | - | (48) | - | (48) |
| Pension scheme liability | - | - | - | - |
| Total net assets | 43 | 68 | 1,997 | 2,108 |

16. Capital Commitments

| | 2025 £000 | 2024 £000 |
|--|----------------------|----------------------|
| Contracted for, but not provided in the financial statements | - | - |

17. Commitments under operating leases

Operating leases

At 31st August 2025 the total of the academy trusts future minimum lease payments under non-cancellable operating leases were:

| | 2025 £'000 | 2024 £'000 |
|--|-----------------------|-----------------------|
| Amounts due within one year | 5 | 5 |
| Amounts due between one and five years | 12 | 12 |
| | 17 | 17 |

18. Reconciliation of net income / (expenditure) to net cashflow from operating activities

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Net income / (expenditure) for the reporting period (as per the statement of financial activities) | (1) | (15) |
| Adjusted for: | | |
| Depreciation | 46 | 49 |
| Capital grants from DFE and other capital income | (5) | (11) |
| Capital Expenditure | - | - |
| Defined benefit pension scheme costs less contributions payable (note 18) | (6) | (7) |
| Defined benefit pension scheme finance costs (note 18) | (2) | (1) |
| (Increase) / decrease in debtors | (7) | 3 |
| Increase / (decrease) in creditors | (18) | (2) |
| | <u>7</u> | <u>16</u> |

19. Cash flows from investing activities

| | 2025 £'000 | 2024 £'000 |
|---|---------------|---------------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (36) | (18) |
| Capital grants from DFE / EFA | 5 | 11 |
| Net cash outflow from capital expenditure and financial investment | <u>(31)</u> | <u>(7)</u> |

20. Analysis of cash and cash equivalents

| | At 31 August 2025 £'000 | At 31 August 2024 £'000 |
|--------------------------|----------------------------------|----------------------------------|
| Cash in hand and at bank | <u>134</u> | <u>158</u> |
| | <u>134</u> | <u>158</u> |

21. Analysis of changes in net debt

| | As at 1 September 2024 £'000 | Cash Flows £'000 | As at 31 August 2025 £'000 |
|--|------------------------------------|---------------------|----------------------------------|
| Cash | 158 | (24) | 134 |
| Cash equivalents | - | - | - |
| | <hr/> 158 | <hr/> (24) | <hr/> 134 |
| Loans falling due within one year | - | - | - |
| Loans falling due after more than one year | - | - | - |
| Finance lease obligations | - | - | - |
| TOTAL | <hr/> 158 | <hr/> (24) | <hr/> 134 |

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

| | As at 1 September 2023 £'000 | Cash Flows £'000 | As at 31 August 2024 £'000 |
|--|------------------------------------|---------------------|----------------------------------|
| Cash | 149 | 9 | 158 |
| Cash equivalents | - | - | - |
| | <hr/> 149 | <hr/> 9 | <hr/> 158 |
| Loans falling due within one year | - | - | - |
| Loans falling due after more than one year | - | - | - |
| Finance lease obligations | - | - | - |
| TOTAL | <hr/> 149 | <hr/> 9 | <hr/> 158 |

22. Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

23. Pension and similar obligations

The academy trust's employees belong to two principal 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 'Your Pension Service' – Westmorland and Furness Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2020 and the LGPS 31 March 2022.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The result of this valuation was implemented on 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the period amounted to £88,602 (2024: £71,046)

A copy of the latest valuation report can be found by following this link to [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.

Local Government Pension Scheme

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 2025 was £52,509 (2024: £45,936), of which employer's contributions totalled £40,339 (2024: £36,040), the 2025 total included £2,142 pension deficit lump sum and employee's contributions totalled £10,028 (2024: £8,979).

The agreed contribution rate for future years are 5.5% - 12.5% for employees and 23.4% for employers.

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

The LGPS is in deficit and the academy trust has agreed to make additional contributions, it is anticipated that the additional contributions will need to be paid for the next 10 years from 01 April 2023.

Principle Actuarial Assumptions

| | At 31 August 2025 | At 31 August 2024 |
|--|----------------------------------|----------------------------------|
| Rate of increase in salaries | 4.1% | 4.1% |
| Rate of increase for pensions in payment / inflation | 2.7% | 2.7% |
| Discount rate of scheme liabilities | 6.2% | 5.0% |
| Inflation assumption (CPI) | 2.6% | 2.6% |

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

| | At 31 August 2025 | At 31 August 2024 |
|----------------------|----------------------------------|----------------------------------|
| Retiring today | | |
| Males | 21.4 | 21.4 |
| Females | 24.0 | 23.9 |
| Retiring in 20 years | | |
| Males | 22.6 | 22.7 |
| Females | 25.5 | 25.6 |

Sensitivity Analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation. The figures are based on the surplus /deficit in the scheme before any surplus restriction.

| | Aggregate value 2025 £'000 | Aggregate value 2024 £'000 |
|--------------------------------|---|---|
| Discount rate +0.1% | (7) | (8) |
| Discount rate -0.1% | 7 | 8 |
| Mortality rate 1 year increase | 7 | 10 |
| Mortality rate 1 year decrease | (7) | (10) |
| CPI rate +0.1% | 7 | 8 |
| CPI rate -0.1% | (7) | (8) |

The academy's share of the assets and liabilities in the scheme and the expected rates were:

| | Fair value at 31 August 2025 £'000 | Fair value at 31 August 2024 £'000 |
|-------------------------------------|---|---|
| Equities | 203 | 179 |
| Government Bonds | 80 | 73 |
| Bonds | - | - |
| Property | 42 | 39 |
| Cash / liquidity | 6 | 11 |
| Other | 228 | 192 |
| Total market value of assets | <u>559</u> | <u>494</u> |
| Present value of scheme liabilities | | |
| - Funded | <u>(440)</u> | <u>(476)</u> |
| Surplus / (deficit) in the scheme | <u>119</u> | <u>18</u> |
| Surplus Restriction | <u>(44)</u> | <u>(18)</u> |
| Surplus / (deficit) in the scheme | <u>75</u> | <u>-</u> |

Surplus Restriction

As noted above the actuary has valued the academy's share of the Cumbria LGPS to be a surplus of £119,000. The trust has restricted the amount of the surplus recognised as an asset, as FRS102 states that a surplus can only be recognised to the extent that it reduces future contributions. The rate of future contributions are set at the triennial reviews of the LGPS, the last one was at 31 March 2022. In the supporting valuation reports, this stated that only surpluses over 110% of liabilities are able to be returned to scheme participants through reduced future contributions. In the academy's case the assets do exceed 110% of the liabilities, therefore, under the scheme's current funding strategy the academy can reduce its future contributions. An asset of £75,000 has been recognised being the excess of assets over 110% of liabilities.

The actual return on scheme assets was a gain of £28,000 (2024: £37,000 gain)

Amounts recognised in the statement of financial activities

| | 2025 £000 | 2024 £000 |
|---|--------------|--------------|
| Current service cost (net employee contributions) | 36 | 29 |
| Past service cost | - | - |
| Net Interest cost | (3) | (2) |
| Administration Expenses | 1 | 1 |
| Total operating charge | 34 | 28 |
| Other recognised gains and (losses) | | |
| Remeasurement (liabilities) | 91 | (13) |
| Remeasurement (assets) | 2 | 12 |
| Surplus restriction movement | (75) | (7) |
| Total amount recognised in the SOFA | 18 | (8) |

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

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

| | 2025 £000 | 2024 £000 |
|---------------------------------|--------------|--------------|
| As at 1st September 2024 | 476 | 416 |
| Current service cost | 36 | 29 |
| Interest cost | 23 | 22 |
| Employee contributions | 10 | 9 |
| Past service cost | - | - |
| Actuarial (gain) / loss | (91) | 13 |
| Benefits / transfers paid | (14) | (13) |
| As at 31st August 2025 | 440 | 476 |

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

| | 2025 £000 | 2024 £000 |
|---------------------------------|--------------|--------------|
| As at 1st September 2024 | 494 | 427 |
| Expected return on assets | 26 | 24 |
| Actuarial gain / (loss) | 2 | 12 |
| Administration expenses | (1) | (1) |
| Employer contributions | 42 | 36 |
| Employee contributions | 10 | 9 |
| Benefits paid | (14) | (13) |
| As at 31st August 2025 | 559 | 494 |

24. Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

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

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 9.