

Company registration number 08872698 (England and Wales)

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

THE HERMITAGE TRUST

T/A HERMITAGE PRIMARY SCHOOL

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**THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS**

Members

A Davidson
B Donlon
A Korkou

Governors

S Collier
A Davidson
B Donlon
A Korkou (Chair)
H Ross (Head Teacher) (Resigned 31 August 2025)
K Davies
C Haigh
J Ede
M Bebbington (Resigned 8 October 2025)
D Bradburn (Appointed 29 January 2025)
C Petrou (Appointed 30 April 2025)
J Steele (Appointed 29 January 2025)
A Young (Head Teacher) (Appointed 1 September 2025)

Senior management team

- Head Teacher H Ross (Resigned 31 August 2025) & A Young (Appointed 01 September 2025)
- Deputy Head Teacher L Cox
- Business Manager E Chadwick

Company registration number

08872698 (England and Wales)

Principal address

Hermitage Primary School
Hermitage Drive
Holmes Chapel
Cheshire
CW4 7NP

Registered office

Hermitage Primary School
Hermitage Drive
Holmes Chapel
Cheshire
CW4 7NP

Independent auditor

JS. Audit Limited
James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

Bankers

Lloyds Bank plc
13 Victoria Street
Crewe
Cheshire
CW1 2JQ

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

KBL Solicitors
28 Mawdsley Street
Bolton
Lancashire
BL1 1LF

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2024 to 31 August 2025. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The trust operates a primary school academy in Holmes Chapel. It has a pupil capacity of 210 and had a roll of 208 in the school census (October 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 governors are the trustees of The Hermitage Trust and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of governors

All members of the Governing Body are appointed and/or elected in accordance with the Articles of Association of Hermitage Primary School. In summary:

- Up to six Co-Opted Governors may be appointed by the governing body
- Four Parent Governors are elected by parents of pupils registered at the Academy. In the event that the number of parents standing for election is less than the number of vacancies, the Governing Body may appoint Parent Governors
- One Staff Governor is appointed by election
- The Head Teacher is treated for all purposes as being an ex officio Governor

The Governors may appoint up to two associated governors providing that the total number of Governors (including the Head Teacher) who are employees of Hermitage Primary School does not exceed one third of the total number of the Governing Body.

The Secretary of State may appoint Additional Governors as she thinks fit.

The term of office for all governors (with the exception of the Head Teacher) is four years. Any governor may be re-appointed or re-elected.

During the period under review the Governing Body and its Committees held a total of 10 meetings: (5 Full Governing Body, 3 Finance & Premises Committee, 2 Curriculum Committee).

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T/A HERMITAGE PRIMARY SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. The Academy also organises 'Governors' Learning Walks' whereby both new and existing Governors spend investigative time in school tailored to their individual areas of governor responsibilities and interests.

Organisational structure

The Governing Body is collectively responsible for the overall direction of Hermitage Primary School and its strategic management. This involves determining the guiding principles within which the Academy operates, setting general policy, adopting an annual development plan and budget, monitoring the Academy activities and making major decisions about capital expenditure and senior staff appointments. The Governing Body is also responsible for ensuring that the Academy meets all its statutory obligations and through the Head Teacher and Business Manager that it complies with financial regulations. The Head Teacher is the Accounting Officer of the Academy.

The Governing Body recognises that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the Head Teacher and the Senior Management of the Academy.

The Senior Leadership Team (SLT) of the Academy comprises the Head Teacher, Deputy Head Teacher and the Business Manager. In addition other senior members of the staff work alongside the SLT for a specific body of work (e.g. working on SDP priorities or for the analysis of data). These senior leaders manage the Academy at an executive level implementing the policies laid down by Governors and reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

The Hermitage Trust will follow the agreed LA Pay Policy which is agreed annually by the Members with regards to setting of key management personnel pay. Following Performance Management meetings, comprising performance management governors, the School Improvement Partner (external), and key management personnel, pay recommendations within the recommended LA wage band are sent to the Members along with evidence of how targets have been met (with guidance from the School Improvement Partner).

Related parties and other connected charities and organisations

Hermitage Primary School has strong collaborative links with schools in Cheshire East, and is a member of ECAPH – East Cheshire Association of Primary Headteachers. The group meets half-termly. The Headteacher is a member of the executive board and in addition attends termly meetings, where the strategic direction for the group is set.

Related party transactions are disclosed in notes 10 and 22.

Objectives and activities

Objects and aims

The principal object and activity of the Charitable Company is the operation of Hermitage Primary School to advance, for the public benefit, education for students of different abilities between the ages of 4 and 11.

The governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

The Charitable Company has agreed within the provisions of the Funding Agreement between the Trustees and Secretary of State the following characteristics of the Academy:

- The Academy will offer a balanced and broadly based curriculum;
- The Academy will provide education for pupils of different abilities;
- The Academy will provide education for pupils who are mainly drawn from the area in which the Academy is situated.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives, strategies and activities

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

- to ensure that every child enjoys a high quality 'whole' education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- 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 comply with all appropriate statutory and curriculum requirements;
- to maintain close links with our local community and commerce;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Strategies and Activities

The Academy's main strategy is encompassed in the following aim:

Aim

To build a culture, ethos and organisational structure that clarifies our purpose, creates opportunity for students and staff to master key skills and recognises the value of Learner Autonomy within a highly accountable system.

Mission Statement

Hermitage Primary School believes that effective learning is achieved in a secure environment where everyone is happy, stimulated, challenged and feels valued as an individual.

We seek to engage students and staff by offering a breadth of opportunity that leads to the highest standards of achievement and mastery of skills.

We expect our students and staff to:

- be inspired to learn and to continue learning;
- understand and demonstrate emotional intelligence and collaborate effectively;
- develop qualities of independence, adaptability and creativity;
- be socially, morally, spiritually and culturally aware.

Our Values

We will create and sustain our culture of achievement by operating with:

- Trust;
- Respect;
- Optimism.

Our School Development Plan outlines the strategies and actions designed to enhance the quality of teaching and learning and achieve our aim. Each aspect includes quantifiable staging posts which will measure our progress towards our aim.

Learning

To enable students to fulfil their potential and prepare for their future lives, by means of a balanced and flexible curriculum which includes the relevant skills and knowledge and promotes appropriate attitudes.

Ethos

To foster a sense of belonging, care and enjoyment in which all students have the opportunity to develop self-esteem, respect for others, tolerance and self-discipline, in which high standards are encouraged and valued.

Organisation

To develop a clear, efficient and effective structure which is flexible and appropriate to the planned development of the organisation.

Parents/Community

To develop strong links and foster good relationships with our parents and members of the community.

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Staff

To maintain high morale by allowing opportunities for development and room for personal growth. To communicate a shared vision and recognise professional expertise in a caring and supportive atmosphere.

Equal Opportunities and Employment of Disabled Persons

The Academy is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. Our Equal Opportunities Code of Practice (incorporating Race Equality and Community Cohesion Policy) will be resourced, implemented and monitored on a planned basis.

The Academy considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Academy continues. The Academy's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The Academy seeks to achieve the objectives set down in the Equality Act 2010 as amended by the Special Education Needs and Disability Acts 2001 and 2005:

- a) The Academy continues to review and update the school's Access Plan. All new build and/or alterations are in accordance with current disability legislation.
- b) Where appropriate specialist equipment is resourced and purchased for use by students and a range of educational resources for students with specific disabilities is available across all curriculum areas.
- c) The Academy has made a significant investment in the appointment of specialist teachers and teaching assistants to support students with learning difficulties and/or disabilities. There is a continuing programme of staff development and specialist training to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

Public benefit

The governors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning future activities.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report

Achievements and performance

Total students on roll in the period ended 31 August 2025 numbered 210. The Academy would normally expect to admit 30 students into the Reception class each year. The Academy continues to participate in the co-ordinated admission arrangements operated by the Local Authority (Cheshire East Council) and the local Fair Access Protocol.

The most recent statutory data is from 2024 - results were as follows:

Key Stage 1 - Year 2

No statutory data from 2024 onwards.

Key Stage 2 – Year 6

	Reading	Writing	Maths	GP&S	Re/Wr/Ma
	<i>Percentage at Expected or Above:</i>				
<i>School 2025</i>	73%	70%	70%	70%	60%
<i>National 2025</i>	75%	72%	74%	73%	63%
<i>School 2024</i>	90%	71%	77%	84%	68%
<i>National 2024</i>	74%	72%	73%	72%	65%

To ensure that standards are continually raised we have set challenging targets for 2026:

- For 2026 Achievement at KS2 (Y6) will be a priority on our School Development Plan.
- A target of 75% of children achieving the expected standard in Reading, Writing and Maths combined will be set.
- A target to be above National averages in all subjects will be set.
- We will track children who have SEND needs or are classed as Disadvantaged more closely.
- A short term action plan for raising attainment will be set for this academic year involving interventions, booster sessions and home learning to achieve increased standards.
- To ensure all pupils are fluent readers by the end of Key Stage 1 and that all pupils read with good comprehension and fluency by the end of Key Stage 2.
- To ensure all pupils are fluent at transcribing by the end of Year 1 so that pupils are fluent confident writers able to transcribe and compose with control and enjoyment by the end of Key Stage 2.
- To strengthen the curriculum to ensure pupils continue to receive a broad and balanced curriculum that supports and enhances their learning.
- To ensure the progression and sequence of our curriculum is embedded throughout the school so that pupils make good progress in all areas of the curriculum.
- To ensure pupils receive a rounded character education that builds and develops strength of character.

The Academy continues to ensure that continuing professional development (CPD) training is available and undertaken by all staff. A training log is kept and all training is linked to the SDP or needs within the teaching standards in order to raise achievement.

Charitable Donations

During the period, the school's charity fundraising activities made £842.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Key performance indicators

The Academy's financial objectives are:

- to balance the books on an annual basis;
- to pursue alternative sources of funding, on a selective basis, consistent with the Academy's core competencies, and the need for a financial contribution to the Academy's overall finances;
- to generate sufficient levels of income to support the asset base of the Academy;
- to further improve the Academy's shorter term liquidity;
- to fund continued capital investment.

These objectives were achieved in the year ended 31 August 2025.

	Period Ending 31 August 2025	Period Ending 31 August 2024
Number of students (based on GAG)	210	208
Full Time Equivalent Teachers	10	9
Total Income Per Pupil	£7,308	£6,972
GAG Income Per Pupil	£4,958	£4,705
GAG Income as a % of Total Income	68%	67%
Other Income as a % of Total Income	24%	24%
SEN Income as a % of Total Income	8%	9%
Staff Costs as a % of Total Expenditure (excluding depreciation)	73%	73%

The overall income of the academy has increased by 5.8% from £1,450,075 (2023/24) to £1,534,622 (2024/25). Staffing costs have remained consistent as a total % of expenditure (excluding depreciation) and remain within the recommended benchmarking range of 70-80% of total spend.

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the governing body 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Financial review

There have been two principal sources of funding during this past year of operation - the Department of Education (DfE) and Cheshire East Council (LA). The Academy's core funding has been in the form of General Annual Grant (GAG) from the DfE. All of the grants received from the DfE and the LA during the year to 31 August 2025 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

During the year ended 31 August 2025, total expenditure of £1,465,025 (excluding depreciation) was covered by recurrent grant funding from the DfE and the LA together with other incoming resources and was further supported by the carry forward grant from the previous financial year. Total expenditure including depreciation stands at £1,644,601 for the year, resulting in a net deficit of £109,979. The net movement in funds after the actuarial gain on the defined benefit pension scheme stands at (£12,979).

At 31 August 2025 the net book value of fixed assets was £2,318,903 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

As an Academy convertor, the Academy has taken on the deficit in relation to its staff in the Local Government Pension Scheme (LGPS). This deficit has now been cleared and stands at £Nil. Agreed contribution rates for future years are 29% for employers and 7% for employees.

The Academy held total fund balances at 31 August 2025 of £2,468,895.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy maintains uncommitted reserves for contingencies and minor adjustments to expenditure, as determined by the Academy's Three Year Plan. This plan is reviewed annually and is subject to approval by the Finance committee and Full Governing Body. The Academy does not however maintain levels of uncommitted reserves that are excessive compared with total income levels. In 2024/25 uncommitted reserves totalled £149,992 which includes the School Fund, deposit account balance, and £82,000 which is set aside to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Committed reserves are set aside for specific purposes and are not available for use in the school's budget setting process. Total ring-fenced restricted funds at the end of 2024/25 amounted to £Nil.

Investment policy

No specific investments are currently entered into but this will be kept under review in order to maximise the value of reserves.

Principal risks and uncertainties

A full system of internal control has been established and Governors continually review financial procedures and controls as necessary and on the advice of the Internal Reviewer where appropriate.

During meetings, Governors consider and monitor the potential risks arising from the Academy's operations. They assess the materiality and likelihood of risks occurring and determine the actions that are needed to reduce and mitigate these risks. The formal risk register will be reviewed at least annually by the Finance Committee in the Autumn Term Meeting and more frequently where necessary.

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

The board of trustees has reviewed the major risks to which The Hermitage Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The principal risks and uncertainties facing the academy are as follows:

- Fluctuation in pupil numbers; specifically the risk of reduced revenue as a result of a fall in the pupil roll and/or changes to government funding. Uncertainties in future funding formulas, changes in financial arrangements for pupils with SEN and increasing costs of employment and premises.
- Academies face cyber security risks such as ransomware and phishing attacks and can be vulnerable to data breaches, system disruptions, and costly ransom demands. These risks are mitigated through staff induction and on-going training, engagement with the DfE's Digital and Technology Standards and penetration testing to identify any potential weaknesses.
- The Hermitage Trust has considerable reliance on continued DfE funding. There is no assurance that government policy and practice will remain the same or that public funding will continue at the same levels or on the same terms. The trend at the moment is increasing staff costs including rising pension contribution rates. The trustees monitor financial performance carefully and where possible, steps are taken to ensure that if necessary, costs can be scaled back or varied accordingly.
- Failures in Governance and/or Management. The risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The trustees continue to review and ensure that appropriate measures are taken to mitigate these risks including regular Internal Review visits and full audit.
- Reputational risk. The ongoing viability and continued success of the academy, including the safety and wellbeing of students and staff is dependent on maintaining a good reputation within the wider community. Trustees, staff and all other stakeholders are expected to show the highest standards of governance and probity in all aspects of their dealings with school and particularly with regard to the maintenance of the highest educational standards.
- The continuing success of the academy is dependent on attracting applicants in sufficient numbers by maintaining educational standards. To mitigate this risk, trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection. The trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection and safeguarding policies and procedures, health and safety and discipline.
- Staffing. The success of the academy is reliant on the quality of its staff. The trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. All financial systems, procedures and internal controls are subject to on-going review at senior management level as part of the day to day management of the school, the Academy's Responsible Officer and by Governors' relevant committees.

Plans for future periods

The Academy will strive to improve the performance of its pupils at all levels and will continue its efforts to ensure its pupils progress in readiness for secondary school.

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Auditor

In so far as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on and signed on its behalf by:

.....
A Korkou

Chair

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025

Scope of responsibility

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

The governing body has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Hermitage Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
S Collier	5	5
A Davidson	4	5
B Donlon	5	5
A Korkou (Chair)	3	5
H Ross (Head Teacher) (Resigned 31 August 2025)	5	5
K Davies	5	5
C Haigh	4	5
J Ede	3	5
M Bebbington (Resigned 8 October 2025)	3	5
D Bradburn (Appointed 29 January 2025)	3	3
C Petrou (Appointed 30 April 2025)	2	2
J Steele (Appointed 29 January 2025)	2	3
A Young (Head Teacher) (Appointed 1 September 2025)	0	0

The Governing Body annually review its activities and ensures that structures are relevant to the needs of the school. A variation of 'circle' governance has now been adopted, using a 'whole team' approach, meeting 5 times per year, once in each half-term (one meeting in the shorter Spring Term), with dedicated committees for Finance, Premises, Audit and Risk, and Curriculum. The agenda for each meeting includes all the tasks which the governing body is required to consider and the governing body now commissions assignments or activities arising from the business of the meeting which are recorded in the minutes.

In addition to commissioning activities or actions on their behalf, the governing body also delegates monitoring activities to specific individuals. This applies to statutory functions and/or the priorities of the School Plan. In each case where a function has been delegated there is a duty to report any action or decision to the governing body at the next meeting. This ensures that all governors have access to information and reporting at the same time thus avoiding repetition, preventing groups or individuals receiving mixed messages and therefore improving cohesiveness and transparency.

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GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Attendance at meetings in the year was as follows:

Finance, Premises, Audit and Risk Committee	Meetings attended	Out of possible
A Davidson	2	3
B Donlon	3	3
A Korkou (Chair)	3	3
H Ross (Head Teacher) (Resigned 31 August 2025)	3	3
C Haigh	2	3
J Ede	1	3

Curriculum Committee	Meetings attended	Out of possible
S Collier	2	2
B Donlon	2	2
H Ross (Head Teacher) (Resigned 31 August 2025)	2	2
D Bradburn (Appointed 29 January 2025)	1	1
J Steele (Appointed 29 January 2025)	1	1

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 purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The Academy continued with the systems of internal control which are well established. The system of internal control has been in place in The Hermitage Trust for the period 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements. The Governors continue to monitor these systems and the visits and scrutiny and recommendations by the Internal Reviewer have strengthened the internal controls further.

Capacity to handle risk

The governing body 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 governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

The risk and control framework

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

- 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, Premises, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body have considered the need for a specific internal scrutiny function and appointed an external provider for the period to 31 August 2025. Internal scrutiny is completed by an external provider as there is not appropriate internal audit experience in-house. The internal scrutiny's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. There were 3 internal scrutiny visits to the Academy during the year and reports were prepared for the Finance, Premises, Audit and Risk Committee following each visit.

The scope of works was delivered as planned and covered Income, Payroll, and Procurement. There were no major issues identified and the internal controls in place were deemed to be strong.

Review of effectiveness

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

- the work of the external provider;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor
- correspondence from DfE, e.g. financial notice to improve/notice to improve (FNtl/Ntl) and 'minded to' letters.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Conclusion

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

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

A Korkou
Chair

A Young
Head Teacher

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2025

As accounting officer of The Hermitage Trust, 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 the Department for Education (DfE), and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the academy trust governing body and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I and the academy trust's governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2025.

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 governing body and DfE.

A Young
Accounting Officer

Date:

Draft Financial Statements at 13 November 2025 at 11:41:43

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2025

The governors (who act as trustees for The Hermitage Trust and are also the directors of The Hermitage Trust for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The governors 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 its behalf by:

A Korkou
Chair

THE HERMITAGE TRUST

T/A HERMITAGE PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE HERMITAGE TRUST

FOR THE YEAR ENDED 31 AUGUST 2025

Opinion

We have audited the financial statements of The Hermitage Trust for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025 issued by the Department for Education.

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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the 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 academy trust 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

We have nothing to report in this regard.

THE HERMITAGE TRUST

T/A HERMITAGE PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE HERMITAGE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the academy and sector, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 2006, the Charities Act 2011, employment, pension, health and safety and safeguarding legislation, the Academies Accounts Direction 2024 to 2025, The Academy Trust Handbook 2025 and the academy's funding agreement with the Education and Skills Funding Agency and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities' Statement of Recommended Practice, the Academies Accounts Direction 2024 to 2025 and the Academy Trust Handbook 2025.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements and risk of fraudulent revenue recognition.

THE HERMITAGE TRUST

T/A HERMITAGE PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE HERMITAGE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims, their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing regulatory correspondence with the Secretary of State for Education;
- obtaining an understanding of provisions; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Use of our report

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

Peter Atkinson F.C.A. (Senior Statutory Auditor)

For and on behalf of JS. Audit Limited, Statutory Auditor

Chartered Accountants

James House

Stonecross Business Park

Yew Tree Way

Warrington

Cheshire

WA3 3JD

Date:

THE HERMITAGE TRUST

T/A HERMITAGE PRIMARY SCHOOL

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE
HERMITAGE TRUST AND THE SECRETARY OF STATE FOR EDUCATION**

FOR THE YEAR ENDED 31 AUGUST 2025

In accordance with the terms of our engagement letter dated 23 August 2018 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and 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 The Hermitage Trust during the period 1 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.

This report is made solely to The Hermitage Trust 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 The Hermitage Trust 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 The Hermitage Trust and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of The Hermitage Trust and the reporting accountant

The accounting officer is responsible, under the requirements of The Hermitage Trust's funding agreement with the Secretary of State for Education 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 requirements of 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 1 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 the 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:

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

THE HERMITAGE TRUST

T/A HERMITAGE PRIMARY SCHOOL

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE
HERMITAGE TRUST AND THE SECRETARY OF STATE FOR EDUCATION
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2025

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2024 to 31 August 2025 has not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

JS. Audit Limited

Date:

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2025 £	Total 2024 £
Income and endowments from:					
Donations and capital grants	3	499	-	6,381	22,628
Charitable activities:					
- Funding for educational operations	4	37,213	1,396,871	-	1,340,755
Other trading activities	5	92,403	-	-	86,669
Investments	6	1,255	-	-	23
Total		<u>131,370</u>	<u>1,396,871</u>	<u>6,381</u>	<u>1,450,075</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	69,686	1,395,339	179,576	1,564,502
Total	7	<u>69,686</u>	<u>1,395,339</u>	<u>179,576</u>	<u>1,564,502</u>
Net income/(expenditure)		61,684	1,532	(173,195)	(114,427)
Transfers between funds	16	(124,902)	8,468	116,434	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	97,000	-	33,000
Net movement in funds		<u>(63,218)</u>	<u>107,000</u>	<u>(56,761)</u>	<u>(81,427)</u>
Reconciliation of funds					
Total funds brought forward		213,210	(107,000)	2,375,664	2,563,301
Total funds carried forward		<u>149,992</u>	<u>-</u>	<u>2,318,903</u>	<u>2,481,874</u>

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2024		funds	General	Fixed asset	2024
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	13,767	-	8,861	22,628
Charitable activities:					
- Funding for educational operations	4	28,472	1,312,283	-	1,340,755
Other trading activities	5	86,669	-	-	86,669
Investments	6	23	-	-	23
Total		<u>128,931</u>	<u>1,312,283</u>	<u>8,861</u>	<u>1,450,075</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	54,514	1,353,537	156,451	1,564,502
Total	7	<u>54,514</u>	<u>1,353,537</u>	<u>156,451</u>	<u>1,564,502</u>
Net income/(expenditure)		74,417	(41,254)	(147,590)	(114,427)
Transfers between funds	16	(60,296)	34,838	25,458	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	33,000	-	33,000
Net movement in funds		14,121	26,584	(122,132)	(81,427)
Reconciliation of funds					
Total funds brought forward		199,089	(133,584)	2,497,796	2,563,301
Total funds carried forward		<u>213,210</u>	<u>(107,000)</u>	<u>2,375,664</u>	<u>2,481,874</u>

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
BALANCE SHEET
AS AT 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	12		2,318,903		2,375,664
Current assets					
Debtors	13	91,268		85,222	
Cash at bank and in hand		185,564		250,874	
		276,832		336,096	
Current liabilities					
Creditors: amounts falling due within one year	14	(126,840)		(122,886)	
Net current assets			149,992		213,210
Net assets excluding pension liability			2,468,895		2,588,874
Defined benefit pension scheme liability	18		-		(107,000)
Total net assets			2,468,895		2,481,874
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			2,318,903		2,375,664
- Pension reserve			-		(107,000)
Total restricted funds			2,318,903		2,268,664
Unrestricted income funds	16		149,992		213,210
Total funds			2,468,895		2,481,874

The financial statements on pages 22 to 42 were approved by the governors and authorised for issue on and are signed on their behalf by:

.....
A Korkou
Chair

Company registration number 08872698 (England and Wales)

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		49,869		67,063
Cash flows from investing activities					
Dividends, interest and rents from investments		1,255		23	
Capital grants from DfE Group		6,381		8,861	
Purchase of tangible fixed assets		(122,815)		(59,331)	
Net cash used in investing activities			(115,179)		(50,447)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(65,310)		16,616
Cash and cash equivalents at beginning of the year			250,874		234,258
Cash and cash equivalents at end of the year			185,564		250,874

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

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

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2024 to 2025 issued by the Department for Education, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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.

1.3 Income

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

Grants

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

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

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

Donations

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

Other income

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

Donated fixed assets

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

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

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

Long leasehold land	125 years
Long leasehold buildings	50 years
Long leasehold improvements	10 years
Computer equipment	3 years
Fixtures and fittings	5 years

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

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as 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 on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

THE HERMITAGE TRUST
T/A HERMITAGE PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

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

1.11 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 governors.

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 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.

Depreciation charge is calculated based on estimates and assumptions on asset useful economic lives and expected residual value.

Critical areas of judgement

The trustees have considered the apportionment of depreciation between direct and support costs. The buildings and equipment are almost entirely used for the provision of education and only a small part for support services. Therefore a 95% direct cost and 5% support cost apportionment is considered appropriate.

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3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Capital grants	-	6,381	6,381	8,861
Other donations	499	-	499	13,767
	<u>499</u>	<u>6,381</u>	<u>6,880</u>	<u>22,628</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
DfE/ESFA grants				
General annual grant (GAG)	-	1,041,150	1,041,150	978,656
Other DfE/ESFA grants:				
- UIFSM	-	36,520	36,520	34,371
- Pupil premium	-	43,993	43,993	40,945
- Others	-	101,729	101,729	81,721
	<u>-</u>	<u>1,223,392</u>	<u>1,223,392</u>	<u>1,135,693</u>
Other government grants				
Local authority grants	-	121,003	121,003	147,215
	<u>-</u>	<u>121,003</u>	<u>121,003</u>	<u>147,215</u>
Other incoming resources	<u>37,213</u>	<u>52,476</u>	<u>89,689</u>	<u>57,847</u>
Total funding	<u>37,213</u>	<u>1,396,871</u>	<u>1,434,084</u>	<u>1,340,755</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Lettings income	13,931	-	13,931	13,429
Other income	78,472	-	78,472	73,240
	<u>92,403</u>	<u>-</u>	<u>92,403</u>	<u>86,669</u>

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6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Other investment income	1,255	-	1,255	23

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2025 £	Total 2024 £
Academy's educational operations					
- Direct costs	805,264	171,584	103,827	1,080,675	1,057,824
- Allocated support costs	263,450	124,000	176,476	563,926	506,678
	1,068,714	295,584	280,303	1,644,601	1,564,502

Net income/(expenditure) for the year includes:

	2025 £	2024 £
Depreciation of tangible fixed assets	179,576	156,451
Fees payable to auditor for:		
- Audit	7,700	6,825
- Other services	4,900	3,660
Net interest on defined benefit pension liability	5,000	7,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Direct costs				
Educational operations	-	1,080,675	1,080,675	1,057,824
Support costs				
Educational operations	69,686	494,240	563,926	506,678
	69,686	1,574,915	1,644,601	1,564,502

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8 Charitable activities**(Continued)**

	2025	2024
	£	£
Analysis of support costs		
Support staff costs	263,450	156,164
Depreciation	7,992	10,320
Technology costs	47,959	36,729
Premises costs	116,008	151,128
Other support costs	115,917	141,806
Governance costs	12,600	10,531
	<u>563,926</u>	<u>506,678</u>

9 Staff**Staff costs and employee benefits**

Staff costs during the year were:

	2025	2024
	£	£
Wages and salaries	741,339	684,240
Social security costs	73,747	64,179
Pension costs	183,532	156,647
	<u>998,618</u>	<u>905,066</u>
Staff costs - employees	998,618	905,066
Agency staff costs	70,096	118,899
	<u>1,068,714</u>	<u>1,023,965</u>
Staff development and other staff costs	5,902	5,391
	<u>1,074,616</u>	<u>1,029,356</u>

Staff numbers

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

	2025	2024
	Number	Number
Teachers	10	9
Administration and support	19	22
Management	3	3
	<u>32</u>	<u>34</u>

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9 Staff**(Continued)****Higher paid staff**

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

	2025	2024
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £258,163 (2024: £232,523).

10 Governors' remuneration and expenses

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

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

H Ross (head teacher and governor):

Remuneration £75,001 - £80,000 (2024: £70,001 - £75,000)

Employer's pension contributions paid £20,001 - £25,000 (2024: £15,001 - £20,000)

K Davies (teacher):

Remuneration £40,001 - £45,000 (2024: £30,000 - £35,000)

Employer's pension contributions paid £10,001 - £15,000 (2024: £5,000 - £10,000)

During the year, no Governors received any reimbursement of expenses (2024: £Nil).

11 Governors' and officers' insurance

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

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12 Tangible fixed assets

	Long leasehold buildings £	Long leasehold improvements £	Computer equipment £	Fixtures and fittings £	Total £
Cost					
At 1 September 2024	2,210,276	841,391	87,136	188,424	3,327,227
Transfer	(5,001)	5,001	-	-	-
Additions	-	66,109	18,105	38,601	122,815
Disposals	-	-	(15,360)	-	(15,360)
At 31 August 2025	2,205,275	912,501	89,881	227,025	3,434,682
Depreciation					
At 1 September 2024	384,752	341,743	79,707	145,361	951,563
Transfer	(541)	541	-	-	-
On disposals	-	-	(15,360)	-	(15,360)
Charge for the year	38,742	112,712	11,332	16,790	179,576
At 31 August 2025	422,953	454,996	75,679	162,151	1,115,779
Net book value					
At 31 August 2025	1,782,322	457,505	14,202	64,874	2,318,903
At 31 August 2024	1,825,524	499,648	7,429	43,063	2,375,664

13 Debtors

	2025 £	2024 £
Trade debtors	340	-
Other debtors	30,796	29,066
Prepayments and accrued income	60,132	56,156
	91,268	85,222

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	76,248	37,135
Accruals and deferred income	50,592	85,751
	126,840	122,886

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15 Deferred income

	2025	2024
	£	£
Deferred income is included within:		
Creditors due within one year	30,083	42,886
	<u> </u>	<u> </u>
Deferred income at 1 September 2024	42,886	24,561
Released from previous years	(42,886)	(24,561)
Resources deferred in the year	30,083	42,886
	<u> </u>	<u> </u>
Deferred income at 31 August 2025	30,083	42,886
	<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding funds received in advance for UIFSM funding of £21,552 (2024: £20,050), parental contributions for school trips of £Nil (2024: £19,125) and DFC grants of £3,738 (2024: £3,711) and wraparound care bookings of £4,793 (2024: £Nil).

16 Funds

	Balance at			Gains,	Balance at
	1 September			losses and	31 August
	2024	Income	Expenditure	transfers	2025
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	-	1,041,150	(1,049,618)	8,468	-
UIFSM	-	36,520	(36,520)	-	-
Pupil premium	-	43,993	(43,993)	-	-
Other DfE/ESFA grants	-	101,729	(101,729)	-	-
Other government grants	-	121,003	(121,003)	-	-
Other restricted funds	-	52,476	(52,476)	-	-
Pension reserve	(107,000)	-	10,000	97,000	-
	<u>(107,000)</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>(107,000)</u>	<u>1,396,871</u>	<u>(1,395,339)</u>	<u>105,468</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted fixed asset funds					
DfE group capital grants	2,359,691	6,381	(171,584)	116,434	2,310,922
Capital expenditure from other funds	15,973	-	(7,992)	-	7,981
	<u>2,375,664</u>	<u>6,381</u>	<u>(179,576)</u>	<u>116,434</u>	<u>2,318,903</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	<u>2,268,664</u>	<u>1,403,252</u>	<u>(1,574,915)</u>	<u>221,902</u>	<u>2,318,903</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted funds					
General funds	213,210	131,370	(69,686)	(124,902)	149,992
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	<u>2,481,874</u>	<u>1,534,622</u>	<u>(1,644,601)</u>	<u>97,000</u>	<u>2,468,895</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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16 Funds**(Continued)**

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

Unrestricted funds relate to the revenue generated from lettings, catering and bank interest received.

The General Annual Grant (GAG) fund is for educational activities and is applied under ESFA Guidance.

Other DfE/ESFA grants are grants received by the DfE and ESFA which do not form part of the GAG but are used for educational activities of the Academy.

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

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	-	978,656	(1,013,494)	34,838	-
UIFSM	-	34,371	(34,371)	-	-
Pupil premium	-	40,945	(40,945)	-	-
Other DfE/ESFA grants	-	81,721	(81,721)	-	-
Other government grants	12,416	147,215	(159,631)	-	-
Other restricted funds	-	29,375	(29,375)	-	-
Pension reserve	(146,000)	-	6,000	33,000	(107,000)
	<u>(133,584)</u>	<u>1,312,283</u>	<u>(1,353,537)</u>	<u>67,838</u>	<u>(107,000)</u>
Restricted fixed asset funds					
DfE group capital grants	2,468,887	8,861	(146,131)	28,074	2,359,691
Capital expenditure from other funds	28,909	-	(10,320)	(2,616)	15,973
	<u>2,497,796</u>	<u>8,861</u>	<u>(156,451)</u>	<u>25,458</u>	<u>2,375,664</u>
Total restricted funds	<u>2,364,212</u>	<u>1,321,144</u>	<u>(1,509,988)</u>	<u>93,296</u>	<u>2,268,664</u>
Unrestricted funds					
General funds	<u>199,089</u>	<u>128,931</u>	<u>(54,514)</u>	<u>(60,296)</u>	<u>213,210</u>
Total funds	<u>2,563,301</u>	<u>1,450,075</u>	<u>(1,564,502)</u>	<u>33,000</u>	<u>2,481,874</u>

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17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2025 are represented by:				
Tangible fixed assets	-	-	2,318,903	2,318,903
Current assets	276,832	-	-	276,832
Current liabilities	(126,840)	-	-	(126,840)
Total net assets	149,992	-	2,318,903	2,468,895
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	2,375,664	2,375,664
Current assets	336,096	-	-	336,096
Current liabilities	(122,886)	-	-	(122,886)
Pension scheme liability	-	(107,000)	-	(107,000)
Total net assets	213,210	(107,000)	2,375,664	2,481,874

18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £Nil (2024: £Nil) were payable to the schemes at 31 August 2025 and are included within creditors.

Teachers' Pension Scheme**Introduction**

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

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

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18 Pension and similar obligations**(Continued)****Valuation of the Teachers' Pension Scheme**

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

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £91,810 (2024: £83,140).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 29% for employers and 7% for employees.

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

Total contributions made	2025	2024
	£	£
Employer's contributions	60,000	59,000
Employees' contributions	15,000	14,000
Total contributions	75,000	73,000

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18 Pension and similar obligations**(Continued)**

Principal actuarial assumptions	2025 %	2024 %
Rate of increase in salaries	3.40	3.35
Rate of increase for pensions in payment/inflation	2.70	2.65
Discount rate for scheme liabilities	6.10	5.00

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

	2025 Years	2024 Years
Retiring today		
- Males	21.1	20.9
- Females	22.4	22.3
Retiring in 20 years		
- Males	20.8	20.6
- Females	25.5	25.5

Sensitivity analysis

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

	2025 £'000	2024 £'000
Discount rate - 0.1%	22	27
Mortality assumption + 1 year	39	46
CPI rate + 0.1%	22	26

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

	2025 Fair value £	2024 Fair value £
Equities	626,940	550,140
Bonds	371,520	342,540
Property	150,930	134,940
Cash	11,610	10,380
Asset ceiling restriction	(177,000)	-
Total market value of assets	984,000	1,038,000

The actual return on scheme assets was £67,000 (2024: £86,000).

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18 Pension and similar obligations**(Continued)**

Amount recognised in the statement of financial activities	2025	2024
	£	£
Current service cost	45,000	46,000
Interest income	(53,000)	(48,000)
Interest cost	58,000	55,000
Total amount recognised	50,000	53,000
Changes in the present value of defined benefit obligations	2025	2024
	£	£
At 1 September 2024	1,145,000	1,044,000
Current service cost	45,000	46,000
Interest cost	58,000	55,000
Employee contributions	15,000	14,000
Actuarial (gain)/loss	(260,000)	5,000
Benefits paid	(19,000)	(19,000)
At 31 August 2025	984,000	1,145,000
Changes in the fair value of the academy trust's share of scheme assets	2025	2024
	£	£
At 1 September 2024	1,038,000	898,000
Interest income	53,000	48,000
Actuarial gain	14,000	38,000
Employer contributions	60,000	59,000
Employee contributions	15,000	14,000
Benefits paid	(19,000)	(19,000)
Asset ceiling restriction	(177,000)	-
At 31 August 2025	984,000	1,038,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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19 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2025 £	2024 £
Net expenditure for the reporting period (as per the statement of financial activities)		(109,979)	(114,427)
Adjusted for:			
Capital grants from DfE and other capital income		(6,381)	(8,861)
Investment income receivable	6	(1,255)	(23)
Defined benefit pension costs less contributions payable	18	(15,000)	(13,000)
Defined benefit pension scheme finance cost	18	5,000	7,000
Depreciation of tangible fixed assets		179,576	156,451
(Increase) in debtors		(6,046)	(17,553)
Increase in creditors		3,954	57,476
Net cash provided by operating activities		49,869	67,063

20 Analysis of changes in net funds

	1 September 2024 £	Cash flows £	31 August 2025 £
Cash	250,874	(65,310)	185,564

21 Long-term commitments**Operating leases**

At 31 August 2025 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2025 £	2024 £
Amounts due within one year	808	1,207
Amounts due in two and five years	1,414	-
	2,222	1,207

22 Related party transactions

Related party transactions in the year amount to £619 (2024: £1,480). This was paid to East Cheshire Association of Primary Head Teachers (ECAPH) which is a related party due to common directors. Other related party transactions relating to governors' remuneration and expenses are disclosed in note 10.

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23 Members' liability

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