

AVONREACH ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2025

Company Limited by Guarantee
Registration Number: 07665364
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members	Simon Barry Natalie Breeze Michael Hodges Patricia Steel The Worcester Diocesan Academies Trust
Trustees	Andrew Langdon, (Chair) (Diocesan) Rob Phillips, (Vice Chair) (resigned 31st July 2025) Natalie Breeze Michelle Brotherton (appointed 20th January 2025) Sue Christian Ian Cumming James Drain (appointed 21st January 2025) Floriane Fidegnon Karen Rutter
Chief Executive Officer	Phil Hanson (Accounting Officer)
Chief Financial Officer/ Company Secretary	Karen Bevan (Chief Financial and Operations Officer)
Senior Executive Leadership Team	Phil Hanson Karen Bevan
Principal and Registered Office	Station Road Pershore Worcestershire WR10 2BX
Company name	Avonreach Academy Trust
Company Registration Number	07665364
Independent Auditor	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
Bankers	Lloyds Bank PO Box 1000 BX1 1LT
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025

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

The financial statements have been prepared in accordance with the stated accounting policies and comply with the Memorandum and Articles of Association, the Companies Act 2006, the Financial Reporting and Accounts requirements issued by the Education and Skills Funding Agency, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)

The trust operates 4 schools in the Pershore area of Worcestershire:

- Inkberrow Primary School
- Norton Juxta Kempsey Primary School
- Orchard Primary School
- Pershore High School

The academies within the trust have a combined pupil capacity of 2,098 and a roll of 1640 (2024:1,721) in the school census return dated October 2025.

Structure, governance, and management

Constitution

Avonreach Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of Avonreach Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Avonreach Academy Trust. Its articles were adopted in 2017. Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details above.

Members' liability

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

Trustees' Indemnities

The trust has opted into the Department for Education's Risk Protection Arrangement. This is an alternative to commercial insurance where the UK government cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

Method of recruitment and appointment or election of trustees

The maximum number of trustees permitted under the trust's Articles of Association is twelve. Up to eight appointments to the board shall be made by the members. The Diocesan Board of Education is entitled to appoint up to three trustees, providing that the total number of trustees appointed does not exceed twenty five percent of the total number of trustees. Trustees may co-opt up to two trustees.

When vacancies arise, the governance professional forms a search group of existing officers and trustees to oversee the selection and appointment of new trustees. Trustees are recruited based on their specialist skills and empathy for trust's values and vision. To ensure that the board has the necessary skills to contribute fully to the development of the trust, the search group will consider the skills and experience of existing board members and seek to fill gaps. The group consider applications and share their findings and recommendations with the board. Trustees nominate new trustees to the members for appointment as required.

Trustees are appointed for a four-year period. Subject to remaining eligible, any trustee can be reappointed or re-elected.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Policies and procedures adopted for the induction and training of trustees
Training is tailored specifically to the needs of the individual and the board. Trustees aim to ensure that the board maintains the relevant skill set and an annual skills audit is undertaken to determine training needs. Where necessary, training in charity, educational, legal, and financial matters is provided. To support the effectiveness of the board and to promote high standards, the trust subscribes to the National Governance Association, The Key, and Governor Hub. Trustees, local governors, and governance professionals are encouraged to undertake all relevant training on offer.

New trustees are encouraged to visit all schools within the trust and meet the headteacher, staff and students.

All trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role via the secure governance portal.

Organisational structure
The board of trustees comprises those persons appointed under the Articles of Association. The board meets formally at least three times per year. The trust has arranged its business in such a way that responsibilities and lines of accountability are clearly identified in its Scheme of Delegation. The trustees are responsible for ensuring the delivery of high-quality education in all schools within the trust, setting general policy, approving an annual plan and budget, monitoring financial and operational performance, and making strategic decisions about the operation and management of the trust, including making senior staff appointments.

There are three main committees of the board that meet at regular intervals throughout the year. These are:
- Curriculum and Quality
- Finance, Audit and Risk
- HR and Wellbeing

These committees provide the opportunity for detailed discussion and policy development. Decisions reached at committee are reported to the board and, where necessary, interim decisions are reported to the full board for ratification. The trust's Curriculum and Quality committee ensures that the distinctive Christian ethos of Norton Juxta Kempsey Primary School is a focus for the school's local governors and receives regular progress reports.

Trustees are responsible for the strategic direction of the trust and have the ultimate decision-making authority. This is exercised through the strategic planning process, undertaken by the trust board, and through the setting of policy. It is managed through business planning, budget monitoring, performance management, the setting of standards, and the implementation of high quality management processes. In addition to the approval of the annual budget, audited accounts, and statutory policies, trustees have reserved the power to approve the appointment of headteachers, senior executive team members, chairs of Academy Standards Committees (ASCs), formally Local Governing Boards (LGBs), and to approve expenditure over prescribed values.

ASCs are established in all trust schools. ASCs have delegated authority, through the Scheme of Delegation, for the oversight of curriculum delivery in each of the schools, although the trust board retains formal accountability for their operation and the strategic management and policies of the trust as a whole. ASCs meet six times per year with meetings aligned to the trust board's committee structure.

Termly meetings between the chair of the trust board, the CEO, and chairs of ASCs are also in place to facilitate two-way communication.

The ASCs are formally constituted with terms of reference and comprise appropriately qualified and experienced members. Their activities are reported and discussed at meetings of the trust board.

The day-to-day management of the trust is the responsibility of the Chief Executive Officer (CEO), who is also Accounting Officer. The day to day running of each of the academies is delegated to the headteachers and leadership teams at each school.

Members meet annually at the AGM and at other times as required.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Arrangements for setting the pay and remuneration of the trust's key management personnel are approved by the trust board in line with its Executive Pay policy. The trust's teachers' pay policy is based on the nationally agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The trust adheres to local government pay arrangements for support staff and follows the National Joint Council pay scales.

Trade Union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must publish information included in Schedule 2 of the Regulations. Details for the reporting period are as follows:

Number of employees who were relevant Trade Union officials Full-time equivalent during the relevant period	**Employee Number**
Percentage of time spent on facility time	
Percentage of time	
0%	2
1%-50%	-
51%-99%	-
++100%	-
Percentage of pay bill spent on facility time	
Total cost of facilities time	£Nil
Total pay bill	£9,929,000
Percentage of the total pay bill spend on facility time, calculated as:	
(total cost so facility time ÷ total pay bill × 100	£Nil
Full time equivalent number	1.9
Percentage of time spent on facility time	Nil%
Paid Trade Union activities	
Time spent on paid Trade Union activities as a percentage of total paid facility time hours calculated as:	
(total hours spent on paid Trade Union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	Nil%

Related Parties and Other Connected Charities and Organisations

Owing to the nature of the trust's operations and its close working relationships with local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions with such organisations are conducted at arm's length and in accordance with the trust's financial regulations. Related party relationships are acknowledged at the trustees' meetings and through the pecuniary interest forms. Any financial transactions are disclosed in the notes to the accounts.

Engagement with employees (including disabled persons)

The trust operates an organisation wide intranet where information and advice relevant to the staff is posted. This includes regular updates, employee related polices, including Code of Conduct, Pay Policy, Equality and Diversity statement, and whistleblowing procedures. It also provides information regarding the trust’s employee assistance programme.

The trust has an Employee Voice forum, comprising of representatives from its schools. The forum meets half termly to discuss issues and polices directly affecting employees. It seeks to engage with staff and to garner their views on strategy, vision and values, policy development, and staff wellbeing.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Engagement with employees (including disabled persons) (cont'd)
The trust welcomes applications from people with disabilities. Under the 'Disability Confident' scheme, it undertakes to interview disabled people who meet the minimum essential criteria detail on the person specification.

Engagement with suppliers, customers and others in business relationship with the academy trust
Avonreach Academy Trust conducts its business relationships transparently and honestly and in line with legislation and best practice.

Objectives, Strategies and Activities
Objects and Aims
The aim of the trust is to provide the highest possible standard of education and pastoral care for its children and young people. Maximising the life chances of pupils, regardless of their abilities, characteristics, and personal circumstances. It achieves this object principally through the operation of four schools in Worcestershire.

Avonreach Academy Trust aims to be the choice for parents who aspire to the best educational outcomes for their children from age 2 to 18.

Objectives, Strategies and Activities
The trust's objectives are set out in its Articles of Association. Its principal objects are:

- advance for the public benefit education in the United Kingdom
- promote for the benefit of the inhabitants of Pershore and the surrounding area the provision of facilities for recreation or other leisure time occupation.

To meet these aims, the trust has identified five key strategic areas:

1. Learning and Development: Provide high quality learning and development opportunities for staff and pupils, responsive to need and drawing on expertise from within and outside the trust
2. Standards: Support excellent outcomes for children and young people through the provision of high-quality school improvement services and quality assurance systems
3. People: Our people strategy creates a high-performing working culture that promotes collaboration aspiration and support. We aim to provide an environment where staff feel valued, they are encouraged to develop, and their wellbeing informs decision making.
4. Professional Services: Provide high-quality professional services to allow school leaders to focus on delivering excellent education. Professional services will include school improvement, finance and estates, HR and IT services, marketing and communication, SEND and safeguarding support.
5. Governance: Ensure that all involved in governance understand their roles and responsibilities, that there are clear lines of communication, and that there is an appropriate balance between school independence and aligned autonomy

Public Benefit
In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2).

The primary purpose of the trust is the advancement of education through its schools. Both Orchard and Norton Juxta Kempsey primary schools operate an extended day, offering before and after school care for the children of working parents. Orchard Primary School also operates an onsite nursery.

In the interests of school welfare and improving life in the local community, the trust also provides facilities for recreational and other leisure time occupation for the community.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Strategic Report

Achievements and Performance

Avonreach Academy Trust provides its children and young people with a rich and varied experience both within and beyond the curriculum. Our primary schools continue to provide a good quality of education and Inkberrow Primary was reconfirmed as an Ofsted Outstanding School at its inspection in April 2025. Pershore High School was graded Requires Improvement by Ofsted in March 2024. Trustees have reviewed the detailed action plan developed by the school's leadership team and are confident that the positive steps already taken and those planned, will address the areas of concern, resulting in an improved report card for the school following their next inspection. Pershore High School's Academy Standards Committee (ASC), together with the board's Curriculum and Quality committee, will continue to monitor the school's improvement journey. Norton Juxta Kempsey, the trust's only church school continues to be 'a beacon of light, love and joy in this community and beyond' as identified in its most recent SIAMS inspection.

Curriculum development continues to be a focus for all schools. Primary schools collaborate to ensure they are delivering an engaging and lively curriculum, sharing good practice across the schools. Cross-phase curriculum development groups have been put in place and inter-trust moderation takes place with neighbouring primary schools. Ofsted described Inkberrow Primary School's 'Aspirations Curriculum' as exceptional, 'from the early years to Year 6, pupils learn about 42 different careers, from chefs and builders to app developers and engineers. Role models come to school to discuss their careers. Carefully designed projects provide appropriate experience of that role. This means that pupils, from the early years, very quickly build a sense of vocational ambition and excitement for the future'.

A range of subject based events in Religious Studies, Sport, Science, and Performing Arts continue to allow children and young people from all schools to work together on curriculum focussed and extra-curricular activities.

Norton Juxta Kempsey Primary School places a significant focus on pupil values and engagement, as evidenced by the collective worship and the adoption of the 'No Outsiders' programme, which supports its strong stance on inclusion and diversity. The school's status as a church school is evident in its ethos and community activities

Orchard Primary School has a strong emphasis on the learning environment it provides. The Thrive system is well-integrated and clearly signposted, reinforcing the school's commitment to student welfare. The school has established a visible student leadership system and has a well-structured approach to supporting pupils in their transition to secondary education.

Pershore High School successfully maintains a strong community ethos, with students from across all year groups interacting positively and building rapport with one another. This nurturing environment is testament to the school's emphasis on fostering inclusivity and collaboration among its pupils.

School Performance Data:

Key Stage 2

Performance continues to be strong and improving with writing a particular strength, with all schools performing well above the expected standard at national level in almost all areas.

KS2 Expected Standard	All Primary Schools	Inkberrow	Norton	Orchard	National
Reading	75%	74%	89%	62%	75%
Writing	83%	81%	89%	78%	72%
Maths	71%	74%	81%	58%	74%
Combined	68%	74%	78%	50%	62%
GPS	78%	74%	93%	65%	73%

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

School Performance Data: (cont'd)

Key Stage 2 (cont'd)

KS2 Higher Standard	All Primary Schools	Inkberrow	Norton	Orchard	National
Reading	41%	44%	48%	31%	33%
Writing	19%	30%	15%	11%	13%
Maths	35%	30%	48%	27%	26%
Combined	14%	19%	15%	8%	8%
GPS	25%	33%	30%	12%	30%

Key Stage 4

Measure	School 2025	National
% 5+ En & Ma	33.5%	45.2%
Entering EBacc	19.4%	40.5%
EBacc average point score	3.82	4.08
Attainment 8	43.62	45.9
Progress 8 (not available in 2025)	n/a	n/a
Pupils staying in education or employment after KS4 (2023)	93%	91%

A Level

Measure	School 2025	National (2024)
Average A Level Result	C+	B-
A Level progress Score	+0.22	-0.03
Average Applied General Result	Distinction +	Merit +
Applied General Progress Score	+0.5	0
% A Level Grades A*-C	68.1%	n/a
% of students completing their main study programme	95.6%	92.3%

Going Concern

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

Promoting the Success of the Company

As custodians of significant amounts of public money and having responsibility for almost two thousand children and young people, and two hundred and fifty staff, the board recognises the significant impact it has on society. It is committed to ensuring a process of continuous improvement in all facets of its operations. The strategic ambitions set by the board plans represent the touchstone against which short, medium, and long-term decisions are made to ensure future financial sustainability and overall success.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Financial Review

Most of the trust's income comes from central government in the form of recurrent grants from the Department for Education (DfE). These grants and the associated expenditure are shown as restricted funds in the consolidated Statement of Financial Activities.

Funding is based largely on pupil numbers with an Age Weighted Pupil Unit (AWPU) allocation in line with pupil numbers recorded in the annual October census. These funds form the 'General Annual Grant' (GAG) and cover the staffing and general running costs of the trust. The DfE also provides additional grants that are earmarked for specific purposes, for example, Pupil Premium, which must be used to raise attainment for disadvantaged pupils. The trust also receives additional grants from the local authority; for example, SEND funding, where the trust fulfils responsibilities on behalf of the local authority in respect of its pupils with special educational needs.

During the period, the DfE continued to provide grant funding to support the financial impact of increases to national insurance and pension fund contributions. Similarly, a School Budget Support Grant was provided to offer some protection from other increasing costs, particularly pay.

Other income received by the trust includes that from parents (for trips etc.) or other third parties, for example, donations. Other income may be 'restricted' or 'unrestricted' depending on whether it comes with conditions as to its use or whether it is available for spending at the discretion of the trustees. The primary income source for each school remains the GAG funding.

The trust receives grants from the DfE for capital expenditure and building works. In accordance with the Charities Statement of Recommended Practice, (Charities SORP (FRS102)), and the Academies Accounts Direction, these grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

As at 31 August 2025 fund balances were as follows:

		2025 £'000	2024 £'000
Fund	**Category**		
Unrestricted	Unrestricted General Funds	768	672
Total	**General Unrestricted Funds**	**768**	**672**
GAG	Restricted General Funds	223	596
Ukraine Fund	Restricted General Funds	92	92
School Fund	Restricted General Funds	85	44
Total	**Restricted General Funds**	**400**	**732**
Net book value of Fixed Assets	Restricted Fixed Asset Fund	19,829	18,905
Share of LGPS	Restricted Pension Reserve	-	(1,074)
Total	**All Funds**	**20,997**	**19,235**
Unspent capital grants	Restricted Fixed Assets Funds	799	14
Total	**Spendable Funds**	**799**	**14**

During the year ended 31 August 2025, total expenditure of £13,025,000 (2024: £12,474,000) was funded by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £236,000 (2024: £62,000 surplus). On 31 August 2025 the net book value of fixed assets was £19,172,000 (2024: £19,146,000).

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Financial Review (cont'd)

In common with all academies and local authorities, the trust has an ongoing commitment to its share of the Local Government Pension Scheme (LGPS) deficit. Whilst this is not a conventional liability, it does need to be reflected in the accounts, although it does not need to be deducted from spendable funds. The trust meets its obligations in respect of LGPS by paying over pension contributions due as calculated by the scheme's actuaries. On 31 August 2025 the LGPS showed a surplus of £941,000, which was restricted to £Nil within the financial statements (2024: deficit of £1,074,000).

The trust has an experienced Chief Financial and Operations Officer (CFOO). The Head of Finance is a qualified accountant. The Central Team provides budget setting, financial and risk management support to the trustees, local governors, headteachers, and other budget holders and finance administrators.

The Central Team produce monthly financial management reports; these include a year-to-date position and full year forecast for comparison to the approved budget. Consolidated reports are produced for the board and compared to the approved budget submitted to the DfE. Reforecasts are undertaken when required. The Finance, Audit and Risk committee receives the consolidated management accounts, balance sheet and cash flow forecast each month. The committee reviews and discusses the financial management information in detail at each meeting.

The Finance, Audit and Risk committee periodically receives and reviews longer term financial models to inform strategic decision making and budget approval.

Financial Risk Management Objectives and Policies

Trustees regularly assess the major risks to which the trust is exposed. The Finance, Audit and Risk committee reviews risk management arrangements, including a risk management strategy and a strategic risk register. The strategic risk register seeks to identify the likelihood of an event occurring, its impact, and any mitigating actions that might reduce or transfer the risk where appropriate.

The trust has introduced a comprehensive risk management process. Each school maintains its own register and significant risks are escalated, informing the trust's strategic risk register. Risks are categorised under the following headings: strategic, operational, compliance, financial, educational, wellbeing and safety, and reputational. The strategic risk register includes trend lines to highlight risk trajectory. This process provides trustees with a detailed understanding of risk within each school and offers the opportunity to identify wider trends and issues.

Trustees acknowledge that they have overall responsibility for ensuring that the trust has an effective and appropriate system of controls in place. The board is also responsible for keeping proper accounting records that comply with the Companies Act. The trustees also acknowledge responsibility for safeguarding the assets of the trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trust's system of internal control is based on a framework of regular management information and administrative procedures, including segregation of duties, monitoring of controls, training of staff and a system of delegations and accountability.

The trust's financial regulations provide instruction and guidance to trustees, headteachers, and staff, and ensures that each school maintains and develops systems of financial control that conforms to the requirements of both propriety and good financial management.

An internal audit function, provided by an external reviewer performing a range of checks on the trust's internal control systems and procedures, provides further assurance to the trustees.

Reserves Policy

Each year the trustees review forecasted income and resource requirements and approve an annual budget.

Trustees recognise the need to have sufficient reserves to protect future operations and its reserves and investment policy embeds a culture of financial management that is open and transparent, ensuring that the trust's strategic ambitions are realised.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Reserves Policy (cont'd)
Trustees aim to carry forward a prudent level of reserves to support the continuing operation of the trust whilst ensuring excessive funds are not accumulated. Cash balances of all academies are pooled into a central account with the accounting of reserves remaining at school level.

To protect against the uncertainties created by the current financial climate, the trust aims to hold a reserve of three times its monthly salary costs.

Investment Policy
Due to the nature and timing of receipt of funding, the trust may at times hold cash balances surplus to its short-term requirements. Trustees are committed to ensuring that all funds under their control are managed in such a way to maximise return whilst minimising risk. As such the trust's investment policy aims to:

- achieve the best financial return available for cash reserves whilst ensuring the security of deposits takes precedence over revenue maximisation
- only invest funds surplus to operational need and ensuring all financial commitments are met and optimum cash flows are maintained
- exercise all investment decisions ethically, with care and skill, in the best interests of the trust

During the year, surplus cash has been placed in cash deposits with Lloyds bank. Average return on investments in the year is 3.4%.

Principal Risks and Uncertainties
All major risks to which the trust is exposed are detailed in the strategic risk register; reviewed frequently by the Finance, Audit and Risk committee and the board. Robust policies and procedures are in place to mitigate and manage risk across the trust.

The principal risks and mitigations have been identified:

- Financial - the trust is reliant on government funding through the DfE. There is a risk that rising costs may not be alleviated by grant funding. Moreover, it remains the fact that despite the National Funding Formula, the funding level for pupils in Worcestershire is less per pupil per year than in other areas within the West Midlands.

The management information and controls in place, manage, as far as is possible, the impact of this risk:

Careful budget planning based on known information and assumptions for inflationary increases supports robust financial management.

The Board reviews monthly financial information and responds to trends and challenges variances as appropriate. It maintains oversight of the application of its policies including the reserves policy.

The risk associated with the trust's share of the LPGS deficit is managed by following actuarial advice.

A material risk for the trust in relation to the defined pension scheme is mitigated by parliamentary guarantee.

- Recruitment and retention – over recent years, it has become increasingly difficult to recruit and retain teachers and support staff, especially at secondary level. The nationwide shortage of qualified teachers affects the trust's ability to attract and retain staff.

The trust, as employer of choice, offers a range of benefits and support schemes to its employees. For example, flexible working, continuing professional development, development through cross-phase curriculum working, access to a free Employee Assistance Programme, an Employee Voice Forum and an employee benefits package.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Principal Risks and Uncertainties (cont'd)

Improving recruitment of staff by encouraging its schools to be fully involved in the provision of Initial Teacher Training, including assessment only route to QTS, through local teaching schools, and apprenticeship schemes.

- Buildings and facilities - the trust's estate is aging and ensuring that the estate under the control of the trust remains safe, secure, and compliant presents an ongoing risk.

An estates strategy outlines the trust's short, medium and long-term ambitions for its sites and facilities, including energy efficiency, sustainability and creating engaging environments for learning.

Compliance with legislation to protect the health and safety of staff, pupils, and visitors.

Use of Condition Improvement Funding (CIF), and Devolved Formula Capital, (DFC) funding.

Use of other DfE Support, including a £26.3 million DfE funded rebuild, refurbishment and expansion project at Pershore High School to replace its aging buildings. Work commenced in the summer of 2025 with projected completion in 2027.

In November 2025 the DfE offered to provide a Risk Management Review which was conducted on their behalf by Towers Watson/RPA which did not highlight any significant issues in relation to health and safety, cyber risk, security or employment law.

Fundraising

The trust continues to explore opportunities for fundraising and sets out its aims and demonstrates how these aims link to its values in an organisational plan. The plan conforms to the Charities SORP, and the guidance issued by the Charities Commission in relation to fundraising. During the accounting period, the trust did not operate a formal fundraising programme in conjunction with any commercial or professional fundraisers. Similarly, the trust does not subscribe to any voluntary fundraising schemes or standards and does not have any commercial third-party fundraising on its behalf requiring monitoring in relation to vulnerable people, unreasonably intrusive or persistent fundraising approaches, or undue pressure to donate.

Schools in the trust do benefit from occasional volunteer fundraising by associated parent/friends and similar groups. It is recognised that the opportunities for fundraising are limited by the current economic landscape.

The trust has not received any formal complaints in respect of its fundraising activities.

Plans for Future Periods

The trust's vision and values have been refreshed in collaboration with all staff, clarifying its strategic ambitions based on the DfE's Trust Quality Descriptors. Plans include:

- a long-term estates strategy to ensure a safe and high-quality learning environment for future generations
- a people strategy to facilitate the recruitment and retention of high calibre staff, their wellbeing and work life balance
- enhanced governance across the trust, including clarifying roles and responsibilities and improving communication, following findings of an external governance review commissioned by the trust board
- collaboration with other trusts to share high quality support for teaching and learning and business operations
- further development of central services to facilitate growth
- support long-term sustainability through the opportunities provided by merger with like-minded trusts
- deliver enhanced facilities through the expansion of Pershore High School as part of the DfE's Schools Rebuilding Programme.
- deliver enhanced sporting facilities for pupil and wider community use following a successful application for Section 106 funding to Wychavon District Council.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

In so far as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11th December 2025 and signed on its behalf by:

……..
Andrew Longdon
Chair of Trustees

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025

Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Academy Trust Handbook and Governance Guides, and the trust's Governance Handbook.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee		Meetings attended	Out of a possible
Andrew Longdon (Chair)		6	6
Rob Phillips (Vice Chair)	Resigned 31st July 2025	5	6
Natalie Breeze		5	6
Michelle Brotherton	Appointed 20th January 2025	2	4
Sue Christian		6	6
Ian Cumming		5	6
James Drain	Appointed 21st January 2025	4	4
Floriane Fidegnon-Edoh		4	6
Karen Rutter		6	6

During the Spring term, two new trustees joined the board. The long-standing Vice Chair retired from the board at the end of the summer term.

The trust's governance structure ensures separation between tiers of governance. Members are not permitted to serve on ASCs, and local governors are not permitted to serve as trustees or Members.

The board operates the Circle Method of Governance; the scheme of delegation and terms of reference are reviewed at least annually by the trust board and provided to the ASCs once approved. ASCs meet five times per year; their focus is pupil outcomes and safety. The board receives timely and quality assured performance data of individual schools from the ASCs. In addition, the trust's central team provides a range of financial and operational management information at school and consolidated level to inform the board's decision making.

The board has continued to focus on school improvement, the effective delivery of the curriculum, pupil outcomes, the sustainability of its estate, and on the long-term financial sustainability of the trust, including growth through merger with like-minded trusts. In the summer term the board agreed to begin informal due diligence with a local multi academy trust with the intention of a merger in September 2026.

Conflicts of Interest

All trustees and local governors complete the register of business interests annually and are asked to declare any changes or interests specific to the meeting agenda at each meeting. This information allows the trust to identify any potential conflicts of interest and act accordingly. Members of the senior executive team and headteachers of schools also complete the register of business interests annually.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Finance Audit and Risk Committee

The finance, audit and risk committee is a sub-committee of the main board of trustees. Its purpose is to ensure the financial robustness of the trust, to monitor financial performance against budget, to ensure financial propriety through the audit of the trust's systems and controls and advise on the management of risk. The committee met four times during the academic year ending 31st August 2025. Attendance at meetings was as follows:

Trustee	Meeting attended	Out of a Possible
Ian Cumming (Chair)	2	4
Karen Rutter (Co-Chair)	4	4
Natalie Breeze	3	4
Andy Longdon	4	4

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money by:

Ensuring:

- resources are targeted at school improvement priorities as identified in individual school development plans
- high quality staff are recruited and retained
- procurement processes are in place to deliver best value and economies of scale
- funds are directed appropriately to meet health and safety compliance
- large scale building and refurbishment projects are funded from external sources
- large value contracts meet public contracts regulations

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Avonreach Academy 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.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trust board is of the view that there is a formal ongoing process for identifying, evaluating, and managing the trust's significant risks, which 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 board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance, audit and risk committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

The Risk and Control Framework (cont'd)

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The size of the trust is not considered to warrant a specific in-house internal scrutiny role. To maximise the effectiveness of the scrutiny performed, the trustees have chosen to work with a range of suitably qualified external professionals, for the period 1 September 2024 to 31 August 2025.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the trust's financial and other systems. In the current period, reviews have included:

- Financial management system
- Health and safety
- Risk management

The reviewers report to the board of trustees, through the finance, audit and risk committee on the operation of the systems of control and the discharge of the board of trustees' financial responsibilities. On an annual basis a summary report is presented to the committee outlining areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

Review of Effectiveness

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

- the work of the internal reviewer
- the work of the external auditors
- feedback from the chair of the finance, audit and risk committee
- the work of the Chief Financial Officer who has responsibility for the development and maintenance of the internal control framework
- the school resource management self-assessment tool
- correspondence from the DfE

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

Conclusion

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

Approved by order of the members of the Board of Trustees on 11th December 2025 and signed on its behalf by:

.....	.....
Andrew Longdon - Chair of Trustees	**Phil Hanson – Accounting Officer**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2025

As Accounting Officer of Avonreach Academy 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 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 Board of Trustees and the 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 Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the framework of authorities.

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

……
Phil Hanson
Accounting Officer
11 December 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Department for Education, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2025 and signed on its behalf by:

……
Mr A Longdon
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVONREACH ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2025

Opinion

We have audited the financial statements of Avonreach Academy 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 FRS 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 Avonreach Academy Trust's affairs as at 31 August 2025 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Academy Trust's use of the going concern basis of accounting in the preparation of the financial statement 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 Avonreach Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the financial statements. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVONREACH ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the strategic report, and the Trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 19, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVONREACH ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Based on our understanding of the Avonreach Academy Trust and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Avonreach Academy Trust, which were contrary to applicable laws and regulations including fraud, 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, Charities SORP 2019 and Academies Accounts Direction 2024 to 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 inflated revenue and the Avonreach Academy Trust's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Department for Education, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVONREACH ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Use of our report

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

…….
Malcolm Winston
Senior Statutory Auditor
UHY Hacker Young (Birmingham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

11 December 2025

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AVONREACH ACADEMY 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 30 June 2025 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 Avonreach Academy 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 Avonreach Academy 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 Avonreach Academy 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 Avonreach Academy Trust and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Avonreach Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Avonreach Academy Trust's funding agreement with the Secretary of State for Education dated 01 July 2013, 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 Accountants 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.

Summary of the work undertaken was as follows:

- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AVONREACH ACADEMY TRUST AND THE SECRETARY OF STATE FOR EDUCATION FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

Approach (cont'd)

- Review of the general control environment for the Academy Trust on financial statements and on regularity;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy Trust's delegated authorities;
- Formal representations obtained from the Board of Trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the Academy Trust's charitable objectives.

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
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

11 December 2025

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025
(Including Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2025 £'000	Total 2024 £'000
Income from:						
Donations and capital grants	3	10	-	1,135	**1,145**	**876**
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	12,450	-	**12,450**	**12,025**
Other trading activities	5	300	-	-	**300**	**284**
Investment income	6	43	-	-	**43**	**39**
Total		**353**	**12,450**	**1,135**	**13,938**	**13,224**
Expenditure on:						
Raising funds	7	1	-	-	**1**	**-**
Charitable activities:						
- Academy trust's educational operations	7	-	12,571	453	**13,024**	**12,474**
Total		**1**	**12,571**	**453**	**13,025**	**12,474**
Net income/(expenditure)		**352**	**(121)**	**682**	**913**	**750**
Transfers between funds	17	(256)	14	242	**-**	**-**
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	28	-	1,790	-	**1,790**	**214**
Asset ceiling adjustment	28	-	(941)	-	**(941)**	**-**
Net movement in funds		**96**	**742**	**924**	**1,762**	**964**
Reconciliation of funds						
Total funds brought forward	17	**672**	**(342)**	**18,905**	**19,235**	**18,271**
Total funds carried forward	17	**768**	**400**	**19,829**	**20,997**	**19,235**

All of the Avonreach Academy Trust's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible assets	13	**19,172**	**19,146**
		19,172	**19,146**
Current assets			
Debtors	14	**414**	**400**
Cash at bank and in hand		**2,521**	**2,156**
		2,935	**2,556**
Current liabilities			
Creditors: Amounts falling due within one year	15	**(980)**	**(1,349)**
Net current assets		**1,955**	**1,207**
Total assets less current liabilities		**21,127**	**20,353**
Creditors: Amounts falling due after more than one year	16	**(130)**	**(44)**
Net assets excluding pension liability		**20,997**	**20,309**
Defined benefit pension scheme liability	28	**-**	**(1,074)**
Total Net Assets		**20,997**	**19,235**
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	17	**19,829**	**18,905**
- Restricted income fund	17	**400**	**732**
- Pension reserve	17	**-**	**(1,074)**
Total Restricted Funds		**20,229**	**18,563**
Unrestricted income fund	17	**768**	**672**
Total Unrestricted Funds		**768**	**672**
Total Funds		**20,997**	**19,235**

The financial statements on pages 26 to 50 were approved by the trustees and authorised for issue on 11 December 2025 and signed on their behalf by:

.....
Mr A Longdon
Chair

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities			
Net cash used in operating activities	21	**(425)**	**(37)**
Cash flows from investing activities	22	**699**	**(356)**
Cash flows from financing activities	23	**91**	**48**
Change in cash and cash equivalents in the reporting period		**365**	**(345)**
Cash and cash equivalents at 1 September	24	**2,156**	**2,501**
Cash and cash equivalents at 31 August	24	**2,521**	**2,156**

1 Statement of Accounting Policies

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

Basis of Preparation

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

Avonreach Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Legacies**

  The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability fo estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims' in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy trust can be reliably measured.

- **Donations**
  Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
  Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Expenditure

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

- **Expenditure on Raising Funds**
  This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**
  These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Interest receivable

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

Tangible Fixed Assets

Assets costing **£500** 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation Policy

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

Leasehold buildings	50 years
Furniture and fixtures	10 years
Computer equipment and software	3 years

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

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.

Leased Assets

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

Debtors

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

Cash at bank and in hand

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

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.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 instrument, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 prospective unit credit method. TPS is a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the academy trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension lability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the DfE. Payments received from the DfE and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Avonreach Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2025 (see note 17).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
DfE/ESFA capital grants	-	317	**317**	**178**
Other capital grants	-	818	**818**	**682**
Donations	10	-	**10**	**16**
	10	**1,135**	**1,145**	**876**

The income from donations and capital grants was £1,145,000 (2024: £876,000) of which £10,000 (2024: £16,000) was unrestricted, £Nil (2024: £Nil) restricted and £1,135,000 (2024: £860,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	9,022	**9,022**	**8,783**
Post 16-19 core grant	-	787	**787**	**936**
Rates relief grant	-	58	**58**	**32**
Other DfE/ESFA grants				
Universal infant free school meals grant	-	83	**83**	**85**
Other ESFA grants	-	106	**106**	**94**
National tutoring programme	-	(2)	**(2)**	**(22)**
PE and sports grant	-	54	**54**	**54**
Pupil premium grant	-	311	**311**	**311**
Teachers pay grant	-	151	**151**	**154**
Teachers pension grant	-	235	**235**	**122**
Core school budget grant	-	350	**350**	**-**
National insurance contributions grant	-	65	**65**	**-**
Mainstream additional schools grant	-	-	**-**	**325**
Early careers funding	-	13	**13**	**1**
	-	11,233	**11,233**	**10,875**
Other Government grants				
Special educational needs grant	-	644	**644**	**450**
LA early years	-	107	**107**	**78**
Other LA grants	-	10	**10**	**23**
	-	761	**761**	**551**
COVID-19 DfE/ESFA additional funding				
Recovery Premium	-	-	**-**	**69**
	-	-	**-**	**69**
Other income from the academy trust's educational operations:				
Other	-	11	**11**	**14**
Pupil catering income	-	445	**445**	**516**
	-	**456**	**456**	**530**
	-	**12,450**	**12,450**	**12,025**

The income from funding for the Academy Trust's Educational Operations was £12,450,000 (2024: £12,025,000) of which £Nil (2024: £Nil) was unrestricted and £12,450,000 (2024: £12,025,000) restricted.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Hire of facilities	64	-	**64**	**51**
Other income	236	-	**236**	**233**
	300	-	**300**	**284**

The income from the academy trusts' other trading activities was unrestricted for both 2025 and 2024.

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Bank interest received	43	-	**43**	**39**
	43	-	**43**	**39**

The income from the academy trusts' investment activities was unrestricted for both 2025 and 2024.

7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure Premises £'000	Non Pay Expenditure Other Costs £'000	Total 2025 £'000	Total 2024 £'000
Expenditure on raising funds					
- Direct costs	-	-	-	**-**	**-**
- Allocated support costs	-	-	1	**1**	**-**
	-	**-**	**1**	**1**	**-**
Academy's educational operations					
- Direct costs	8,921	-	912	**9,833**	**9,025**
- Allocated support costs	1,008	1,248	935	**3,191**	**3,449**
	9,929	**1,248**	**1,847**	**13,024**	**12,474**
	9,929	**1,248**	**1,848**	**13,025**	**12,474**

The expenditure was £13,025,000 (2024: £12,474,000) of which £1,000 (2024: £Nil) was unrestricted, £12,571,000 (2024: £12,033,000) restricted and £453,000 (2024: £441,000) restricted fixed assets.

Net (income)/expenditure for the year includes:	2025 £'000	2024 £'000
Operating leases rentals	**72**	**45**
Depreciation	**453**	**441**
Fees payable to auditor for:		
- audit	**18**	**19**
- other services	**4**	**2**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

8 CHARITABLE ACTIVITIES

	Total 2025 £'000	Total 2024 £'000
Direct costs - educational operations	9,833	9,025
Support costs - educational operations	3,191	3,449
	13,024	12,474

Analysis of Support Costs	Total 2025 £'000	Total 2024 £'000
Support staff costs	1,008	1,187
Depreciation	453	441
Technology costs	160	142
Premises costs	795	911
Legal costs - other	13	114
Other support costs	738	633
Governance costs	24	21
	3,191	3,449

9 STAFF COSTS

a Staff costs and employee benefits

Staff costs during the year were:	Total 2025 £'000	Total 2024 £'000
Wages and salaries	7,054	6,882
Social security costs	802	635
Pension costs	1,769	1,573
	9,625	9,090
Agency staff costs	289	354
Staff restructuring costs	15	-
	9,929	9,444
Staff restructuring costs comprise:		
Redundancy payments	10	-
Other restructuring costs	5	-
	15	-

b Contractual and non contractual exit payments

The academy trust paid 2 exit payments in the year (2024: None), disclosed in the following bands:

	2025	2024
0 - £25,000	2	-

c Special staff severance non contractual payments

Included in staff restructuring costs there are no non statutory/non contractual special severance payments (2024: None).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

9 STAFF COSTS (cont'd)

d Staff numbers

The average number of persons (including School Leadership Team) employed by the Academy during the year ended 31 August 2025 expressed as whole persons was as follows:

	2025	2024
Charitable Activities	**No**	**No**
Teachers	**104**	**102**
Administration and support - including Teaching Assistants	**137**	**126**
Management	**6**	**6**
	247	**234**

e Higher paid staff

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

	No	No
£60,001 - £70,000	**9**	**4**
£70,001 - £80,000	**6**	**7**
£80,001 - £90,000	**1**	**1**
£90,001 - £100,000	**1**	**-**
£100,001 - £110,000	**1**	**2**

f Key management personnel

The key management of the academy trust comprise the trustees and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £712,785 (2024: £720,537).

10 CENTRAL SERVICES

Avonreach Academy Trust has provided the following central services to Orchard Primary School, Inkberrow Primary School, Norton Juxta Kempsey Primary School and Pershore High School:

- financial services;
- legal services;
- procurement;
- human resources support;
- IT support;
- educational support services.

The academy trust charges for these services 5% (2024: 4.75%) top slice of income.

The actual amounts charged during the year were as follows:	2025 £'000	2024 £'000
Inkberrow Primary School	**44**	**42**
Norton Juxta Kempsey CofE Primary School	**43**	**44**
Orchard Primary School	**49**	**48**
Pershore High School	**354**	**352**
	490	**486**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

11 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer received remuneration in respect of their contract of services as CEO and not in respect of his services as a trustee. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration and other remuneration was as follows:

	2025	2024
Phil Hanson (Chief Executive Officer)		
Remuneration	£105,000 - £110,000	£100,000 - £105,000
Employers pension	£30,000 - £35,000	£30,000 - £35,000

During the year ended 31 August 2025, £Nil (2024: £72) was reimbursed to trustees in respect of travel and subsistence expenses.

Other related party transactions including directors are set out in note 29.

12 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim. The cost of this insurance is included in the total insurance cost of the DfE's RPA scheme.

13 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings	Furniture & Equipment	Computer Equipment	Assets Under Construction	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 September 2024	22,489	294	529	275	**23,587**
Additions	203	18	21	237	**479**
Reclassification	494	-	-	(494)	**-**
At 31 August 2025	23,186	312	550	18	**24,066**
Depreciation					
At 1 September 2024	3,880	70	491	-	**4,441**
Charged in year	401	26	26	-	**453**
At 31 August 2025	4,281	96	517	-	**4,894**
Net book value					
At 31 August 2025	**18,905**	**216**	**33**	**18**	**19,172**
At 31 August 2024	**18,609**	**224**	**38**	**275**	**19,146**

14 DEBTORS	2025 £'000	2024 £'000
Trade debtors	36	14
VAT recoverable	25	57
Prepayments and accrued income	352	329
Other debtors	1	-
	414	400

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2025 £'000	2024 £'000
Trade creditors	228	694
Other creditors	340	317
CIF loan	12	4
Taxation & social security	180	143
Accruals	114	103
Deferred income	106	88
	980	1,349

Deferred Income

Deferred income at 1 September	88	(78)
Resources deferred in the	106	88
Amounts recognised as income during the year	(88)	78
Deferred income at 31 August	106	88

At the balance sheet date the academy was holding funds received in advance for 2025/26 for universal infant free school meals £47,974 (2024: £49,495) and SEN £58,242 (2024: £37,591).

16 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR	2025 £'000	2024 £'000
CIF loan	130	44
	130	44

A CIF loan of £48,000 was taken out on 20 November 2023 for roof refurbishments at Norton Juxta Kempsey Primary School. An interest rate of 5.1% is being charged on the loan and is repayable over 10 years.

A CIF loan of £98,348 was taken out on 20 November 2024 for roof refurbishments at Orchard Primary School. An interest rate of 5.36% is being charged on the loan and is repayable over 10 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

17 FUNDS

The income funds of the academy applied for specific purposes are as follows:

	Balance at 1 September 2024	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2025
Restricted general funds	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General annual grant (GAG) (note i)	**596**	9,022	(9,368)	(27)	**223**
Post 16-19 core grant funding	**-**	787	(787)	-	**-**
Rates relief grant (note ii)	**-**	58	(58)	-	**-**
Pupil premium grant (note iii)	**-**	311	(311)	-	**-**
PE and Sports grant (note iv)	**-**	54	(54)	-	**-**
UIFSM grant (note v)	**-**	83	(83)	-	**-**
Teachers pay grant (note vi)	**-**	151	(151)	-	**-**
Teachers pension grant (note vi)	**-**	235	(235)	-	**-**
Core school budget grant	**-**	350	(350)	-	**-**
National insurance contributions grant	**-**	65	(65)	-	**-**
National tutoring programme grant (note ix)	**-**	(2)	2	-	**-**
Early careers funding	**-**	13	(13)	-	**-**
Special educational needs grant (note xi)	**-**	644	(644)	-	**-**
Local Authority early years grant (note xiii)	**-**	107	(107)	-	**-**
Local Authority Ukraine fund (note xiv)	**92**	-	-	-	**92**
Other ESFA grants(note xv)	**-**	106	(106)	-	**-**
Other Local Authority grants (note xvi)	**-**	10	(10)	-	**-**
School Fund (note xvii)	**44**	-	-	41	**85**
Pupil catering (note xviii)	**-**	445	(445)	-	**-**
Other restricted funds	**-**	11	(11)	-	**-**
Total general funds	**732**	**12,450**	**(12,796)**	**14**	**400**
Restricted fixed asset funds					
Fixed assets donation (LA) (note xix)	**17,513**	-	(381)	-	**17,132**
DFE/ESFA capital grants (note xxi)	**326**	275	(27)	4	**578**
Devolved formula capital (note xx)	**297**	42	(17)	(3)	**319**
Capital expenditure from GAG (note xxii)	**51**	-	(9)	-	**42**
Capital expenditure from unrestricted	**50**	-	(1)	241	**290**
Other capital grants	**668**	818	(18)	-	**1,468**
Total fixed asset funds	**18,905**	**1,135**	**(453)**	**242**	**19,829**
Restricted pension scheme liability					
Pension reserve (note xxiv)	**(1,074)**	-	225	849	**-**
	(1,074)	**-**	**225**	**849**	**-**
Total restricted funds	**18,563**	**13,585**	**(13,024)**	**1,105**	**20,229**
Unrestricted funds					
Unrestricted funds	**672**	353	(1)	(256)	**768**
Total unrestricted funds	**672**	**353**	**(1)**	**(256)**	**768**
Total funds	**19,235**	**13,938**	**(13,025)**	**849**	**20,997**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

17 FUNDS (cont'd)

Notes

i) General Annual Grant must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2025. (see note 2)

ii) Income from the Rates Relief grant, directly offsets the rates charges by the local borough council.

iii) Pupil Premium grant has been used to support children from low income families placed at the school.

iv) Income offsets spend on various educational activities and resources relating directly to PE and sports.

v) UIFSM grant is utilised directly to offset school catering costs

vi) Grants received from the DfE used to support teaching pay and pension increases.

vii) Supplementary grant is utilised to provide support for the costs of the Health and Social Care Levy and wider costs.

viii) Mainstream schools additional grant from the DfE has been used to support general cost pressures.

ix) The National Tutoring Programme grant provides funding to spend on targeted academic support, delivered by trained and experienced tutors and mentors.

x) Catch up premium is spent predominently on Teaching resources and ICT equipment/Licences to support those children for who the grant was intended.

xi) Special needs grant has been used to support enhanced learning for children with special educational needs.

xii) Pupil premium grant has been used to support children placed at the Academy from the local authority areas and FSM pupils.

xiii) The Early Careers Framework funding is designed to help early career teachers (ECTs) succeed at the start of their teaching careers.

xiv) Local Authority Grant to support the education of Ukrainian pupils displaced from conflict.

xv) Other DfE funding to support the operational activities of the academy trust.

xvi) Other grants are grants received from the local authority for special educational needs.

xvii) Income generated by the school from donations and fundraising and to be used on school objectives.

xvii) Income generated by the school from the provision of schools meals.

xix) Land and buildings were gifted to the academy trust upon conversion from Worcestershire County Council.

xx) Devolved formula capital is used for capital exenditure including maintaining the estate safety of the academy trust.

xxi) Other DfE capital income used for capital expenditure on the academy trust.

xxii) The gross transfer from the unrestricted general fund to the restricted general fund of £14,000 (2024: £151,000) represents a transfer of other income during the year.

xxiii) The gross transfer from the unrestricted general fund to the restricted fixed asset fund of £242,000 (2024: £40,000) represents the total capital expenditure from unrestricted funds during the year.

xxiv) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 28).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

17 FUNDS (cont'd)

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

	Balance at 1 September 2023	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2024
Restricted general funds	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General annual grant (GAG) (note i)	**176**	8,783	(8,463)	100	**596**
Post 16-19 core grant funding	**-**	936	(936)	-	**-**
Rates relief grant (note ii)	**-**	32	(32)	-	**-**
Pupil premium grant (note iii)	**-**	311	(311)	-	**-**
PE and Sports grant (note iv)	**-**	54	(54)	-	**-**
UIFSM grant (note v)	**-**	85	(85)	-	**-**
Teachers pay grant (note vi)	**-**	154	(154)	-	**-**
Teachers pension grant (note vi)	**-**	122	(122)	-	**-**
Mainstream schools additional grant (note v	**-**	325	(325)	-	**-**
National tutoring programme grant (note ix)	**-**	(22)	-	22	**-**
Covid recovery premium grant (note x)	**-**	69	(69)	-	**-**
Special educational needs grant (note xi)	**-**	450	(450)	-	**-**
Local Authority early years grant (note xiii)	**-**	78	(78)	-	**-**
Local Authority Ukraine fund (note xiv)	**92**	-	-	-	**92**
Other ESFA grants(note xv)	**-**	95	(95)	-	**-**
Other Local Authority grants (note xvi)	**-**	23	(23)	-	**-**
School Fund (note xvii)	**67**	-	(52)	29	**44**
Pupil catering (note xviii)	**483**	516	(999)	-	**-**
Other restricted funds	**-**	14	(14)	-	**-**
Total general funds	**818**	**12,025**	**(12,262)**	**151**	**732**
Restricted fixed asset funds					
Fixed assets donation (LA) (note xix)	**17,904**	-	(391)	-	**17,513**
DFE/ESFA capital grants (note xxi)	**215**	135	(24)	-	**326**
Devolved formula capital (note xx)	**264**	43	(10)	-	**297**
Capital expenditure from GAG (note xxii)	**13**	-	(2)	40	**51**
Capital expenditure from unrestricted	**50**	-	-	-	**50**
Other capital grants	**-**	682	(14)	-	**668**
Total fixed asset funds	**18,446**	**860**	**(441)**	**40**	**18,905**
Restricted pension scheme liability					
Pension reserve (note xxiv)	**(1,517)**	-	229	214	**(1,074)**
	(1,517)	**-**	**229**	**214**	**(1,074)**
Total restricted funds	**17,747**	**12,885**	**(12,474)**	**405**	**18,563**
Unrestricted funds					
Unrestricted funds	**524**	339	-	(191)	**672**
Total unrestricted funds	**524**	**339**	**-**	**(191)**	**672**
Total funds	**18,271**	**13,224**	**(12,474)**	**214**	**19,235**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

17 TOTAL FUND ANALYSIS BY ACADEMY	2025	2024
Fund balances at 31 August 2025 were allocated as follows:	£'000	£'000
Inkberrow Primary School	(38)	(17)
Norton Juxta Kempsey CofE Primary School	(94)	(13)
Orchard Primary School	292	409
Pershore High School	963	950
Central Services	45	75
Total before fixed assets and pension reserve	1,168	1,404
Restricted fixed assets fund	19,829	18,905
Pension reserve	-	(1,074)
Total	20,997	19,235

Eliminate deficit and achieve a balanced budget at Inkberrow Primary School within one year through:

- Use of integrated curriculum and financial planning tools to produce key metrics to identify priority actions in a detailed recovery plan;
- Reviewing and reducing non-essential expenditure
- Implementing Senior Executive Team led financial review and monitoring timetable;
- Implementation of a formal recovery plan

Eliminate deficit and achieve a balanced budget at Norton Juxta Kempsey Primary School within two years through:

- Use of integrated curriculum and financial planning tools to produce key metrics to identify priority actions in a detailed recovery plan;
- Reviewing staff structure and provision of SEND support;
- Strengthening financial management and reporting processes;
- Implementing Senior Executive Team led financial review and monitoring timetable;
- Reviewing and reducing non-essential expenditure;
- Seeking opportunities to increase income;
- Implementation of a formal recovery plan prioritising systemic change

The Central Services is expected to return to a cumulative positive financial position within one year.

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Deprec'n)	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Inkberrow	800	109	97	96	**1,102**	**1,044**
Norton Juxta Kempsey	911	85	100	139	**1,235**	**1,140**
Orchard	886	93	88	191	**1,258**	**1,139**
Pershore	6,152	829	603	1,054	**8,638**	**8,422**
Central Services	172	(108)	24	251	**339**	**288**
Total	**8,921**	**1,008**	**912**	**1,731**	**12,572**	**12,033**

Central services other support staff costs includes an FRS102 credit of £225,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2025 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	19,172	**19,172**
Current assets	768	-	1,368	799	**2,935**
Current liabilities	-	-	(968)	(12)	**(980)**
Non current liabilities	-	-	-	(130)	**(130)**
Pension scheme liability	-	-	-	-	**-**
	768	**-**	**400**	**19,829**	**20,997**

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2024 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	19,146	**19,146**
Current assets	672	-	2,077	(193)	**2,556**
Current liabilities	-	-	(1,345)	(4)	**(1,349)**
Non current liabilities	-	-	-	(44)	**(44)**
Pension scheme liability	-	(1,074)	-	-	**(1,074)**
	672	**(1,074)**	**732**	**18,905**	**19,235**

19 CAPITAL COMMITMENTS

	2025 £'000	2024 £'000
Contracted for, but not provided in the financial statements	**60**	**216**

20 LONG TERM COMMITMENTS INCLUDING OPERATING LEASES

Operating leases

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

	2025 Other £'000	2024 Other £'000
Amounts due within one year	**84**	**58**
Amounts due between one and five years	**165**	**75**
Amounts due after five years	**-**	**16**
	249	**149**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

21 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £'000	2024 £'000
Net income for the reporting period (as per the statement of financial activities)	**913**	**750**
Adjusted for:		
Depreciation (note 13)	**453**	**441**
Capital grants from DfE and other capital income	**(1,135)**	**(860)**
Interest receivable	**(43)**	**(39)**
Interest payable	**3**	**-**
Defined benefit pension scheme cost less contributions payable (note 28)	**(272)**	**(292)**
Defined benefit pension scheme finance cost (note 28)	**47**	**63**
(Increase)/decrease in debtors	**(14)**	**14**
Decrease in creditors	**(377)**	**(114)**
Net cash used in operating activities	**(425)**	**(37)**

22 CASH FLOWS FROM INVESTING ACTIVITIES

	2025 £'000	2024 £'000
Interest received	**43**	**39**
Purchase of tangible fixed assets	**(479)**	**(1,255)**
Capital grants from DfE/ESFA	**1,135**	**860**
Net cash provided by/(used in) investing activities	**699**	**(356)**

23 CASH FLOWS FROM FINANCING ACTIVITIES

	2025 £'000	2024 £'000
Repayments of borrowing	**(4)**	**-**
Interest paid on CIF loans	**(3)**	**-**
Cash inflows from new borrowing	**98**	**48**
Net cash provided by financing activities	**91**	**48**

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2025 £'000	At 31 Aug 2024 £'000
Cash in hand and at bank	**2,521**	**2,156**
Total cash and cash equivalents	**2,521**	**2,156**

25 ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sept 2024 £'000	Cash Flows £'000	At 31 Aug 2025 £'000
Cash at bank	**2,156**	365	**2,521**
	2,156	**365**	**2,521**
Loans within one year	**(4)**	(8)	**(12)**
Loans greater than one year	**(44)**	(86)	**(130)**
	2,108	**271**	**2,379**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

26 CONTINGENT LIABILITIES

During the period of the funding agreement between the Avonreach Academy Trust and the Secretary of State, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Avonreach Academy Trust is required either to reinvest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Avonreach Academy Trust serving notice, the Avonreach Academy Trust is obliged to repay to the Secretary of State sums determined by reference to:

a) the value at that time of the Avonreach Academy Trust's sites and premises and other assets held for the purpose of the Avonreach Academy Trust; and

b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

27 MEMBER LIABILITY

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

28 PENSION AND SIMILAR OBLIGATIONS

Avonreach 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 Worcestershire County Council Pension Fund. Both are defined multi employer benefit schemes.

As described in note 1 the LGPS obligation relates to the employees of the Avonreach Academy Trust, who were employees at the date of incorporation of the Academy Trust, and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust's at the balance sheet date.

The total pension cost to the Academy during the year ended 31 August 2025 was £1,769,000 (2024: £1,573,000) of which £1,368,000 (2024: £1,185,000) relates to the TPS and £401,000 (2024: £388,000) relates to LGPS.

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 of the LGPS to the period ended 31 March 2022.

Contributions amounting to £201,609 were payable to the schemes at 31 August 2025 (2024: £207,089) and are included within other creditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

28 PENSIONS AND SIMILAR OBLIGATIONS (cont'd)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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 was implemented on 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's costs paid to TPS in the period amounted to £1,368,000 (2024: £1,185,000).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

28 PENSIONS AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2025 was £751,000 (2024: £741,000) of which employers contributions totalled £626,000 (2024: £617,000) and employees contributions totalled £125,000 (2024: £124,000).

The agreed contributions for future years is an average of 19.5% (2024: 19.5%) for employers and a range of 5.5% to 8.5% (2024: 5.5% to 8.5%) 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 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.

Principal Actuarial Assumptions The major assumptions used by the actuary were:	**At 31 August 2025** **% per annum**	**At 31 August 2024** **% per annum**
Discount rate	**6.1%**	**5.0%**
Salary increases	**4.2%**	**4.2%**
Inflation Assumption (CPI)	**2.7%**	**2.7%**
Pension increase	**2.7%**	**2.7%**

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2025 **Approx Change to Employers Liability** **£'000**	**At 31 August 2024** **Approx Change to Employers Liability** **£'000**
Discount rate reduced by 0.1% per annum	**134**	**160**
Salary increase rate increased by 0.1%	**5**	**6**
Pension increase rate increased by 0.1%	**134**	**158**

The mortality assumptions used were as follows:

	At 31 August 2025 **years**	**At 31 August 2024** **years**
Longevity at age		
- Men	**21.5**	**21.2**
- Women	**23.7**	**23.6**
Longevity at age		
- Men	**22.7**	**22.5**
- Women	**23.7**	**25.4**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

28 PENSIONS AND SIMILAR OBLIGATIONS (cont'd)

Avonreach Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2025 £'000	Fair value at 31 August 2024 £'000
Equity instruments	5,371	4,496
Debt instruments	553	537
Property	1,817	1,610
Cash and other liquid assets	158	67
Total market value of assets	7,899	6,710
Present value of scheme liabilities:		
- Funded	7,899	6,710
- Unfunded	-	1,074
Total liabilities	7,899	7,784
Deficit in the scheme	-	(1,074)

The actual return on the scheme assets in the year was a surplus of £645,000 (2024: £739,000).

Amounts recognised in the Statement of Financial Activities:

	2025 £'000	2024 £'000
Current service cost	354	325
Interest income	(349)	(308)
Interest cost	396	371
Total amount recognised in the SoFA	401	388

Changes in deficit during the year:	2025 £'000	2024 £'000
Balance at 1 September	1,074	1,517
- Employer service cost (net of employee contributions)	354	325
- Employer contributions	(626)	(617)
- Expected return on scheme assets	(349)	(308)
- Interest cost	396	371
- Actuarial gains	(1,790)	(214)
-Asset ceiling adjustment	941	-
Deficit in the scheme at 31 August	-	1,074

Changes in the present value of defined benefit obligations were as follows:	2025 £'000	2024 £'000
Balance at 1 September	7,784	6,943
Current service cost	354	325
Interest cost	396	371
Contributions by scheme participants	125	124
Benefits paid	(207)	(196)
Actuarial(gains)/losses	(1,494)	217
Asset ceiling adjustment	941	-
Scheme liabilities at 31 August	7,899	7,784

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

28 PENSIONS AND SIMILAR OBLIGATIONS (cont'd)

Changes in the fair value of the share of scheme assets:	2025 £'000	2024 £'000
Balance at 1 September	6,710	5,426
Expected return on scheme assets	296	308
Actuarial gains	349	431
Contributions by employer	626	617
Benefits paid	(207)	(196)
Contributions by scheme participants	125	124
Fair value of scheme assets at 31 August	**7,899**	**6,710**

The estimated value of employer contributions for the year ended 31 August 2026 is £632,000 (2025: £610,000).

The fair value of the pension plan assets at 31 August 2025 is in excess of the present value of the defined benefit obligations at that date, giving rise to a net surplus of £941,000 (2024: £Nil). This surplus is recognised in the financial statements only to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

The academy trust is not able to determine that future contributions will be reduced and it is not possible for the academy trust to receive a refund from the scheme, as the specific conditions for this have not been met.Therefore an asset ceiling is in place such that the surplus of £941,000 (2024: £Nil) is not recognised as an asset at 31 August 2025 and the net asset/liability recognised in the financial statements is capped at £Nil.

29 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the Academy Trust Handbook, including notifying the DfE of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. During the year ended 31 August 2025 there were no such transactions.

No related party transactions took place during the period with the Trustees. No amounts are owed to or due from the Trustees as at 31 August 2025.

30 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the DfE In the accounting period ending 31 August 2025 the trust received £22,780 (2024: £25,377) and disbursed £12,610 (2024: £12,390) from the fund. An amount of £42,573 (2024: £32,402) is included in other creditors relating to the undistributed funds that is repayable to the DfE.

31 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.