



The Challenge Academy Trust

(A Company Limited by Guarantee)

Group Annual Report and Financial Statements

For the year ended 31 August 2025

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Reference and Administrative Details

For the Year Ended 31 August 2025

Members	<p>Professor S Broomhead MBE C Penn (Chester Diocesan Board of Education Representative) M Mellor MBE D Mowat P Claus</p>
Trustees	<p>L Boys (Appointed 1 September 2024) J Cartwright M Grant P McEwan A Moorcroft (CEO & Accounting Officer) H Platt DL (Chair) J Warren L Waterson (Resigned 31 July 2025) S Whatmore P Winter S Yates</p>
Central Executive Team	<p>A Moorcroft, CEO, TCAT V Briggs, Director of Education, TCAT J Carlin, Principal - Penketh High School M Cloherty, Headteacher – South Wirral High School C Curtis, Headteacher – Meadowside Community Primary & Nursery School A Downey, Headteacher – Dallam Community Primary School G Harris, Principal – Beamont Collegiate Academy (Resigned 31 August 2025) P Greenhalgh, Principal - Beamont Collegiate Academy (Appointed 1 September 2025) C Lawton, Headteacher – Penketh South Primary School (Appointed 1 September 2024) J Gresty, Principal – Priestley College Z Jones, Headteacher – Appleton Thorn Primary School T Long, School Improvement Lead, TCAT A McMillan, Principal – Padgate Academy R Morris Brown, Headteacher – Broomfields Junior School K Powell, Principal – Bridgewater High School B Scott-Herron, Headteacher – Sir Thomas Boteler Church of England High School L Wilding – Headteacher – Great Sankey Primary School P Willerton, Principal – The Sutton Academy</p>
Senior Managers	<p>D Halsall FCA – Chief Finance Officer (Appointed 5 April 2025) D McGuire ACA – Finance Director (Resigned 4 April 2025) A Laing – Operations Director B Logan – Human Resources Manager</p>
Principal and Registered Office	<p>Bridgewater High School Broomfields Road Appleton Warrington, WA4 3AE</p>
Company Registration Number	10689247 (England and Wales)

Reference and Administrative Details

For the Year Ended 31 August 2025

Independent Auditor Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire, CW8 1AU

Solicitors Stone King,
One Park Row,
Leeds,
LS1 5HN

Bankers Lloyds Bank plc
Horsemarket Street
Warrington
WA1 1TP

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 to 31 August 2025. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust currently operates 5 primary (including 4 nurseries), 1 junior school, 7 secondary schools and 1 16-19 college, primarily across Warrington, but with a presence now in St Helens and the Wirral. The trust currently has capacity for 11,759 students – 1,565 primary students, 7,794 secondary students and approximately 2,400 16 - 19 students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Challenge Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as TCAT.

The academies within the Trust operate under their own names which are: Appleton Thorn Primary School, Beamont Collegiate Academy, Bridgewater High School, Broomfields Junior School, Dallam Community Primary School, Great Sankey Primary School, Meadowside Community Primary & Nursery School, Padgate Academy, Penketh High School, Penketh South Community Primary School, Priestley College, Sir Thomas Boteler Church of England High School, South Wirral High School and The Sutton Academy. The Sutton Academy transferred into the Trust on 1st September 2024, whilst South Wirral High School converted to academy status and joined the trust on 1st April 2025.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trust, through its Articles, indemnified its Trustees to the fullest extent permissible by law. During the period the Trust also purchased and maintained liability insurance for its Trustees.

Trustees' Report

For the Year Ended 31 August 2025

Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees has no maximum but must have a minimum of 3 trustees. Members can appoint 6 Trustees and the Chester Diocesan Board of Education, in agreement with the Liverpool Diocesan Board of Education, may appoint two trustees as long as it does not exceed 25% of total trustees. The Chief Executive Officer is automatically appointed as a Trustee. Parent trustees may be appointed if there is no provision for Parent representation at the Local Governing Board level. Co-opted trustees may be appointed for a term not exceeding 4 years by the Trustees. Members take into consideration the skills and experience required by the Trust and seek to match those requirements when considering an appointment.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees go through a process of induction with the Chair, CEO and Clerk to the Governing Body. Training and access to governor resources are provided throughout the year.

Organisational Structure

The members are responsible for agreeing the strategic aims and the finances of the Trust. Through a scheme of delegation, the Trust Board is responsible for four key areas – Strategy & Leadership, Education, Curriculum & Standards and Financial Management, Human Resources & Operations Committee and Remuneration Committee. Four committees exist to help the Trust Board with this oversight. At individual academy level, the Local Governing Challenge Boards, through the scheme of delegation, oversee budgetary control, learning standards, exclusions, human resources etc. Through the scheme of delegation, the Central Executive Team (CET), made up of the CEO, key central Trust staff and the Principals/Headteachers of the academies concentrate on school improvement and human resources. Each academy has a Principal/Headteacher and a management team that the Local Governing Challenge Boards have agreed through their oversight of human resources and budgetary management.

Arrangements for setting pay and remuneration of key management personnel

All staff are subject to their appropriate national pay and conditions depending upon their role. Within this, the Trust has established a joint consultative committee with all unions represented within the Trust. The central trust team meet with the committee regularly. The CEO/HR Lead take note of national awards and, based upon budgetary constraints, make recommendations to the Trust Board. All staff are subject to annual performance related appraisals which also influence final individual pay awards.

Leadership pay is based upon performance targets set by the relevant bodies and is subject to national benchmarking. A remuneration committee has been established to oversee the pay recommendations for all members of the central trust team. They are also represented on the CEO's Performance Review Panel and make the final decision regarding remuneration for the CEO of the Trust.

Trustees' Report

For the Year Ended 31 August 2025

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 include information included in Schedule 2 of the Regulations.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
14	11.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%EB	-
1% - 50%	10
51% - 99%	-
100%	4

Percentage of pay bill spent on facility time

Total cost of facility time	£41,513
Total pay bill	£63,416,822
Percentage of the total pay bill spent on facility time	0.07%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related Parties and other Connected Charities and Organisations

The Trust, through its operations, interacts with many local charities and organisations on a day to day basis as it works to help the young people within its academies. The Trust has a connected charity – Priestley Education & Training Trust (PETT). M Grant and S Yates, Trustees, are also PETT trustees. PETT is a registered charity to help current and past students of Priestley College, the 16-19 academy.

The charity raises money through activities each year and funds students with hardship issues where the bursary cannot help, awards scholarships for past students undertaking unfunded degrees, specifically in the arts, or courses to help them gain employment and sporting achievers towards equipment or contribution to international tours whilst representing their country. Priestley College does make deductions, only with express written authorisation, from some staff through the payroll system which is paid across to PETT monthly. The charity's assets and liabilities are maintained separately from the Trust. The charity's income is less than £10,000 per annum.

Trustees’ Report

For the Year Ended 31 August 2025

Engagement with employees (including disabled persons)

The Trust has a number of mechanisms in which it engages with its employees as part of its Communication Strategy; activities include regular staff voice surveys, well-being events and activities, regular publications including TCAT Voice and TCAT Times, professional development opportunities and visits to all TCAT academies by the central team. Academy leaders also meet regularly at the TCAT Professional Development Centre.

The Trust has created over 50 hubs which have differing remits to bring staff across the Trust to work together and improve the overall performance of the Trust and the individual academies. The hubs are listed below under the headings of Primary, Secondary & Post 16, Cross Phase and Operations.

PRIMARY	SECONDARY & POST 16	CROSS PHASE	OPERATIONS
Headteachers	Headteachers	EAL	Operations
Deputy and Assistant Headteachers	Deputy Headteachers and Vice-Principals	Teaching & Learning	Estates
Early Years	Pastoral and Welfare	Safeguarding	Finance
English	English	SEND	IT
Maths	Maths	Attendance & Behaviour	HR
Science	Science	TCAT Parliament	
Art	Art	PE & Sports	
Computing	Computer Science	Transition	
Design and Technology	Technology	TCAT Challenge Award	
Geography	Geography	TCAT Oracy	
History	History	Mental Health & Well-being	
Music	Music & Performing Arts		
PE	Computer Science		
Science	Science		
PSHE	Careers & Aspiration		
RE	Exams		
Modern Languages	Modern Languages		
Personal Development	Personal Development		

The Trust also has a Joint Consultation & Negotiation Committee as part of its trade union recognition agreement. Meetings occur regularly where it allows employees input in policy creation and adoption and a forum to discuss wider issues relating to health, safety and well-being.

The Challenge Academy Trust is aware of its obligations under the public sector equality duty to:

Trustees' Report

For the Year Ended 31 August 2025

- Eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

As such, the Trust has a duty to promote disability equality by eliminating discrimination and harassment, promoting equality of opportunity between disabled and non-disabled people, and take steps to take account for disabled persons' disabilities in employment. Each of the academies within the Trust recruits in line with a recruitment and selection code of practice, which provides a framework to ensure that the best person for a job is recruited, and that any unfair or unlawful discriminatory practices are eliminated.

We are also committed to supporting employees in overcoming the practical effects of their disability by way of making reasonable adjustments to their role, working arrangements and/or their working environment which are kept under regular review in full consultation with employees. The Trust's equality and diversity practices are underpinned by its Equality Information and Objectives statement which is reviewed periodically.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust has a clearly defined set of Financial Regulations which detail how procurement should be undertaken. These regulations take account of public sector procurement guidance.

The Trust has a complaints policy which is available for all customers or other businesses that the Trust has relationships with. In addition, the Trust views itself as very much part of the local community of Warrington and works with local representation to further improve the community as a whole.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's object is to advance, for the public benefit, education in the United Kingdom by establishing, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- i. Academies other than those designated Church of England, whether with or without a designated religious character and

Trustees' Report

For the Year Ended 31 August 2025

- ii. Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education,

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

By fulfilling the object, the Trust aims to deliver improvement in student/pupil outcomes by working collectively. The Trust will also work to ensure that the curriculum offer across the Trust meets the needs of students/pupils as well as regional and national priorities. Such provision should be enhanced by the unique opportunities for collaboration and development a cross phase trust provides.

Vision, Objectives, Strategies and Activities

Mission

Our mission is to serve, challenge and empower the educational community. We enact our mission by providing highly effective services to our academies, supporting strong leadership, investing in the workforce and inspiring our children and young people.

Values

All of our work is underpinned by a set of core values, they are:

- Inclusivity & social justice
- Educational Excellence
- Collaboration & interdependence
- Challenge & service
- Sustainability & well-being
- Celebrating difference

These values inform everything we do as a trust and all of our services and working practices are designed around these concepts. TCAT is a unique trust, being the first in the country to include primary and secondary academies together with a Sixth Form College. TCAT also includes a Church of England High School, Sir Thomas Boteler, whose faith foundation is assured through representation from the Dioceses of Chester and Liverpool.

Trustees’ Report

For the Year Ended 31 August 2025

As an inclusive MAT (Multi Academy Trust) with a strong moral purpose we are committed to providing an environment and education where every young person is nurtured, challenged and inspired to achieve the very best for themselves and their communities. Young people are at the heart of everything we do.

Strategic Objectives

Our Trust is delivering against a 3-year strategic action plan, that is centred on the development of pupils, people and performance, analysed below, detailed the objective and the target areas of impact that will be improved:

1. PUPILS	
Deliver educational excellence across all TCAT academies. <i>‘Every teacher, every classroom, every day’.</i>	<ul style="list-style-type: none"> • Evidence based research • Curriculum intent, implementation & impact • Inclusivity • Disadvantaged and vulnerable pupils • Transition
2. PEOPLE	
Deliver a People Strategy designed to make TCAT an employer of choice in the sector locally.	<ul style="list-style-type: none"> • Growth of the organisation • External professional development offer • HR People Strategy • Governance • Safeguarding
3. PERFORMANCE	
Define & deliver operational excellence across all TCAT academies	<ul style="list-style-type: none"> • Academy standards • Value for money, financial stability • ICFP, Procurement and growth • Estates management and sustainability • Education Connect (CPD programme) • Digital, technology and comms strategy • Outdoor education centre (Tyn-Y-Felin) • Marketing and stakeholder engagement

Trustees' Report

For the Year Ended 31 August 2025

STRATEGIC REPORT

Public Benefit

The Challenge Academy Trust is an exempt charity and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 1.

In setting the Trust's strategic objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

In delivering its mission, the Trust provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent progression for students to employment or higher education
- Strong student support systems
- Links with employers, industry and commerce
- Links with local community groups and sports clubs

Significant Developments in 2024/25

It has been a strong year of progress and delivery for the Trust, with highlights including:

- All academies within the Trust continue to be rated Good or Outstanding by Ofsted.
- In April 25, Appleton Thorn Primary was inspected after a 14 year wait. The academy was rated "Good" for the categories of Quality of Education, Leadership and Early Years, and "Outstanding" for Behaviour and Personal Development.
- Penketh High was judged "Good" in 2020, and following an ungraded inspection in May, the academy "continues to be Good".
- In August 2024, Dallam Community Primary School joined the Trust taking the number of primary schools within the trust to 6.
- In September 2024, The Sutton Academy joined the Trust, expanding our footprint into St Helens, with an additional secondary school with a sixth form provision.
- South Wirral High School joined the Trust in April 2025, also as an additional secondary school with a 6th form, expanding the Trust into Wirral, Merseyside and becoming our first PFI school.

Trustees' Report

For the Year Ended 31 August 2025

- The Trust Board formed a subsidiary company, TCAT Educational Outdoor Services Ltd to operate an outdoor activity centre for our pupils. The centre is in Rhoscolyn, in Anglesey, and a 6-year lease was signed in order to offer a variety of indoor and outdoor activities, in a unique setting at a cost effective rate to our pupils. The centre opened to TCAT pupils in April 2025, with 684 pupils attending over the Summer term, with excellent feedback.
- Recognising our position as a “strong trust”, the Department for Education awarded us two Regional Improvement for Standards and Excellence (“RISE”) contracts to support two schools in the North West. Initial bids were made in the Summer 2025 term and support to the schools commenced, and will continue across 25/26 and 26/27. We will continue to explore further school improvement opportunities with the DfE.
- Over the past two academic years, TCAT has piloted and developed ReRoute, an Alternative Provision (AP) designed to support Key Stage 3 and 4 students requiring additional Social, Emotional, and Mental Health (SEMH) support, as well as those experiencing Education-Based School Avoidance (EBSA). The provision offers both intensive tuition in core subjects as well as vocational areas. Impact has been seen in increases of attendance as well as positive transition back to home academies for students.
- Launched in the 2024/25 academic year, the TCAT Challenge Award reflects our commitment to nurturing well-rounded, resilient individuals and recognising their achievements beyond the classroom. Rooted in a robust framework of Character Development, the award encourages students to grow intellectually, morally, personally, and within their communities. Through a diverse range of opportunities—including creative projects, academic challenges, community engagement, and visits to university campuses—learners have embraced the chance to develop key life skills and broaden their horizons.
- Over 250 students from across the Trust were invited to attend the inaugural TCAT Challenge Awards Ceremony, held at Priestley College. This inspiring event marked the culmination of a year’s dedication by pupils and students who have shown exceptional commitment to character development. Throughout the year, participants earned points based on a structured framework that celebrates growth across four key domains: intellectual, moral, community, and personal.
- Across 2024-25, we invested £3.6 million into our academy buildings and estates and we have committed to spending a further £2.6 million in 2025-26. The capital works programme has seen a number of conditions works completed and several additional facilities including canteen / dining rooms at Beamont Collegiate Academy and Sir Thomas Boteler Church of England High School, the food technology room at Dallam Community Primary School and an additional pod building at Appleton Thorn Primary.

Trustees' Report

For the Year Ended 31 August 2025

- Further development of the Padgate Academy site commenced to provide additional school places to meet the demand created by the Peel Hall housing development. We will receive £3.4m on a phased basis to refurbish 5 blocks of the school, along with supporting facilities, making 180 places available into Year 7 from 2026.
- Expansion of the designated provision at three of our academies.
- The trust continued to work with the DfE to secure the rebuild of Penketh High School under the Schools Rebuilding Programme. The DfE are now targeting summer 2026 for the work to begin on the 2-year project.
- Works to decarbonise the Trust continue with ground source heat pumps at 6 of our academies, LED lighting installed across the Trust and EV chargers installed at all academies. In 2025-26 our ongoing commitment to decarbonise our estates will see solar panels installed at all academies. 6 of our academies are benefiting from Great British Energy- backed project whilst all other projects will be funded through the School Condition Allocation.
- Committed to ensuring the security of our IT systems, in July 2024 the trust gained accreditation in Cyber Essentials for the second year running.
- Dining facilities have been expanded at 2 of our secondaries, whilst designated provisions at 3 academies have been enhanced and expanded.

Trustees’ Report

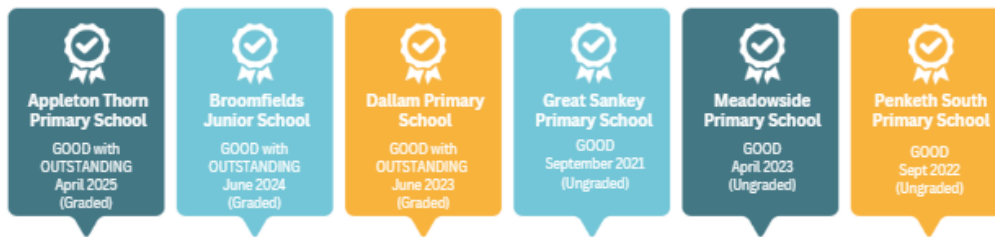
For the Year Ended 31 August 2025

Achievements and Performance

Educational key performance indicators are tracked trust wide using comprehensive dashboards and scorecards, complimented by school improvement initiatives and accountability measures.

100% of the academies within the Trust are rated Good or Outstanding.

OFSTED INSPECTIONS: PRIMARY



OFSTED INSPECTIONS: SECONDARY



2024-25 saw The Trust continue to build on educational outcomes, with key highlights including:

Primary Outcomes

- 68% of Early Years pupils achieved their Good Level of Development across the Trust, in line with the national average from 2024, when considering all schools and Resource provisions. When excluding Resource Provisions, the Trust is above national average at 70%.
- The average % of pupils passing the phonics screening in Year 1 across the trust is 76%, which is below the preliminary national average of 80% when considering all schools and Resource Provisions. This figure has remained broadly stable over a three year period. When not including Resource Provisions, the trust is above national at 81%. Across the trust, 39% of Year 4 pupils achieved full marks (25/25) on their multiplication tables check, slightly above the national average of 38%. This represents significant improvement on the previous year (25%), and reflects the impact of our joint trust wide focus on strengthening multiplication knowledge and recall. The average score of 21.7 (out of 25) also exceeds the national average of 21.1.
- At Key Stage Two, the average % of pupils achieving reading, writing and maths combined across the Trust is 61%, which is just below the preliminary national average of 62%. When excluding resource provisions, the Trust is in line with national.

Trustees' Report

For the Year Ended 31 August 2025

- We have seen sustained improvements in the performance of reading, maths and grammar, punctuation and spelling over a three-year period, with an increasing percentage of pupils achieving both the expected and higher standards.
- Primary attendance of 95.3% is above the national average of 94.8%.

Secondary Outcomes

- In 2024-25, the Trusts collective KS4 Attainment 8 score is 4.59, aligning with the national average from last year.
- We have also seen pleasing improvements in key Trust wide priorities for KS4 including:
 - English and Maths (G9-7) both saw improvement from 17% to 21%
 - English (G9-4) improving to 66% from 64%
 - Maths (G9-5) rose from 45% to 51%
 - 39% of disadvantaged pupils achieved G4+ in English and Maths
- Secondary attendance at 90.9% is marginally behind the national average of 91.4%. Free School Meal pupils attendance is improving over a three year period, and in line with national averages.

College Outcomes

Performance at Priestley College across all pathways of A-Level, Vocational, Mixed and T-Levels was highly positive and above national averages across many lines, including the high % of student pass rates, with more students taking A-Levels at the sixth form college than any other local institution.

- 98% pass rate at A-level (including 48% high grades)
- 100% pass rate for Vocational Pathways
- 74.6% high grades on Extended Diploma
- 100% pass rate among adult learners.
- Students taking GCSE Maths and English were significantly above national pass rates

Key Performance Indicators

The Trust has two scorecards covering the distinct focus areas of Educational and Business Performance. The Educational scorecard is focussed upon the areas of progress, teaching and learning, behaviour, welfare, safeguarding and attendance. The Business scorecard covers compliance, governance, finance, HR, health & safety, facilities management and IT.

Each academy has two reviews per annum for both scorecards involving the Principal/Headteacher and the Chair of the Local Governing Body of the academy. The scorecard also identifies key strengths

Trustees' Report

For the Year Ended 31 August 2025

and areas for improvement and an agreed set of action points arise from the review. The scorecards are shared with Trustees and Local Governing Bodies via Governor Hub.

Going Concern

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

Promoting the success of the Trust

The Trust is very much part of the local community and respects its position within the community. It works to help and serve the young people and their families through providing a safe environment for them to learn and provide access to as many members of the local community. The Trust engages with the Local Authority and local representatives to help the local community. Through activities involving the students e.g. TCAT Concert, TCAT Parliament, all children in the Trust have an opportunity to showcase their talents or help promote local issues within the Trust.

The Trust realises the importance of its position and therefore it has full consideration of the impact of any decision. It follows a robust process of consideration through its governance process at both a local academy level and at a Trust level. The reputation of the academies is key to the ability to attract students each year. The Trust therefore has developed policies and processes to ensure that the Trust maintains its reputation in the local community.

The trust issues a number of regular publications including TCAT Times, TCAT Voice, A Governor Newsletter and a widely circulated CEO report to ensure all stakeholders are kept well informed of all TCAT related activity.

FINANCIAL REVIEW

The Trust is primarily funded by the Department for Education with the majority of income in the form of recurrent grants for the provision of education for 3 to 19 year olds. The 16-19 academy does receive a small grant for the provision of adult education. The academies within the Trust look to maximise the use of their resources in generating other funds outside of the core hours of education.

Operational Surplus

Excluding the benefit of schools transferring in during the year, the Trust's overall performance resulted in an operational surplus of £153,000 (2024 – deficit £316,000).

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For the Year Ended 31 August 2025

The financials include the full year financials of The Sutton Academy, who joined the Trust on the 1st September 2024, and 5 months of financial performance from South Wirral High School, following their transfer in on the 1st April 2025.

The majority of our academies operated at a surplus position in-year, with the exception of Beamont Collegiate Academy, Dallam Community Primary and The Sutton Academy, whilst the central Trust also operated at a deficit this year.

Beamont was impacted by the withdrawal of funding for their science, technology, engineering and maths (STEM) facility, resulting in lost income, together with redundancy costs.

Dallam joined the trust at the end of the last financial year, and based on their staffing on transfer, an initial deficit was anticipated, and in fact, the first full years results are a lower deficit than expected. A phased plan has been jointly agreed between the school and the Trust to return the financials to a balanced budget position.

Similarly, The Sutton Academy joined this financial year, with high levels of alternative provision spend, and an under utilised sixth form provision. Actions were taken to tighten controls on spend and the breadth of alternative provision suppliers, the benefit of which will annualise in 2025/26.

The Central cost centre charges a levy to each academy designed to cover the central costs, net of any external monies generated. We had anticipated a grant in the region of £250,000 to be realised in the year, but following the change in government, the qualifying criteria changed, and the grant was not available, leaving a gap in the financials – the plan for 25/26 has been reset to ensure a balanced budget going forward without any uncertain grant funding.

The position is further enhanced from the transfer in of operational surpluses from The Sutton Academy (£561,000) and South Wirral High (£575,000), taking the form of cash transfers, and representing their accumulated operational reserves upon joining the Trust.

Upward inflationary pressure on the cost base, most prominently on staffing costs continues to outstrip grant funding growth, placing pressure on our ability to deliver balanced budgets, but a continued focus on efficiencies and trust wide procurement provides some mitigation against the mismatch.

The continued growth in student numbers at two of the secondary academies continues to challenge those academies due to the lagged funding mechanism, but nevertheless, both schools delivered operational surplus in the year through prudent financial management.

Trustees' Report

For the Year Ended 31 August 2025

Capital Investment

The Trust receives School Condition Allocation Funding (SCA) for condition/capital works, as well as Devolved Formula Capital (DFC) to each academy, and local authority funding for pre agreed projects, with receipts totalling £3,545,000 for the year.

We remain firmly committed to creating outstanding environments where pupils and staff can thrive, and our strategic capital spending reflects this ambition, in terms of both spend in our physical buildings but also continued digital enablement.

In total, £3,619,000 of capital was invested across the Trust, representing a combination of spend of funds that had been received in prior year, and also partial use of the capital funds received in-year.

Project highlights include Ground Source Heat Pumps at 6 of our academies, LED lighting trust-wide and EV chargers also across our academies. Further projects included expanded dining facilities at two of our secondaries, and enhanced and expanded designated provisions at three academies. We also continue to invest in technology, with a further £419,000 invested in IT during the year.

The capital reserves position is benefitted from the transfers in of The Sutton Academy and South Wirral High School – the land and buildings of both academies were independently valued by chartered surveyors, Lea Hough during Summer 2025, and have been brought into the accounts at values in line with these external reports.

Reserves Policy

The Trust aims to maintain free reserves equivalent to 5% of total income (approximately one month's operating costs), balancing financial prudence with educational ambition. This level is considered appropriate to protect the Trust against financial risk, ensure cash-flow stability and provide contingency for unforeseen events, and ability to respond to strategic initiatives, without disrupting core operations. The level will be reviewed annually to ensure it remains appropriate in light of the Trust's size, risk environment and strategic priorities.

Investment Policy

Investment management is the management of the Trust's liquid and illiquid assets e.g. buildings, cash flows, its banking and the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The Trust's investment policy identifies a number of investment strategies. At 31st August 2024, the Trust had £4,072,000 invested in government bond, invested via Rathbones Wealth Management, and £1,108,000 in fixed term bank deposits. During the year, as the amounts in fixed term deposits have reached maturity, they have been returned to the Trust main bank account – to fund works on capital projects where funding had been received at prior year end, but the money was still to be spent.

Trustees' Report

For the Year Ended 31 August 2025

At 31st August 2025, there are no sums invested within fixed term deposits, whilst any deposits / interest arising on the bonds, has been reinvested, rising to a total of £4,213,000 by the period end.

The Trust has, through its investment policy, recognised that, due to it using public funds, it must invest in low risk opportunities and take into consideration the advice of a professional investment specialist like Rathbones.

Principal Risks and Uncertainties

The Trust has a robust risk management approach, which has been in place throughout the year. The CEO and Trust central team maintain a risk register through RiskMate software which is reviewed at every Audit and Risk Committee, assessing the completeness of the register, and effectiveness of the controls that help to mitigate.

It is acknowledged that any system of internal control is most likely to manage rather than eliminate risk, and can provide only reasonable, but not absolute, assurance.

The risks of the Trust can broadly be categorised into 8 main categories:

- Quality of Education
- Health and Safety
- Safeguarding
- People
- Financial Sustainability
- Legal and Regulatory
- Operational
- Personal Development, Behaviour, and Attitudes

A heat map enables the Trust to monitor risk and track movement visually. Any risk classified as having a residual high or medium risk level or where the risk level is deemed to have increased is monitored more closely to ensure all relevant mitigations are in place with in-depth reporting to the Audit and Risk committee of the Trust board.

RiskMate allows dynamic updating of risks and ensures that any required action plans are monitored and completed to plan. The Trust also utilises the services of external professionals, when appropriate, who provide independent reports to the Audit and Risk Committee on the Trust's work to mitigate and will alleviate risk in the key areas.

Trustees' Report

For the Year Ended 31 August 2025

FUNDRAISING

The Trust currently does not employ, or have a contract for services with, a professional fundraiser. The Trust seeks to generate additional income from its assets but does not actively seek donations or sponsorships. Academies within the Trust may have active Parent Teacher Associations. The Headteacher is represented at the Association and any fundraising activities are scrutinised and restricted where necessary. Any promotion of activities is restricted to the parents and families of students at the academies. All Association fundraising monies are held in a separate account outside the control of the Trust. The Association then approve funds and transfers the funds to the academies.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 Sept 2024 to 31 Aug 2025	1 Sept 2023 to 31 Aug 2024
Energy consumption used to calculate emissions (kWh)	9,520,801	9,215,429
Energy consumption break down (kWh)		
Gas	5,556,018	5,421,270
Electricity	3,898,780	3,755,748
Transport fuel	65,681	40,671
Wood pellets	322	-
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	1,126.20	991.55
Owned transport – mini-buses	24.00	11.88
Bioenergy	1.50	-
<u>Total scope 1</u>	1,151.70	1,003.43
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	690.10	777.63
Water	11.90	-
<u>Total scope 2</u>	702.00	777.63
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
<u>Business travel in employee owned vehicles</u>	5.01	5.08
Total gross emissions in metric tonnes CO₂e	<u>1,858.71</u>	<u>1,786.14</u>
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.16	0.20

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2025 UK Government's Conversion Factors for Company Reporting.

Trustees' Report

For the Year Ended 31 August 2025

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Trust has already taken significant steps to improve its energy efficiency, using capital funding to enhance our estate, including double glazing, efficient boilers, LED lighting, and EV chargers.

In addition, during 2025/26 we will be installing solar panels across our academies, including 6 benefitting from Great British Energy.

PLANS FOR FUTURE PERIODS

The Trust will continue to drive up standards and school improvement through collaboration and continue to drive both financial and environmental sustainability. Plans for 2025/26 include:

- Ongoing development of the TCAT Education Strategy, TCAT Learns, aimed at driving excellence in curriculum, teaching, and learning across all TCAT academies.
- Refine the current TCAT disadvantaged strategy, TCAT Thrives, with a focus on identifying and removing barriers to learning, in order to improve outcomes and life chances for all learners.
- Increased centralisation in the management of finance, IT, estates, procurement and certain operational elements within our academies. Driving efficiency through automation in core back of house processes to deliver services cost efficiently, in a scalable manner to accommodate future growth, and reduce friction for colleagues.
- Seeking further opportunities for growth with schools that share our ethos and vision, focused around existing geographical hubs in Warrington, St Helens and the Wirral, but also potentially neighbouring authorities.
- Continuing to invest the School Condition Allocation funding to address immediate health and safety and condition issues as identified in our comprehensive health and safety and school condition reports.
- Work with the Department for Education to deliver a new building at Penketh High School.
- Delivery of significant refurbishment projects at Padgate Academy and Broomfields Junior School.
- Continued realisation of our Sustainability Strategy through the deployment of solar across the Trust, increasing renewable energy usage and driving down energy costs.
- Work with external partners and national sporting bodies such as the Football Foundation, Sport England and England hockey to develop high-quality sporting provision across our academy Trust and particularly at Penketh High School and Priestley College.

Trustees' Report

For the Year Ended 31 August 2025

- Further development of the joint partnership work with organisations such as University of Oxford, Liverpool John Moores University, University of Chester, Warrington Wolves, United Utilities, local businesses, and Warrington & Co, to support the needs of young people and serve the wider communities across Warrington, St Helens, and the Wirral and beyond.
- Increase Pupil Admissions Numbers at a number of our academies to fulfil the requirements for school places identified by Warrington Borough Council.
- Deliver a broad range of training and development opportunities as part of our Education Connect offer and continue to deliver the suite of National Professional qualifications and Early Career Framework delivery as Area Lead for the Generate Teaching School Hub.
- Deliver support and training to a range of schools beyond the Trust, on behalf of the Department for Education, and as part of our Education Connect offer — including RISE deployments within regional schools to address specific school improvement needs.
- Register our internal alternative provision, ReRoute, as an Independent School, while simultaneously exploring the establishment of a Free School to enable future scalability.
- To further enhance our people strategy, TCAT Leads, and explore approaches to reducing staff workload, flexible working, well-being and the benefits offer.
- Implement the TCAT Digital strategy, iTeach, across the Trust to ensure digital enablement for all teachers, supporting high-quality, technology-enhanced teaching and learning.
- Review and evolution of the Trusts financial model / funding structure to drive a more equitable provision of education and school experience across our Trust.
- To complete the remaining works at our outdoor activity centre, Tyn-Y-Felin on Anglesey and deliver our outdoor education offer across TCAT schools, as part of the Personal Development offer outlined within TCAT Thrives, and drive external use during off peak periods.

POST BALANCE SHEET EVENTS

No notable post balance sheet events.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust, through its academies, holds monies paid in advance, for educational trips or for catering accounts. The funds are held in a separate bank account and either used to pay for the trip or pay for meals purchased. Any balances at 31 August 2025 are included in Other Creditors.

Priestley College, being a 16-19 academy, receives funds from the DfE from the 16-19 Discretionary Bursary fund and also the Vulnerable Students Bursary Fund. Priestley College manages the bursary funding and directs bursaries to eligible students. Any unspent bursary funding in the year is carried forward in other creditors and used the following year.

Trustees' Report

For the Year Ended 31 August 2025

AUDITOR

Insofar 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 auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Signed by:

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H Platt
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 The Challenge 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 Governance Handbook and competency framework for governance.

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 The Challenge Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees’ Report and in the Statement of Trustees’ Responsibilities. The board of trustees has formally met 5 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee Members	Meetings Attended	Out of a possible
H Platt (Chair)	5	5
L Boys	5	5
J Cartwright	4	5
M Grant	3	5
P McEwan	2	5
A Moorcroft (CEO and Accounting Officer)	5	5
J Warren	5	5
S Whatmore	4	5
P Winter	4	5
S Yates	4	5

The board continually reviews itself and considers whether any changes are required and appropriate appointments are made. The internal auditors review of governance within the trust reported that they considered corporate governance as ‘strong’ with no recommendations of any nature. In September 2024, the Trust underwent a Financial Management and Governance Review by the Education & Skills Funding Agency (now the Department for Education) and found to be fully compliant.

Governance Statement

For the Year Ended 31 August 2025

The Finance, HR & Operations is a committee of the main board of trustees. Its purpose is to:

- Consider the funding of the Trust
- Help guide the setting of the annual budget
- Monitor the budget
- Monitor and review the financial procedures
- Consider Health & Safety
- Review pay & conditions of employment
- Handle grievances and other personnel matters

The committee met four times since 1 September 2024. The attendance and membership of the committee was:

	Meetings Attended	Out of a possible
Trustee Members		
H Platt (Chair of Trust)	4	4
L Boys	4	4
A Moorcroft (CEO and Accounting Officer)	4	4
J Warren	4	4
L Waterson (Chair)	4	4
S Whatmore	4	4
P Winter (Chair of Committee)	4	4
Co-opted Members		
A Pailing	3	4

The Audit & Risk committee is a committee of the main board of trustees. Its purpose is to:

- Appoint the external auditor
- Review the financial statements and annual report
- Review the performance of the external auditor
- To set and review the internal audit programme
- Review reports and recommendations
- Monitor any implementation of recommendations
- Review the Trust’s risk management policy and risk register
- Review policies on whistleblowing, fraud etc.
- Draw to the attention of the Board any matters of concern or recommendations

The committee has met three times since 1 September 2024. The attendance and membership of the committee was:

Governance Statement

For the Year Ended 31 August 2025

	Meetings Attended	Out of a possible
Trustee Members		
H Platt (Chair of Trust)	3	3
J Cartwright	2	3
A Moorcroft (CEO and Accounting Officer)	3	3
L Waterson (Chair of Committee)	2	3
S Whatmore	3	3
J Warren	3	3
Co-opted Members		
P Dyke	1	3

The Quality and Standards committee is a committee of the main board of trustees. Its purpose is to:

- Review the curriculum offered by the academies
- Review the standards achieved by the academies
- Review student achievement
- Setting and reviewing any admissions policy

The committee has met 3 times since 1 September 2024. The attendance and membership of the committee was:

	Meetings Attended	Out of a possible
Trustee Members		
M Grant	2	3
J Warren	3	3
P Winter	3	3
S Yates (Chair of Committee)	3	3
Co-opted Members		
K Burns	1	3
J Langstaff	3	3
C Roper	0	3
C Williams	2	3

The Remuneration Committee meets once in the year. There was full attendance at the meeting.

Review of Value for Money

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

Governance Statement

For the Year Ended 31 August 2025

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 during the year by:

- Continued review of services provided by the Local Authority across the Trust, services are being tendered towards the end date of contracts and negotiated for better value agreements.
- Increasingly trust wide approach to major procurement, including negotiation of Trust wide discounts or passing of common supplier information through the Trust to improve buying returns.
- Continued investment in energy saving technologies to reduce ongoing operating costs.
- With effect from 1st October 2025, we have transitioned the majority of our academies across to the DfE v30 utilities basket, ensuring our gas and electricity are procured over a longer period to reduce exposure to volatility.
- Detailed challenge and review of academy budgets and forecasts.
- Bi-annual business scorecard meetings with all academies to review all operational aspects of performance.
- Increasing centralisation of services to benefit from the Trusts economies of scale. The Trust continues to explore internal services to replace external individual contracts at each academy in the provision of estates services.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Challenge Academy Trust for the year from 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements.

Governance Statement

For the Year Ended 31 August 2025

The Trust operates an online risk management tool which is accessible to all Trustees to review at any time. The tool prompts the relevant member of the senior executive team to review and update the risk on a regular basis. The tool is used to inform discussions at the regular business support meetings with the Principals and Headteachers of each academy.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has appointed Wbg LLP as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial and operational systems. They have submitted reports to the Audit Committee on:

- Admissions Process
- Cyber Security
- Safeguarding
- Staff Recruitment and Retention
- Follow Up Review of Recommendations

A programme of work has been agreed for 2025/26 by the Audit Committee. The Audit Committee has the authority to change the work during the year if there is an area requiring specific focus.

Governance Statement

For the Year Ended 31 August 2025

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 external auditor
- the work of the internal auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and ensure continuous improvement of the system is in place.

Conclusion

Based on the advice of the Audit Committee and the Accounting Officer, the Board of Trustees is of the opinion that the Academy Trust has an adequate and effective framework for governance, risk management and control.

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

Signed by:

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H Platt
Chair of Trustees

DocuSigned by:

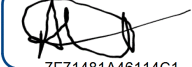
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A Moorcroft
Accounting Officer

Statement of Regularity, Propriety and Compliance For the Year Ended 31 August 2025

As Accounting Officer of The Challenge 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 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 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 all funds by the academy trust, or material non-compliance with the framework of authorities.

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

DocuSigned by:

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A Moorcroft
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 Academies Accounts Direction published by the Department for Education, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the 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 accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

**Statement of Trustees' Responsibilities
For the Year Ended 31 August 2025**

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

Signed by:

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H Platt
Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Members of The Challenge Academy Trust

Opinion

We have audited the financial statements of The Challenge 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. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditor's Report on the Financial Statements to the Members of The Challenge Academy Trust

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, but does not include the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received.

Independent Auditor's Report on the Financial Statements to the Members of The Challenge Academy Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out in the trustee's annual report, 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 Board of Trustees determines 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 Board of Trustees is responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Academy Trust or to cease operations, or has no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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:

The audit procedures designed to identify irregularities included:

- enquiry of management and those charged with governance around actual and potential litigation and claims
- enquiry of Academy Trust staff with responsibilities for compliance matters to identify any instances of non-compliance with laws and regulations
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Independent Auditor's Report on the Financial Statements to the Members of The Challenge Academy Trust

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, intentional misrepresentations or through collusion.

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

Use of our report

This report is made solely to the 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 Members, as a body, those matters we are required to state to them in an auditors' 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 Academy Trust and the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Nicola Tucker
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Nicola Tucker FCA (Senior Statutory Auditor)
For and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Date 15-12-2025

Independent Reporting Accountant’s Report on Regularity to The Challenge Academy Trust and the Secretary of State for Education

In accordance with the terms of our engagement letter and further to the requirements of the Department of Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by The Challenge 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 Challenge 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 The Challenge 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 The Challenge 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 the accounting officer of The Challenge Academy Trust and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Challenge Academy Trust’s funding agreement with the Secretary of State for Education and the Academy Trust Handbook for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession’s ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2024 to 31 August 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by DfE, which requires a limited assurance engagement as set out in our engagement letter.

Independent Reporting Accountant’s Report on Regularity to The Challenge Academy Trust and the Secretary of State for Education

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

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


Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust’s income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of arrangements in place over financial management; and
- review of the Trust’s expenditure during the year.

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.

DocuSigned by:

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Murray Smith LLP

Date 15-12-2025

Chartered Accountants and Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire CW8 1AU

Consolidated Statement of Financial Activities for the year ended 31 August 2025

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2025 £'000	Total 2024 £'000
Income and endowments from:						
Donations and capital grants	2	43	-	3,545	3,588	12,154
Transfer from local authority on conversion	34	-	575	17,515	18,090	4,415
Transfer from existing academy	35	258	(661)	25,085	24,682	-
Charitable activities:						
Funding for the Academy Trust's educational activities	3	1,198	82,640	-	83,838	58,685
Other trading activities	4	1,484	-	-	1,484	4,019
Investments	5	204	-	-	204	127
Total income		3,187	82,554	46,145	131,886	79,400
Expenditure on:						
Raising funds	6	1,920	-	-	1,920	1,181
Charitable activities:						
Academy Trust's educational operations	7	-	83,614	4,935	88,549	75,029
Other		-	-	-	-	-
Total expenditure		1,920	83,614	4,935	90,469	76,210
Net income / (expenditure)		1,267	(1,060)	41,210	41,417	3,190
Transfers between funds	19	-	885	(885)	-	-
Other recognised gains / (losses):						
Pension deficits transferred		-	-	-	-	(467)
Actuarial gains / (losses) on defined benefit pension schemes	29	-	197	-	197	-
Net movement in funds		1,267	22	40,325	41,614	2,723
Reconciliation of funds						
Total funds brought forward		5,135	(946)	110,420	114,609	111,886
Total funds carried forward		6,402	(924)	150,745	156,223	114,609

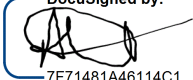
Consolidated Balance Sheet as at 31 August 2025

	Notes	31 August 2025 £'000	31 August 2024 £'000
Fixed assets			
Tangible assets	12	149,981	108,648
Current assets			
Stock	15	15	7
Investments	14	4,213	5,180
Debtors	16	4,459	3,736
Cash at bank and in hand		7,499	4,604
		16,186	13,527
Current Liabilities			
Creditors: amounts falling due within one year	17	(9,797)	(7,399)
		6,389	6,128
Net current assets			
		156,370	114,776
Total assets less current liabilities			
Creditors – amounts falling due after more than one year	18	(147)	(167)
		156,223	114,609
Net assets excluding pension asset / liability			
Defined benefit pension scheme asset / (liability)	29	-	-
		156,223	114,609
Total net assets			
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	19	150,745	110,420
Restricted income fund	19	(924)	(946)
Pension reserve	19	-	-
		149,821	109,474
Total restricted funds			
		149,821	109,474
Unrestricted income funds			
	19	6,402	5,135
		156,223	114,609
Total funds			

The financial statements on pages 38 to 76 were approved by the trustees and authorised for issue on 11 December 2025 and are signed on their behalf by:

Signed by:

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H Platt
 Chair of Trustees

DocuSigned by:

 7F71481A46114C1...
A Moorcroft
 Accounting Officer

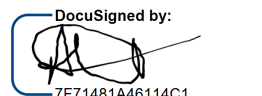
Company Balance Sheet as at 31 August 2025

	Notes	31 August 2025 £'000	31 August 2024 £'000
Fixed assets			
Tangible assets	12	149,869	108,648
Investments	13	-	-
		149,869	108,648
Current assets			
Stock	15	15	7
Investments	14	4,213	5,180
Debtors	16	4,675	3,736
Cash at bank and in hand		7,399	4,604
		16,302	13,527
Current Liabilities			
Creditors: amounts falling due within one year	17	(9,744)	(7,399)
		6,558	6,128
Net current assets			
		156,427	114,776
Total assets less current liabilities			
Creditors – amounts falling due after more than one year	18	(147)	(167)
		156,280	114,609
Net assets excluding pension asset / liability			
Defined benefit pension scheme asset / (liability)	29	-	-
		156,280	114,609
Total net assets			
Funds of the academy trust:			
Restricted funds			
Fixed asset fund		150,745	110,420
Restricted income fund		(924)	(946)
Pension reserve		-	-
		149,821	109,474
Unrestricted income funds			
		6,459	5,135
		156,280	114,609

The financial statements on pages 38 to 76 were approved by the trustees and authorised for issue on 11 December 2025 and are signed on their behalf by:

Signed by:

 H Platt
 Chair of Trustees

DocuSigned by:

 A Moorcroft
 Accounting Officer

Consolidated Statement of Cash Flows for the year ended 31 August 2025

	Note	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Cash flow from operating activities			
Net cash provided by (used in) operating activities	23	500	(7,264)
Cash flows from investing activities	25	1,097	2,871
Cash flows from financing activities	24	(61)	(56)
Change in cash and cash equivalents in the reporting period		1,536	(4,449)
Cash and cash equivalents at 1 September 2024		4,604	9,053
Change in cash in the reporting period		1,536	(4,449)
Cash transferred from schools on conversion	34/35	1,359	-
	26	7,499	4,604
Cash and cash equivalents at 31 August 2025		7,499	4,604

Notes to the accounts

For the Year Ended 31 August 2025

1. Accounting policies

Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

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 (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2024 to 2025 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

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.

Recognition of 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.

Notes to the accounts

For the Year Ended 31 August 2025

1. Accounting policies (continued)

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

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

Sponsorship Income

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

Donations

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

Other Income

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

Donated 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'.

Transfer on conversion

Where assets and liabilities are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is

Notes to the accounts

For the Year Ended 31 August 2025

1. Accounting policies (continued)

recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets (excluding Transfers on conversion/into trust)

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.

Tangible fixed assets

Assets costing greater than £1,000 or if lower than £1,000 but forming part of a larger project 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

Notes to the accounts

For the Year Ended 31 August 2025

1. Accounting policies (continued)

Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold buildings	written off over 50 years or the life of the asset, whichever is shorter
Long leasehold buildings	written off over the period of the lease, 50 years or the life of the asset, whichever is shorter
Improvements to Buildings	Written off over the life of the asset improvement or the period of the lease, whichever is shorter
Motor vehicles	five years
Computer equipment	four years
Fixtures, fittings and equipment	five years

Tangible fixed assets transferred upon entry into the Trust from other academies, local authority schools or colleges are depreciated for the remaining useful life of those assets with the depreciation rates adopted by the Trust.

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.

Liabilities

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

Provisions

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

Notes to the accounts

For the Year Ended 31 August 2025

1. Accounting policies (continued)

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

Leased Assets

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

Investments

The Trust's shareholding in the wholly owned subsidiary, Bridgewater High School Trading Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due from the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the accounts

For the Year Ended 31 August 2025

1. Accounting policies (continued)

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 (Teachers Pension Scheme) 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 an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Notes to the accounts

For the Year Ended 31 August 2025

1. Accounting policies (continued)

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 29, 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. The Trust has not recognised the asset that is reported in the actuary's FRS102 pension valuation report, as the Trust may not benefit from the asset through reduced future contributions.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

2. Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	2025 Total £'000	2024 Total £'000
Capital grants	-	3,545	3,545	12,047
Donated fixed assets	-	-	-	-
Other donations	43	-	43	107
Total	43	3,545	3,588	12,154

Notes to the accounts**For the Year Ended 31 August 2025****3. Funding for the Academy Trust's educational operations**

	Unrestricted Funds £'000	Restricted Funds £'000	2025 Total £'000	2024 Total £'000
DfE / ESFA grants				
General Annual Grant (GAG)	-	54,744	54,744	38,229
Other DfE/ESFA grants				
16-19 programme funding	-	13,879	13,879	12,283
Pupil premium	-	3,105	3,105	1,858
Teachers' pay and pension grant	-	2,758	2,758	1,689
Core schools budget grant	-	1,883	1,883	-
Other DfE/ESFA grants	-	1,271	1,271	1,404
Other DfE Group grants	-	-	-	-
Other Government grants				
Local authority grants	-	3,802	3,802	2,750
Special educational projects	-	401	401	420
Other income from the Academy Trust's educational operations	1,198	797	1,995	52
	1,198	82,640	83,838	58,685

4. Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	2025 Total £'000	2024 Total £'000
Hire of facilities	455	-	455	349
Income from other charitable activities	356	-	356	2,271
Income from ancillary trading activities	603	-	603	1,399
Trading company income	70	-	70	-
Total	1,484	-	1,484	4,019

Notes to the accounts

For the Year Ended 31 August 2025

5. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	2025 Total £'000	2024 Total £'000
Short term deposits – interest	3	-	3	1
Fixed term deposits – interest	62	-	62	54
UK government bonds	139	-	139	72
Total	204	-	204	127

6. Expenditure

	Staff Costs £'000	Premises £'000	Other £'000	2025 Total £'000	2024 Total £'000
<i>Expenditure on raising funds:</i>					
Direct costs	527	49	1,274	1,850	1,181
Allocated support costs	-	-	70	70	-
<i>Academy Trust's educational operations:</i>					
Direct costs	58,641	-	9,917	68,558	66,729
Allocated support costs	7,824	6,471	5,696	19,991	8,300
<i>Other costs:</i>					
<i>Other</i>	-	-	-	-	-
Total	66,992	6,520	16,957	90,469	76,210

Net expenditure for the period includes:

	2025 £'000	2024 £'000
Operating lease rentals	208	97
Depreciation	4,935	3,745
Fees payable to auditor for:		
-audit	33	34
-audit of subsidiary	2	-
-other services	4	-

Notes to the accounts

For the Year Ended 31 August 2025

7. Charitable Activities

	2025	2024
	£'000	£'000
Direct costs – educational operations	68,558	66,729
Support costs – educational operations	19,991	8,300
	88,549	75,029

Analysis of support costs

	2025	2024
	Educational Operations	Educational Operations
	£'000	£'000
Support staff costs	7,824	5,580
Depreciation	493	466
Technology costs	1,087	107
Premises costs	6,471	1,769
Legal costs – conversion	49	30
Legal costs - other	-	58
Other support costs	3,983	224
Governance costs	84	66
Total support costs	19,991	8,300

8. Staff

a. Staff costs and employee benefits

Staff costs during the period were:

	2025	2024
	£'000	£'000
Wages and salaries	48,326	35,860
Social security costs	5,673	3,759
Pension costs	11,458	7,896
Other employee benefits	-	-
	65,457	47,515
Agency staff costs	1,396	1,107
Staff restructuring costs	139	24
Total staff costs	66,992	48,646

Staff restructuring costs comprise:

Redundancy payments	131	-
Severance payments	8	24
	139	24

Notes to the accounts

For the Year Ended 31 August 2025

9. Central Services

The Academy Trust has provided the following central services to its academies during the year:

- Human Resources
- Recruitment
- Staff welfare schemes
- Academy Improvement Services
- Educational support services
- Curriculum support services
- Trust wide initiatives e.g. Literacy
- Continuing Professional Development
- Financial services
- Legal services
- Insurance
- IT services
- Health & Safety services
- Capital project management services
- Procurement services
- Governor support services
- Subscriptions to educational resources

The Trust charges for these services by a 3.75% levy (2024 – 3.75%) on the school budget allocation. The school budget allocation does not include any high needs funding, pupil premium, universal infant free school meal or any other additional targeted funding stream including self-generated income. The actual amounts charged during the year were as follows:

	2025	2024
	£'000	£'000
Appleton Thorn Primary School	37	32
Beamont Collegiate Academy	248	238
Bridgewater High School	400	368
Broomfields Junior School	64	61
Dallam Community Primary School	55	5
Great Sankey Primary School	58	56
Meadowside Community Primary & Nursery School	54	57
Padgate Academy	187	165
Penketh High School	252	224
Penketh South Community Primary School	38	36
Priestley College	478	443
Sir Thomas Boteler Church of England High School	238	209
South Wirral High School	113	-
The Sutton Academy	401	-
	2,623	1,894

Notes to the accounts

For the Year Ended 31 August 2025

10. Related party transactions – Trustees’ remuneration and expenses

One or more trustee has been paid remuneration or has received other benefits from employment with the Academy Trust. The Chief Executive Officer and other staff trustees only receives remuneration in respect of services provided undertaking the roles of Chief Executive Officer and staff members under their contracts of employment.

The value of trustees’ remuneration and other benefits was as follows:

A Moorcroft (Chief Executive Officer and trustee)

Remuneration	£175,001 – £180,000	(2024) £165,001 – £170,000
Employer’s pension contributions paid	£50,001 - £55,000	(2024) £40,001 - £45,000

During the year ended 31 August 2025, travel and subsistence expenses totalling £0 were reimbursed or paid directly to the trustees (2024: £0).

11. Trustees and Officers’ Insurance

In accordance with normal commercial practice the academies are members of the Risk Protection Arrangement for academy trusts. The Trust cover under the arrangement has purchased assurance 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 £10,000,000 on any one claim. The cost of this cover is not split out from the overall cost.

Notes to the accounts
For the Year Ended 31 August 2025

12. Tangible Fixed Assets

Group

	Freehold land & buildings	Leasehold land & buildings	Improvements to buildings	Assets under construction	Furniture & equipment	Computer equipment	Motor vehicles	Total
Cost or valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 September 2024	12,305	104,917	8,784	-	4,890	3,047	8	133,951
Transfer on conversion	-	42,101	-	-	124	424	-	42,649
Additions	-	76	2,144	905	75	419	-	3,619
Disposals	-	-	-	-	-	-	-	-
At 31 August 2025	12,305	147,094	10,928	905	5,089	3,890	8	180,219
Depreciation								
At 1 September 2024	3,128	12,092	3,204	-	4,467	2,404	8	25,303
Charge for period	454	2,489	1,042	-	275	675	-	4,935
Eliminated in respect of disposals	-	-	-	-	-	-	-	-
At 31 August 2025	3,582	14,581	4,246	-	4,742	3,079	-	30,238
Net book value at 31 August 2024	9,177	92,825	5,580	-	423	643	-	108,648
Net book value at 31 August 2025	8,723	132,513	6,682	905	347	811	-	149,981

Notes to the accounts**For the Year Ended 31 August 2025****12. Tangible Fixed Assets (continued)****Academy Trust**

	Freehold land & buildings	Leasehold land & buildings	Improvements to buildings	Assets under construction	Furniture & equipment	Computer equipment	Motor vehicles	Total
Cost or valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 September 2024	12,305	104,917	8,784	-	4,890	3,047	8	133,951
Transfer on conversion	-	42,101	-	-	124	424	-	42,649
Additions	-	-	2,144	905	39	419	-	3,507
Disposals	-	-	-	-	-	-	-	-
At 31 August 2025	12,305	147,018	10,928	905	5,053	3,890	8	180,107
Depreciation								
At 1 September 2024	3,128	12,092	3,204	-	4,467	2,404	8	25,303
Charge for period	454	2,489	1,042	-	275	675	-	4,935
Eliminated in respect of disposals	-	-	-	-	-	-	-	-
At 31 August 2025	3,582	14,581	4,246	-	4,742	3,079	-	30,238
Net book value at 31 August 2024	9,177	92,825	5,580	-	423	643	-	108,648
Net book value at 31 August 2025	8,723	132,437	6,682	905	311	811	-	149,869

Notes to the accounts
For the Year Ended 31 August 2025

13. Fixed Asset Investments – Academy Trust

Cost or valuation	Shares in group undertakings £'000
At 1 September 2024	-
Additions	-
Revaluations	-
At 31 August 2025	-
Net book value at 31 August 2024	-
Net book value at 31 August 2025	-

The shares in group undertakings represents the Academy Trust’s 100% control of TCAT Educational Outdoor Services Limited, which is registered in England and Wales as a company limited by guarantee, and provides outdoor education services.

14. Current Asset Investments

	Group		Academy Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Fixed term bank deposits	-	1,108	-	1,108
UK Government bonds	4,213	4,072	4,213	4,072
	4,213	5,180	4,213	5,180

The Trust had invested cash in a number of 12 and 18 month fixed term deposits and notice accounts with a notice period of between 95 and 120 days in the last financial year. The cash was monies being held to fund the decarbonisation project. As the accounts have matured, the cash has been returned to fund this project.

The Trust has invested £4,000,000 in UK government bonds. Any interest earned has been reinvested to purchase more bonds. Interest is only recognised when paid. The bond investment is shown at the book cost and does not reflect the current market value which is higher than the book cost.

15. Stock

	Group		Academy Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Stock	15	7	15	7
	15	7	15	7

Notes to the accounts

For the Year Ended 31 August 2025

16. Debtors

	Group		Academy Trust	
	2025	2024	2025	2024
Amounts falling due within one year:	£'000	£'000	£'000	£'000
Trade debtors	143	311	143	311
Other debtors	329	584	329	584
VAT recoverable	1,291	1,199	1,290	1,199
Amounts due from group undertakings	-	-	230	-
Prepayments and accrued income	2,696	1,642	2,683	1,642
	4,459	3,736	4,675	3,736

17. Creditors: amounts falling due within one year

	Group		Academy Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Salix loans	53	45	53	45
Trade creditors	2,638	3,182	2,636	3,182
DfE creditor	-	11	-	11
Other taxation and social security	2,776	1,820	2,776	1,820
Other creditors	385	255	385	255
Accruals and deferred income	3,945	2,086	3,894	2,086
	9,797	7,399	9,744	7,399

	Group		Academy Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Deferred income at 31 August 2024	1,206	5,451	1,206	5,451
Released from previous years	(1,206)	(5,451)	(1,206)	(5,451)
Resources deferred in year	1,980	1,206	1,980	1,206
Deferred income at 31 August 2025	1,980	1,206	1,980	1,206

Notes to the accounts

For the Year Ended 31 August 2025

17. Creditors: amounts falling due within one year (continued)

At the balance sheet date the Academy Trust was holding the following funds received in advance:

	Group		Academy Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
High need funding	1,231	927	1,231	927
Trips	261	21	261	21
UIFSM	82	80	82	80
Other deferred income	406	178	406	178
	1,980	1,206	1,980	1,206

Included within Creditors: Amounts falling due within one year are loans from Salix Finance Ltd. Details of the loans are disclosed in Note 18, Creditors: Amounts falling due in greater than one year.

18. Creditors: amounts falling due after one year

	Group		Academy Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Salix loans	147	167	147	167
	147	167	147	167

The Trust has 9 loans from Salix Finance Ltd through the Salix Energy Efficiency Fund. The loans have all been to undertake work to improve energy efficiency. The loans are all interest free with the expectation that energy savings will fund the repayments. Each loan is repaid by two equal instalments per annum over the term of the loan.

The details of the loans are:

Loan	Duration (Years)	Amount Advanced £000	Annual Repayment £000	Outstanding at 31 Aug 2025 £000	Due within one year £000	Due in greater than one year £000
1	8	25	3	1	1	-
2	7	88	13	50	13	37
3	8	41	5	26	5	21
4	6	65	11	32	11	21
5	7.5	63	8	42	8	34
6	7.5	23	3	15	3	12
7	8	30	4	8	4	4
8	8	39	5	15	5	10
9	8	22	3	11	3	8
Total				200	53	147

Notes to the accounts

For the Year Ended 31 August 2025

19. Funds - Group

	Balance at 1 September 2024 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2025 £000
Restricted general funds					
General Annual Grant (GAG)	(4,790)	54,744	(51,773)	885	(924)
16-19 programme funding	-	13,879	(13,879)	-	-
Pupil Premium	-	3,105	(3,105)	-	-
Teachers' pay and pension grant	-	2,758	(2,758)	-	-
Other DfE/ESFA grants	-	3,154	(3,154)	-	-
Pension Reserve	-	(964)	767	197	-
Other restricted funds	-	5,000	(5,000)	-	-
Transfer on conversion	3,844	878	(4,722)	-	-
	<u>(946)</u>	<u>82,554</u>	<u>(83,614)</u>	<u>1,082</u>	<u>(924)</u>
Restricted fixed asset funds					
Transfer on conversion	97,405	42,649	(4,414)	-	135,640
DfE/ESFA capital grants	7,311	3,098	(328)	-	10,081
Other government grants	4,693	-	(148)	-	4,545
Other grants	71	398	(15)	-	454
Capital expenditure from reserves	940	-	(30)	(885)	25
	<u>110,420</u>	<u>46,145</u>	<u>(4,935)</u>	<u>(885)</u>	<u>150,745</u>
Total restricted funds	<u>109,474</u>	<u>128,699</u>	<u>(88,549)</u>	<u>197</u>	<u>149,821</u>
Total unrestricted funds	<u>5,135</u>	<u>3,187</u>	<u>(1,920)</u>	<u>-</u>	<u>6,402</u>
Total funds	<u><u>114,609</u></u>	<u><u>131,886</u></u>	<u><u>(90,469)</u></u>	<u><u>197</u></u>	<u><u>156,223</u></u>

The Academy Trust is not subject to GAG carried forward limits.

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

Restricted general funds – includes all income with specified criteria attached to its use and the corresponding expenditure in relation to this income.

Restricted fixed asset funds – includes all income and expenditure related to the purchase of fixed assets, where the funds have been restricted for this purpose.

Notes to the accounts

For the Year Ended 31 August 2025

19. Funds – Group (continued)

Unrestricted funds – includes all other income and expenditure which has no specific criteria attached to its use.

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

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2024 £000
Restricted general funds					
General Annual Grant (GAG)	(3,409)	50,512	(61,639)	9,746	(4,790)
Pupil Premium	-	1,858	(1,858)	-	-
Catch-Up Premium	-	-	-	-	-
Recovery Premium	-	584	(584)	-	-
Pension Reserve	-	-	(467)	467	-
Other grants and donations	-	7,203	(7,203)	-	-
Transfer on conversion	3,260	584	-	-	3,844
	<u>(149)</u>	<u>60,741</u>	<u>(71,751)</u>	<u>10,213</u>	<u>(946)</u>
Restricted fixed asset funds					
Transfer on conversion	95,898	3,831	(2,324)	-	97,405
DfE/ESFA capital grants	6,016	7,145	(1,060)	(4,790)	7,311
Other government grants	5,416	4,798	(132)	(5,389)	4,693
Other grants	1	104	-	(34)	71
Capital expenditure from GAG	45	-	(45)	-	-
Capital expenditure from reserves	589	-	(184)	535	940
	<u>107,965</u>	<u>15,878</u>	<u>(3,745)</u>	<u>(9,678)</u>	<u>110,420</u>
Total restricted funds	<u>107,816</u>	<u>76,619</u>	<u>(75,496)</u>	<u>535</u>	<u>109,474</u>
Total unrestricted funds	<u>4,070</u>	<u>2,781</u>	<u>(1,181)</u>	<u>(535)</u>	<u>5,135</u>
Total funds	<u><u>111,886</u></u>	<u><u>79,400</u></u>	<u><u>(74,315)</u></u>	<u><u>(467)</u></u>	<u><u>114,609</u></u>

Notes to the accounts

For the Year Ended 31 August 2025

19. Funds – Group (continued)

Total funds analysis by academy

Fund balances at 31 August 2025 were allocated as follows:

	2025	2024
	£'000	£'000
Appleton Thorn Primary School	37	(3)
Beamont Collegiate Academy	316	721
Bridgewater High School	1,129	977
Broomfields Junior School	214	217
Dallam Community Primary School	460	521
Great Sankey Primary School	402	452
Meadowside Community Primary & Nursery School	464	343
Padgate Academy	606	537
Penketh High School	(870)	(1,054)
Penketh South Community Primary School	171	87
Priestley College	1,997	1,719
Sir Thomas Boteler Church of England High School	422	53
South Wirral High School	768	-
The Sutton Academy	451	-
Central services	(1,032)	(381)
TCAT Educational Outdoor Services Limited	(57)	-
Total before fixed assets and pension reserve	5,478	4,189
Restricted fixed asset fund	150,745	110,420
Pension reserve	-	-
Total	<u>156,223</u>	<u>114,609</u>

Notes to the accounts**For the Year Ended 31 August 2025****19. Funds – Group (continued)****Total cost analysis by academy**

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding depreciation) £'000	2025 Total £'000
Appleton Thorn Primary School	875	145	70	233	1,323
Beamont Collegiate Academy	5,822	881	467	1,341	8,511
Bridgewater High School	8,887	762	423	1,599	11,671
Broomfields Junior School	1,440	198	89	392	2,119
Dallam Community Primary School	1,983	198	60	414	2,655
Great Sankey Primary School	1,381	223	69	396	2,069
Meadowside Community Primary & Nursery School	1,497	190	124	400	2,211
Padgate Academy	3,826	469	380	1,010	5,685
Penketh High School	5,740	456	345	1,511	8,052
Penketh South Community Primary School	983	118	52	270	1,423
Priestley College	9,655	1,460	1,132	2,319	14,566
Sir Thomas Boteler Church of England High School	4,989	396	523	1,097	7,005
South Wirral High School	2,386	307	197	823	3,713
The Sutton Academy	8,489	885	926	1,839	12,139
Central services	-	-	-	2,265	2,265
TCAT Educational Outdoor Services Limited	-	31	7	89	127
	57,953	6,719	4,864	15,998	85,534

Notes to the accounts**For the Year Ended 31 August 2025****20. Analysis of Net Assets between Funds - Group**

Fund balances at 31 August 2025 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	112	-	149,869	149,981
Current assets	6,343	8,934	909	16,186
Current liabilities	(53)	(9,733)	(11)	(9,797)
Non-current liabilities	-	(125)	(22)	(147)
Pension scheme liabilities	-	-	-	-
Total net assets	6,402	(924)	150,745	156,223

Comparative information in respect of the previous period as at 31 August 2024 is as follows:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	108,648	108,648
Current assets	5,135	6,620	1,772	13,527
Current liabilities	-	(7,399)	-	(7,399)
Non-current liabilities	-	(167)	-	(167)
Pension scheme liabilities	-	-	-	-
Total net assets	5,135	(946)	110,420	114,609

Notes to the accounts

For the Year Ended 31 August 2025

21. Capital and other commitments

	2025	2024
	£'000	£'000
Commitments contracted for, but not provided for in the financial statements	<u>2,806</u>	<u>653</u>

22. Long-term commitments, including operating leases

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

	2025	2024
	£'000	£'000
Amounts due within one year	153	97
Amounts due between one and five years	297	242
Amounts due after five years	-	-
	<u>450</u>	<u>339</u>

At 31 August 2025 the total of the Academy Trust's future minimum lease payments under other contractual commitments was:

	2025	2024
	£'000	£'000
Amounts due within one year	1,397	-
Amounts due between one and five years	6,021	-
Amounts due after five years	934	-
	<u>8,352</u>	<u>-</u>

The other contractual commitments relate to schools' contribution of the future PFI liability.

Notes to the accounts**For the Year Ended 31 August 2025****23. Reconciliation of net income/ (expenditure) to net cash flow from operating activities**

	2025	2024
	£'000	£'000
Net income / (expenditure) for the period	41,417	3,190
Adjusted for:		
Depreciation	4,935	3,745
Reclassification of assets as expenditure	-	591
Transfer on conversion to academy	(42,772)	(3,831)
Capital grants from DfE and other capital grants	(3,545)	(7,686)
Interest paid	-	-
Interest receivable	(204)	(127)
Defined benefit scheme cost less contributions payable	(563)	(313)
Defined pension scheme finance cost	(204)	(124)
(Increase) / decrease in stocks	10	(6)
(Increase) / decrease in debtors	(181)	(696)
Increase / (decrease) in creditors	1,607	(2,007)
Net cash provided by operating activities	500	(7,264)

24. Cash flows from financing activities

	2025	2024
	£'000	£'000
Repayments of borrowing	(61)	(56)
Cash inflows from new borrowing	-	-
Interest paid	-	-
Net cash provided by / (used in) financing activities	(61)	(56)

25. Cash flows from investing activities

	2025	2024
	£'000	£'000
Purchase of tangible fixed assets	(3,619)	(1,507)
Capital grants from DfE/ESFA	3,545	2,567
Capital grants from Salix	-	4,839
Transfer from/to fixed term deposit investments	1,108	917
Transfer to UK government bonds	(141)	(4,072)
Interest received	204	127
Net cash provided by / (used in) investing activities	1,097	2,871

Notes to the accounts**For the Year Ended 31 August 2025****26. Analysis of cash and cash equivalents**

	2025	2024
	£'000	£'000
Cash in hand and at bank	7,499	4,604
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	7,499	4,604

27. Analysis of changes in net debt

	At 1	Cash	Transfer	Other	At 31
	September	flows	on	non-cash	August
	2024	£'000	conversion	changes	2025
	£'000	£'000	£'000	£'000	£'000
Cash	4,604	1,536	1,359	-	7,499
Cash equivalents	-	-	-	-	-
	4,604	1,536	1,359	-	7,499
Loans falling due within one year	(45)	61	(16)	(53)	(53)
Loans falling due after more than one year	(167)	-	(33)	53	(147)
Total	4,392	1,597	1,310	-	7,298

28. Members liability

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

Notes to the accounts

For the Year Ended 31 August 2025

29. Pension and similar obligations

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

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

Contributions amounting to £1,429,426 were payable to the schemes at 31 August 2025 (2024: £1,018,585) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with 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.

Notes to the accounts

For the Year Ended 31 August 2025

29. Pension and similar obligations (continued)

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 total employer pension costs paid to TPS in the year amounted to £9,092k (2024 £6,047k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

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 under FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme.

Local Government Pension Scheme - Group

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £3,801k (2024 £2,902k), of which employer's contributions totalled £2,934k (2024 £2,228k) and employees' contributions totalled £867k (2024 £674k). The agreed contribution rates for future years vary for each academy depending upon its asset and liability profile within the scheme. Currently, the employer rate paid ranges from 15.5% to 23.7% dependent upon the academy profile within the scheme. The rates paid by employees range from 5.5% to 9.9% depending upon their salary.

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

Notes to the accounts

For the Year Ended 31 August 2025

29. Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2025	At 31 August 2024
	%	%
Rate of increase in salaries	3.49	3.35
Future pensions increases	2.69	2.65
Discount rate for scheme liabilities	6.08	5.00

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

	At 31 August 2025	At 31 August 2024
	Years	Years
<i>Retiring today</i>		
Males	20.4	20.9
Females	23.9	23.9
<i>Retiring in 20 years</i>	21.2	21.5
Males	24.9	25.2
Females		

Sensitivity Analysis

	2025	2024
	£'000	£'000
Discount rate: + 0.1%	(826)	(807)
Discount rate: - 0.1%	829	807
Mortality assumption: 1 year increase	1,548	1,558
Mortality assumption: 1 year decrease	(1,546)	(1,558)
CPI rate: + 0.1%	889	787
CPI rate: - 0.1%	(814)	(787)

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

	2025	2024
	£'000	£'000
Equities	31,705	22,700
Bonds	16,483	14,134
Property	7,444	5,568
Cash and other liquid assets	<u>2,848</u>	<u>428</u>
Total fair value of assets	<u>58,480</u>	<u>42,830</u>

The actual return on the scheme assets was £3,076k (2024: £3,432k).

Notes to the accounts

For the Year Ended 31 August 2025

29. Pension and similar obligations (continued)

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2025	2024
	£'000	£'000
Fair value of plan assets	43,252	38,955
Present value of plan liabilities	<u>(43,252)</u>	<u>(38,955)</u>
Net pensions (liability)/asset	<u>—</u>	<u>—</u>

Amount recognised in the net income/(expenditure) in the Statement of Financial Activities

	2025	2024
	£'000	£'000
Current service cost	(2,360)	(1,931)
Interest income	2,603	1,921
Interest cost	(2,399)	(1,787)
Admin expenses	<u>(11)</u>	<u>—</u>
Total amount recognised in the Net income/(expenditure) in the SOFA	<u>(2,167)</u>	<u>(1,807)</u>

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

	2025	2024
	£'000	£'000
At 1 September 2024	38,955	33,481
Current service cost	2,360	1,931
Effect of settlements	—	—
Interest cost	2,399	1,797
Employee contributions	867	644
Effect of transfers into the Trust	9,153	1,952
Actuarial (gain) / loss	(9,499)	(130)
Benefits paid	<u>(983)</u>	<u>(720)</u>
At 31 August 2025	<u>43,252</u>	<u>38,955</u>

Notes to the accounts

For the Year Ended 31 August 2025

29. Pension and similar obligations (continued)

Changes in the fair value of academy trust's share of scheme assets were as follows:

	2025	2024
	£'000	£'000
At 1 September 2024	42,830	35,745
Interest income	2,603	1,921
Effect of settlements	-	-
Effect of transfers into the Trust	9,756	1,485
Actuarial gain / (loss)	484	1,511
Employer contributions	2,934	2,244
Employee contributions	867	644
Benefits paid	(983)	(720)
Admin expenses	<u>(11)</u>	<u>-</u>
At 31 August 2025	58,480	42,830
Notional asset not being recognised	<u>(15,228)</u>	<u>(3,875)</u>
At 31 August 2025 (after asset restriction)	<u>43,252</u>	<u>38,955</u>

30. Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the financial period.

Warrington Borough Council – a Local Authority in which S Broomhead (a Member of the Trust) held the position of Chief Executive during the period; whilst L Waterson (a trustee of the Trust) is also an employee. S Broomhead announced his retirement from the local authority in May 2025, whilst L Waterson resigned as a Trustee in July 2025.

During the period, the Warrington based academies within the Trust received income for the provision of high needs education and purchased services from the Local Authority under Service Level Agreements.

Notes to the accounts

For the Year Ended 31 August 2025

30. Related Party Transactions (continued)

Type of transaction	Total incurred during period £000	Outstanding at 31 August £000
Education Funding	3,316	Nil
Capital Funding	353	Nil
Other income	39	6
	<u> </u>	<u> </u>
Purchase of Services	1,566	963
	<u> </u>	<u> </u>

Priestley Education and Training Trust (PETT) – S Yates and M Grant, both trustees for the Trust, are also trustees in this charitable trust. The trust helps provide support to past and present students of Priestley College. During the year, the academy disbursed £2,178 (2024 - £2,153). PETT refund the College periodically after the College has offset any income received due to fundraising by staff and students during the year. The balance outstanding at 31 August 2025 was a creditor of £966 (2024 - £353) due to monies having been donated to PETT via the College.

31. Contingent liabilities

The Trust is currently dealing with an historic legal claim from a past employee which pre-dates the formation of the Trust. The Trust is making a defence of the case and is also seeking to invoke the warranties within the transfer agreement and the employer's liability insurance relevant to the employer at the time. Based upon legal opinion and the existence of the warranties, the Trust has decided not to provide for any potential damages award.

32. Agency arrangements

The Trust distributes the DfE discretionary 16-19 bursary to students as an agent for the DfE. The Trust disbursed £291k (2024 - £301k) in the year and the amount underspent £75k, is included in Other Creditors to be used next year.

33. Individual Statement of Financial Activities

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the accounts

For the Year Ended 31 August 2025

34. Conversion to an Academy Trust

On 1 April 2025, South Wirral High School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Challenge Academy Trust from Wirral Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – Transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total £'000
Tangible fixed assets				
Leasehold land and buildings	-	-	17,515	17,515
Current assets				
Cash at bank and in hand	-	575	-	575
	-	575	17,515	18,090
Non-current liabilities				
Defined benefit pension obligation	-	-	-	-
Net assets/(liabilities)	-	575	17,515	18,090

Notes to the accounts

For the Year Ended 31 August 2025

35. Transfer of existing academies into the Trust

On 1 September 2024, The Sutton Academy joined the trust and all the operations and assets and liabilities were transferred to The Challenge Academy Trust from The Sutton Academy for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – Transfer from academy trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total £'000
Tangible fixed assets				
Leasehold land & buildings	-	-	24,586	24,586
Furniture & equipment	-	-	124	124
Computer equipment	-	-	424	424
Current assets				
Stock	-	18	-	18
Debtors	-	542	-	542
Cash at bank and in hand	258	526	-	784
	258	1,086	25,134	26,478
Current liabilities				
Loans	-	-	(16)	(16)
Other creditors	-	(783)	-	(783)
Non-current liabilities				
Loans	-	-	(33)	(33)
Defined benefit pension obligation	-	(964)	-	(964)
Net assets/(liabilities)	258	(661)	25,085	24,862

Notes to the accounts

For the Year Ended 31 August 2025

36. Statement of Financial Activities for the Year Ended 31 August 2024 (Prior Year)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2024 £'000
Income and endowments from:					
Donations and capital grants	2	-	107	12,047	12,154
Transfer from local authority on conversion		-	584	3,831	4,415
Transfer from existing academy		-	-	-	-
Charitable activities:					
Funding for the Academy Trust's educational activities	3	-	58,685	-	58,685
Other trading activities	4	2,654	1,365	-	4,019
Investments	5	127	-	-	127
Total income		2,781	60,741	15,878	79,400
Expenditure on:					
Raising funds	6	1,181	-	-	1,181
Charitable activities:					
Academy Trust's educational operations	7	-	71,284	3,745	75,029
Other		-	-	-	-
Total expenditure		1,181	71,284	3,745	76,210
Net income / (expenditure)		1,600	(10,543)	12,133	3,190
Transfers between funds	19	(535)	10,213	(9,678)	-
Other recognised gains / (losses):					
Pension deficits transferred		-	(467)	-	(467)
Actuarial gains / (losses) on defined benefit pension schemes	29	-	-	-	-
Net movement in funds		1,065	(797)	2,455	2,723
Reconciliation of funds					
Total funds brought forward		4,070	(149)	107,965	111,886
Total funds carried forward		5,135	(946)	110,420	114,609