

**OUR CHILDREN 1ST
(A Company Limited by Guarantee)**

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

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

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OUR CHILDREN 1ST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Jessop
H Leighton (appointed 3 October 2024)
R Painter
C Walton
R Brown (appointed 6 February 2025)

Trustees

J Davies, Chair
H Adams, Head Teacher and Accounting Officer¹
S Bennett
L Chalk¹
R Painter¹
J Thackstone¹

¹ Finance, Audit, Risk and Resources Committee

Company registered number

10631500

Company name

Our Children 1st

Principal and registered office

Pallister Park Primary School
Gribdale Road
Middlesbrough
TS3 8PW

Senior leadership team

H Adams, Head Teacher and Accounting Officer
N Russell, Chief Finance and Operations Officer
Y Ahmed, Assistant Head
H Newbold, Assistant Head
A Oliver, Assistant Head
M Waterfield, Senior Teacher

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

Bankers

Lloyds Bank plc
83/85 Linthorpe Road
Middlesbrough
TS1 5BU

Solicitors

Muckle LLP
32 Gallowgate
Newcastle Upon Tyne
NE1 4BT

OUR CHILDREN 1ST
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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 1 September 2024 to 31 August 2025. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The academy trust operates an academy for pupils aged 2 to 11 serving a catchment area in Middlesbrough. It has a pupil capacity of 528 and had a roll of 528 in the school and 108 in the nursery at the summer 2025 census.

Our academy trust follows Middlesbrough local authority's admission arrangements for pupil admissions.

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 Our Children 1st MAT are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Our Children 1st MAT, trading as Pallister Park Primary School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 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 academy trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are provided in note 11.

Method of Recruitment and Appointment or Election of Trustees

The members appoint a minimum of 3 Trustees. The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex-officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Trustees are given a tour of the academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

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

Structure, Governance and Management (continued)

Organisational structure

During the year the academy trust continued to operate a unified management structure. The structure consists of these levels: the Members, Trustees, Strategic Leadership Team, and Senior Management Team supported by the Teaching staff. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels, whilst ensuring balanced governance with appropriate checks and balances to prevent concentration of decision-making power.

The Members form the top tier of governance and act as guardians of the Trust's charitable purpose. The Trust has five Members who hold ultimate control and have the power to amend the Articles of Association and appoint or remove Trustees. The Members meet at least annually and provide an additional layer of oversight and accountability, ensuring the Trust operates in accordance with its charitable objects.

The Trustees are responsible for the overall strategic direction of the Trust and retain ultimate accountability for its performance. The Board comprises five members, including the Chief Executive Officer. This composition ensures that no single individual holds disproportionate voting power, with the CEO representing one vote among five equals, trustees. The Board reserves key decisions including approval of the annual budget and financial statements, strategic planning, major policy decisions, significant capital expenditure above delegated limits, and decisions regarding academy conversions, mergers, or closures. All Board decisions are made collectively through democratic voting.

The Strategic Leadership Team consists of six members, including the Chief Executive Officer, ensuring distributed leadership and collaborative strategic planning. The Strategic Leadership Team is responsible for translating Board strategy into operational plans, strategic initiatives and priorities, high-level resource allocation and planning, risk management and compliance oversight, and performance monitoring across the Trust. They are supported by the Senior Management Team and staff.

Arrangements for setting pay and remuneration of key management personnel

The academy trust Board of Trustees aims to follow the nationally and locally agreed pay settlements. The Head Teacher is appraised by a panel consisting of Trustees supported by a suitably skilled and/or experienced external consultant who has been appointed by the Board of Trustees solely for that purpose. The task of appraising the Head Teacher, including the setting of objectives, will be delegated to a subgroup consisting of normally 3 Trustees. The external consultant is not responsible for returning a recommendation to the Academy Trust Board on whether an increment should be awarded to the Head Teacher following the review, this is a matter for the Trustees alone, however they should take account of any advice offered. The rest of the Senior Leadership Team and the TLRs are appraised by the Head Teacher with pay recommendations made to the Academy Trust Board.

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

Structure, Governance and Management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	3,321,617
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

Related parties include the following:

H Adams – iTchyrobot UK Ltd

Further details are stated in note 23 to the Financial Statements

**OUR CHILDREN 1ST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

Objectives and Activities

The principal objectives and activities of the charitable company is the operation of Our Children 1st MAT to provide education for students of different abilities between the ages of 2 and 11 years.

Objects and aims

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specified, amongst other things, the basis for admitting students to the academy trust, the catchment area from which the students are drawn, and that the curriculums should comply with the substance of the national curriculum.

The main objectives of the academy trust during the year ended 31 August 2025 are as summarised below:

- To reduce persistent absence
- To increase % of children achieving standard in reading at KS2
- To increase % of children achieving standard in Maths at KS2
- To increase % of children achieving standard in writing at KS1

Our Children 1st MAT believe that every child should have the same opportunities and life chances, irrespective of the socio-economic background, gender or ethnicity. We create an inclusive, dynamic learning environment where every child, regardless of background, is empowered to discover their potential, pursue their passions and develop a lifelong love for learning. We 'Work Hard, Play Hard, and our curriculum is designed to show our children how to live by this ethos.

Objectives, strategies and activities

This Trust Strategy was compiled by Trustees and Senior Leaders and reflects our strategic plans to:

- Improve outcomes and opportunities for all children
- Become a centre of excellence for inclusion, responsive to the changing landscape in SEND
- Be the employer that invests in our people as a supportive team that encourages professional development
- Maintain a financially viable, sustainable and ethically driven organisation
- Be rooted in the communities our school serves and ensure a strong voice for all our stakeholders

The academy trust is continually mindful of ensuring that they remain financially secure and able to mitigate changes in the future by planning reserves cautiously, as reflected in our policy. Trustees support this stance as it has proved prudent in light of previous challenges, including the pandemic, and the current reduction in birth rate. The academy trust will continue to plan with focus on any future instability that could affect the finance and effectiveness of the trust.

In pursuit of the above aims, the CEO, COO and SLT draw on the school improvement plan with progress against the plan being reviewed by trustees.

Activities to meet objectives

- To reduce persistent absence

The academy trust continues to work with the Educational Welfare Officer to target specific families. Greater communication with families alerts them to attendance dips earlier in the year, along with recognition for improvements. Individualised support is offered to families to ensure needs of the child are met. The trust has implemented enhanced monitoring systems and early intervention strategies to address attendance concerns promptly.

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

Objectives and Activities (continued)

- To increase % children achieving expected standard in reading at KS2

Children are supported in smaller groups to provide opportunities to review and revise key concepts and address any gaps in knowledge or understanding. Movement between groups is identified through pupil progress reviews to ensure teachers are aware of the next steps to teach. Teachers focus on developing comprehension skills and reading fluency across Key Stage 2.

- To increase % children achieving expected standard in Maths at KS2

Children are grouped after progress reviews to ensure teaching is targeted. Teachers focus on active learning and real-world connections to provide opportunities for pupils to understand key concepts and develop mastery in mathematics.

- To increase % children achieving expected standard in Writing at KS1

Team around the child ensures children are taught in smaller groups to support their writing development and enable discussion on how to improve their work. Staff have moderated writing within school and with other schools to ensure consistency and targeted interventions and high-quality teaching ensure that writing skills are developed systematically from EYFS through Key Stage 1.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between 2 and 11 years of age.

Public benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy trust should undertake.

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

Strategic report

Achievements and Performance

The 2024-25 academic year has seen improvements across multiple areas, demonstrating the impact of our targeted interventions and the dedication of our staff team. The trust is particularly proud of the substantial progress made in addressing persistent absence and improving outcomes in Key Stage 2, both of which were strategic priorities for the year.

Key Stage 2 Performance

Mathematics:

The academy achieved 79.0% of pupils reaching the expected standard in mathematics, representing a year-on-year improvement of 13.2 percentage points and exceeding the national average of 74% by 5%. This achievement reflects the effectiveness of our targeted small-group teaching approach, focus on active learning, and real-world connections that enable pupils to develop mastery in mathematical concepts.

Reading:

Reading outcomes at Key Stage 2 improved substantially from 54.4% to 70%, a gain of 15.6%. This was one of our main objectives for the year and demonstrates the impact of our enhanced comprehension strategies, small-group interventions, and systematic approach to developing reading fluency across Key Stage 2. While we remain 5 percentage points below the national average of 75%, the positive trajectory is evident and encouraging.

Writing:

Writing at Key Stage 2 achieved 67.8%, a slight decrease of 3.1 percentage points from the previous year's 70.9%. The academy continues to focus on high-quality writing instruction through small-group teaching and collaborative moderation with other schools and the Local Authority to ensure consistency in assessment. Writing at Key Stage 1 has been identified as a priority area for the current academic year.

Combined Reading, Writing and Maths:

Overall, 58.6% of pupils achieved the expected standard in reading, writing and Maths combined, representing an improvement of 11.8% percentage points from 46.8% in 2023-24. While this remains below the national average of 62%, the upward trend demonstrates that our strategies are having a positive impact on pupil outcomes.

Key Stage 1 Performance

At Key Stage 1, the academy achieved solid outcomes with 75.4% of pupils reaching the expected standard in reading, 58% in writing, and 78.3% in Maths. The upward trend demonstrates that our strategies are having a positive impact on pupil outcomes.

Early Years Foundation Stage

The academy achieved 62% Good Level of Development (GLD), representing a 10 percentage point improvement from 52% in 2023-24. This demonstrates the effectiveness of our early years provision in providing children with the strong foundations they need for future success.

Phonics

The Year 1 phonics screening check resulted in 83.9% of pupils achieving the expected standard, maintaining strong performance above the national average of 81%. This reflects the continued effectiveness of our phonics teaching through the Read Write Inc program.

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

Strategic report (continued)

Achievements and Performance (continued)

Multiplication Tables Check

The Year 4 multiplication tables check showed substantial improvement, with 33.7% of pupils achieving the expected standard compared to 19.8% in 2023-24, an improvement of 13.9 percentage points. This result is in line with the national average of 34% and demonstrates the impact of focused teaching of times tables and number facts.

Attendance and Persistent Absence

The academy made good progress in addressing persistent absence, which was a key strategic priority for the year. Persistent absence has reduced to 18.5%. This achievement resulted from enhanced partnership working with the Educational Welfare Officer, improved communication with families, earlier intervention when attendance concerns arose, and individualised support tailored to meet the specific needs of children and families. Overall attendance improved to 93.5%, from 92.1% in 2023/24, demonstrating the academy's commitment to ensuring that all children can access their education regularly.

Key Performance Indicators

As at 31 August:

	2025	2024
Total income per pupil	£7,057	£6,791
Total GAG income per pupil	£4,854	£4,753
Staff costs per pupil	£5,290	£4,816
Total costs per pupil	£7,584	£6,560
Staff costs as % of total costs	70%	73%
Staff costs as % of total income	75%	71%

Pupil numbers - 637 on roll at Spring Term 2025 (2024 - 632 pupils).

Going concern

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

Financial review

Most of the academy trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2025 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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

Strategic report (continued)

In addition, the academy trust receives additional income, largely related to deprivation factors.

During the year ended 31 August 2025, total expenditure of £4,831,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding pension reserve movements and restricted fixed asset funds) was £133,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2025 net book value of fixed assets was £4,539,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in no surplus or deficit being recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2025 of £4,976,000 comprising £279,000 of restricted general funds, £4,576,000 of restricted fixed asset funds and £121,000 of unrestricted funds.

Reserves Policy

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- To provide funds which can be designated to specific areas of the curriculum
- To cover ongoing costs in relation to the running of the academy trust including catering provisions, school trips and uniform costs

The level of reserves is reviewed by Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees therefore consider it is prudent to hold reserves in the general fund in the form of restricted general funds (excluding pension reserves) and unrestricted funds of £500,000.

This is considered sufficient to cover working capital to cover delays between spending and receipt of grants and provide a cushion to deal with unexpected emergencies i.e. responsive maintenance, Payroll costs, Energy.

As at 31 August 2025 the academy trust holds available reserves of £400,000, comprising of restricted general funds (excluding pension reserves) of £279,000 and unrestricted funds of £121,000. Reserves have dipped below the above level due to investing in supporting the needs of the children currently in the school. The Trustees are currently looking at future budgets and assessing risks to identify the appropriate level of reserves required moving forward.

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

Investment Policy

The academy trust does not invest surplus funds.

Principal Risks and Uncertainties

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which could result in the recognition of a significant deficit on the academy trust Balance Sheet.

The Trustees have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Fundraising

The academy trust does not use any external fundraisers.

Plans for future periods

Aims and objectives for 2025-26;

1. Maintaining overall attendance at or above 93% and sustaining improvements in persistent absence
2. Increasing outcomes in Writing at Key Stage 2
3. Sustaining strong outcomes in Reading and Mathematics at KS2
4. Ensuring financial sustainability through prudent planning and enhancing our educational offer in response to demographic changes

Funds Held as Custodian Trustee on Behalf of Others

The Trust is not acting as custodian.

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**TRUSTEES' REPORT (CONTINUED)
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 Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2025 and signed on its behalf by:

J Davies

Chair

OUR CHILDREN 1ST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Our Children 1st MAT 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 guide.

The Board of Trustees has delegated the day-to-day responsibility to the CEO/Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Our Children 1st MAT 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 3 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meeting attended	Out of possible
J Davies, Chair	3	3
H Adams (CEO/HT and Accounting Officer)	3	3
S Bennett	0	3
L Chalk	3	3
R Painter	2	3
J Thackstone	3	3

Our Children 1st manages conflicts of interest by requesting declarations of interest from all Trustees and SLT personnel at the beginning of the Academic year. Declaration of interests is also a standing agenda item at each governance meeting and all members are fully aware of the requirement to be transparent and open about any possible conflicts. Our Children 1st does not have ownership or control of any subsidiaries, joint ventures or associates.

There have been no changes to the composition of the Board of Trustees during the year ended 31 August 2025, providing continuity in governance and strategic oversight.

The Board reviews its collective skills and expertise through skills audits to ensure trustees possess the necessary knowledge to provide effective governance. Trustees participate in ongoing training to remain up to date with developments in education policy, safeguarding, finance, and governance requirements, including updates on the Academies Financial Handbook, safeguarding, and educational standards.

The Board places significant importance on the quality and reliability of data used to inform its decision-making, receiving information from multiple sources including internal pupil assessment and financial monitoring data, external benchmarking through Department for Education performance tables and Education and Skills Funding Agency data, and external verification through Local Authority moderation of statutory assessments and external audit review. This multi-layered approach provides triangulation between internal monitoring, external benchmarking, and independent verification, which the Board finds acceptable as it ensures decisions are based on accurate and reliable information.

The Board has maintained effective oversight throughout the year, with its two committees (Finance, Audit, Risk and Resources Committee and Curriculum, Standards and Welfare Committee) operating effectively and providing detailed scrutiny. The Board continues to assess its own effectiveness through regular review of its governance arrangements and maintains focus on strategic priorities that have the greatest impact on outcomes for pupils.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance Audit Risk and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the academy trust's financial performance, risk management framework, audit arrangements, and oversight of resources including premises and health and safety matters.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Painter (Chair)	3	3
H Adams	3	3
L Chalk	3	3
J Thackstone	3	3

The Curriculum, Standards and Welfare Committee is also a sub-committee of the main Board of Trustees. Its purpose is to monitor educational standards, curriculum development, pupil outcomes, safeguarding and welfare matters.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Chalk (Chair)	3	3
H Adams	3	3
J Thackstone	3	3
J Davies	2	3

Review of Value for Money

As accounting officer, the chief executive 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 educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Commissioning data analyst services to interpret data for SLT to be able to act on findings
- Reducing staff workload by streamlining processes and the use of IT and AI where appropriate
- Investing in premises upgrades to reduce maintenance costs and enhance energy efficiency
- Use of strategic purchasing to ensure additional value in bulk ordering
- Deploying a review and revise strategy to ensure finances are utilised efficiently
- Strategic staff deployment such as implementation of split year group classes to mitigate falling birth rates

**OUR CHILDREN 1ST
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GOVERNANCE STATEMENT (CONTINUED)

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 Our Children 1st MAT for the period 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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 decided to buy-in an internal audit service from SBM Services.

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

- Financial Governance
- Financial Administration
- Managing Business & Personal Interests

On a routine basis, the internal auditor reports to the Board of Trustees, through the Finance, Audit Risk and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the internal auditor provides an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the work of external auditor
- correspondence from ESFA

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

Conclusion

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

Approved by order of the members of the Board of Trustees on 18 December 2025 and signed on their behalf by:

J Davies
Chair

H Adams
Accounting Officer

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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Our Children 1st, 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.

H Adams
Accounting Officer
Date: 18 December 2025

OUR CHILDREN 1ST
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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 of 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 DfE have been applied for the purposes intended.

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

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

J Davies
Chair
Date: 18 December 2025

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR CHILDREN 1ST

Opinion

We have audited the financial statements of Our Children 1st (the '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 the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025 issued by the Department for Education.

In our opinion the financial statements:

- give a true and fair view of the state of the 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025 issued by the Department for Education.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR CHILDREN 1ST (CONTINUED)

Other information

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

We have nothing to report in this regard.

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 our 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 including the Strategic Report.

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

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

Responsibilities of Trustees

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

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

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR CHILDREN 1ST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. 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. 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 concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Auditors' Report.

**OUR CHILDREN 1ST
(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
CHILDREN 1ST (CONTINUED)**

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Shotton BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

Date:

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUR CHILDREN 1ST AND THE SECRETARY OF STATE FOR EDUCATION

In accordance with the terms of our engagement letter dated 13 October 2025 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts 2024 to 2025, 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 Our Children 1st during the year 1 September 2024 to 31 August 2025 have not been applied to the purposes identified by Parliament and that the financial transactions do not conform to the authorities which govern them.

This report is made solely to Our Children 1st 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 Our Children 1st 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 Our Children 1st and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Our Children 1st's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Our Children 1st's funding agreement with the Secretary of State for Education dated 24 March 2017 and the Academy Trust Handbook, extant from 1 September 2024, 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 2024 to 2025. 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 year 1 September 2024 to 31 August 2025 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUR CHILDREN 1ST AND THE SECRETARY OF STATE FOR EDUCATION (CONTINUED)

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

Conclusion

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

Reporting Accountant
Clive Owen LLP

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date:

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Restricted fixed asset funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Income from:						
Donations and capital grants	3	2	-	60	62	33
Investments	5	1	35	-	36	25
Charitable activities	4	5	4,392	-	4,397	4,267
Total income	8	4,427	60	4,495	4,325	
Expenditure on:						
Charitable activities		5	4,496	330	4,831	4,470
Total expenditure	5	4,496	330	4,831	4,470	
Net movement in funds before other recognised gains/(losses)	3	(69)	(270)	(336)	(145)	
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	798	-	798	165
Asset Ceiling Restriction		-	(865)	-	(865)	(214)
Net movement in funds	3	(136)	(270)	(403)	(194)	
Reconciliation of funds:						
Total funds brought forward		118	415	4,846	5,379	5,573
Net movement in funds		3	(136)	(270)	(403)	(194)
Total funds carried forward	121	279	4,576	4,976	5,379	

OUR CHILDREN 1ST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10631500

BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	12	4,539	4,788
		<hr/> 4,539	<hr/> 4,788
Current assets			
Debtors	13	263	202
Cash at bank and in hand		456	680
		<hr/> 719	<hr/> 882
Current liabilities			
Creditors: amounts falling due within one year	14	(282)	(291)
		<hr/> 437	<hr/> 591
Net current assets			
		<hr/> 4,976	<hr/> 5,379
Total assets less current liabilities			
		<hr/> 4,976	<hr/> 5,379
Net assets excluding pension asset			
		<hr/> 4,976	<hr/> 5,379
Total net assets			
		<hr/> 4,976	<hr/> 5,379
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	15	4,576	4,846
Restricted income funds	15	279	415
		<hr/> 4,855	<hr/> 5,261
Total restricted funds	15		
Unrestricted income funds	15		
		<hr/> 121	<hr/> 118
Total funds			
		<hr/> 4,976	<hr/> 5,379

The financial statements on pages 25 to 51 were approved by the Trustees, and authorised for issue on 18 December 2025 and are signed on their behalf, by:

J Davies
 Chair

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(203)	57
Cash flows from investing activities	18	(21)	(176)
Change in cash and cash equivalents in the year		(224)	(119)
Cash and cash equivalents at the beginning of the year		680	799
Cash and cash equivalents at the end of the year	19, 20	<hr/> 456	<hr/> 680
		<hr/> <hr/>	<hr/> <hr/>

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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.

Our Children 1st meets the definition of a public benefit entity under FRS 102.

1.2 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 academy trust 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.

1.3 Income

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

• Grants

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

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

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

• Donations

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

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

• Other income

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

1.4 Expenditure

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

• 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.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on a straight-line basis:

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Long-term leasehold property	- over 25 years
Long-term leasehold land	- over 125 years
Furniture and equipment	- over 5 years
Computer equipment	- over 3 years

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

1.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions 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 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.

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

1.12 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.

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is 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.

OUR CHILDREN 1ST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 Pensions (continued)

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

1.14 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 the 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 Group.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 original Local Government Pension scheme valuation showed an asset of £1,553,000. That asset valuation is highly dependent on a number of assumptions and does not represent the future value of benefits to the trust. As a result, the Trustees have considered the potential benefits to the trust. On the basis that the future value of employer contributions in respect of future service cost £155,000 exceed the employer future service costs £77,000 combined with the fact that the last Local Government Scheme actuarial review set the contribution rates from 1 April 2023 and that these will not be revised until April 2026 the Trustees have decided to include the pension asset at £NIL.

Depreciation — Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £330,000.

Critical areas of judgment:

Land - Land is held under a 125 year lease from Middlesbrough Borough Council. These assets are included on the balance sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy trust could use them without major

OUR CHILDREN 1ST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Critical accounting estimates and areas of judgment (continued)

modification.

3. Income from donations and capital grants

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Restricted fixed asset funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Donations	2	-	-	2	22
Capital Grants	-	-	60	60	11
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2	-	60	62	33
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2024	-	22	11	33	
	<hr/>	<hr/>	<hr/>	<hr/>	

OUR CHILDREN 1ST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

4. Funding for the academy trust's educational operations

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Academy's educational operations				
DfE grants				
General Annual Grant (GAG)	-	3,092	3,092	3,004
Other DfE grants				
Pupil Premium	-	539	539	524
PE and Sport Premium	-	21	21	21
UIFSM	-	34	34	37
Rates	-	7	7	9
Teachers' pay grant	-	54	54	55
Teachers' pension grant	-	65	65	27
Mainstream Schools Additional Grant	-	-	-	104
Core School Budget	-	113	113	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	3,925	3,925	3,781
Other Government grants				
SEN	-	33	33	32
Early Years Funding	-	392	392	311
Local Authority grants	-	19	19	26
	<hr/>	<hr/>	<hr/>	<hr/>
	-	444	444	369
Other income from the academy trust's educational operations				
	5	23	28	53
COVID-19 additional funding (DfE)				
Other DfE COVID-19 funding	-	-	-	64
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	64
	<hr/>	<hr/>	<hr/>	<hr/>
	5	4,392	4,397	4,267
	<hr/>	<hr/>	<hr/>	<hr/>
	5	4,392	4,397	4,267
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2024	39	4,228	4,267	
	<hr/>	<hr/>	<hr/>	<hr/>

OUR CHILDREN 1ST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

5. Investment income

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Investment income	1	-	1	-
Pension income	-	35	35	25
	<hr/>	<hr/>	<hr/>	<hr/>
	1	35	36	25
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2024	-	25	25	
	<hr/>	<hr/>	<hr/>	

6. Expenditure

	Staff Costs 2025 £000	Premises 2025 £000	Other 2025 £000	Total 2025 £000	Total 2024 £000
Academy's educational operations:					
Direct costs	2,936	-	278	3,214	2,866
Allocated support costs	434	620	563	1,617	1,604
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,370	620	841	4,831	4,470
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2024	3,044	590	836	4,470	
	<hr/>	<hr/>	<hr/>	<hr/>	

In 2025 of the total expenditure £5,000 (2024 - £11,000) was to unrestricted funds, £4,496,000 (2024 - £4,135,000) was to restricted funds, and £330,000 (2024 - £324,000) was to restricted fixed assets.

There were no individual transactions exceeding £5,000 for:

Compensation payments
 Gifts made by the academy trust
 Fixed asset losses
 Stock losses
 Unrecoverable debts
 Cash losses

There were no ex-gratia payments in the year.

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

7. Analysis of expenditure by activities

	Activities undertaken directly 2025 £000	Support costs 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Academy's educational operations	3,214	1,617	4,831	4,470
Total 2024	2,866	1,604	4,470	

Analysis of direct costs

		Total funds 2025 £000	Total funds 2024 £000
Staff costs		2,936	2,630
Educational supplies		236	219
Staff development		1	-
Technology costs		4	13
Transport		1	-
Other costs		36	4
		3,214	2,866

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £000	Total funds 2024 £000
Staff costs	434	414
Depreciation	330	324
Technology costs	73	103
Maintenance of premises	74	67
Cleaning	144	119
Other premises costs	34	31
Energy	54	69
Rent and rates	12	13
Insurance	21	24
Operating lease rentals	6	6
Catering	249	255
Other costs	173	162
Governance costs	13	17
	<hr/> 1,617	<hr/> 1,604
	<hr/> <hr/>	<hr/> <hr/>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2025 £000	2024 £000
Operating lease rentals	6	6
Depreciation of tangible fixed assets	330	324
Fees paid to auditors for:		
- audit	10	10
- other services	6	7
	<hr/> <hr/>	<hr/> <hr/>

OUR CHILDREN 1ST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2025 £000	2024 £000
Wages and salaries	2,485	2,276
Social security costs	255	217
Pension costs	583	495
	<hr/>	<hr/>
	3,323	2,988
Agency staff costs	47	56
	<hr/>	<hr/>
	3,370	3,044
	<hr/>	<hr/>

Included in pension costs is a credit of £32,000 (2024: £24,000) relating to pension deficit actuarial adjustment.

b. Staff numbers

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

	2025 No.	2024 No.
Teaching	32	30
Educational Support	51	49
Admin & Management	6	6
	<hr/>	<hr/>
	89	85
	<hr/>	<hr/>

OUR CHILDREN 1ST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. Staff (continued)

c. Higher paid staff

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

	2025 No.	2024 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	3	1
In the band £90,001 - £100,000	1	-

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £613,000 (2024: £545,000).

10. Trustees' remuneration and expenses

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

	2025 £000	2024 £000
H Adams	Remuneration 90 - 95	80 - 85
	Pension contributions paid 25 - 30	20 - 25

During the year ended 31 August 2025, no Trustee expenses have been incurred (2024 - £NIL).

11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and it is not possible to quantify the Trustees and officers indemnity element from the overall insurance scheme for the year ended 31 August 2025.

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

12. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2024	6,020	300	303	6,623
Additions	34	14	33	81
At 31 August 2025	<u>6,054</u>	<u>314</u>	<u>336</u>	<u>6,704</u>
Depreciation				
At 1 September 2024	1,531	84	220	1,835
Charge for the year	220	61	49	330
At 31 August 2025	<u>1,751</u>	<u>145</u>	<u>269</u>	<u>2,165</u>
Net book value				
At 31 August 2025	<u>4,303</u>	<u>169</u>	<u>67</u>	<u>4,539</u>
At 31 August 2024	<u>4,489</u>	<u>216</u>	<u>83</u>	<u>4,788</u>

13. Debtors

	2025 £000	2024 £000
Trade debtors	12	9
Prepayments and accrued income	197	160
VAT Debtor	54	33
	<u>263</u>	<u>202</u>

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

14. Creditors: Amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	130	121
Other taxation and social security	66	46
Other creditors	22	21
Accruals and deferred income	64	103
	<hr/> 282	<hr/> 291
	<hr/> <hr/>	<hr/> <hr/>
	2025 £000	2024 £000
Deferred income at 1 September 2024	21	27
Resources deferred during the year	24	21
Amounts released from previous periods	(21)	(27)
	<hr/> 24	<hr/> 21
	<hr/> <hr/>	<hr/> <hr/>

At the balance sheet date the academy trust was holding funds of received in advance for UIFSM.

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

15. Statement of funds

	Balance at 1 September 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2025 £000
Unrestricted funds					
General Funds - all funds	118	8	(5)	-	121
Restricted general funds					
General Annual Grant (GAG)	415	3,092	(3,228)	-	279
Pupil Premium	-	539	(539)	-	-
Other DfE/ESFA Grants	-	181	(181)	-	-
SEN	-	33	(33)	-	-
Core School Budget	-	113	(113)	-	-
Other Government grants	-	411	(411)	-	-
Other Income	-	23	(23)	-	-
Pension reserve	-	35	32	(67)	-
	415	4,427	(4,496)	(67)	279
Restricted fixed asset funds					
Legacy assets	4,014	-	(198)	-	3,816
Devolved Formula Capital grants	97	10	(4)	-	103
Capital expenditure from GAG	735	-	(106)	-	629
Connect The Classroom	-	50	(22)	-	28
	4,846	60	(330)	-	4,576
Total Restricted funds	5,261	4,487	(4,826)	(67)	4,855
Total funds	5,379	4,495	(4,831)	(67)	4,976

OUR CHILDREN 1ST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

15. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Universal Infant Free School Meals (included within Other DfE Grants) is funding to provide a free school lunch to all pupils in reception, year 1 and year 2.

Core Schools Budget Grant is funding to provide support to school with overall costs, particularly the rising staff costs.

Other DfE Grants also includes the PE and sport premium grant, rates relief, teachers' pay grant and teachers' pension grant.

Other Government grants include Early Years funding for three and four year old children, funding for pupils with Special Educational Needs and other income from the local authority.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 21.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

A transfer of £Nil has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2025.

OUR CHILDREN 1ST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

15. Statement of funds (continued)

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

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Unrestricted funds						
General Funds - all funds	90	39	(11)	-	-	118
Restricted general funds						
General Annual Grant (GAG)	510	3,004	(2,913)	(186)	-	415
Pupil Premium	-	524	(524)	-	-	-
Other DfE/ESFA Grants	-	149	(149)	-	-	-
SEN	-	32	(32)	-	-	-
Core School Budget	-	104	(104)	-	-	-
Other Government grants	-	337	(337)	-	-	-
Other DfE/ESFA Covid-19 funding	-	64	(64)	-	-	-
Donations	-	22	(22)	-	-	-
Other Income	-	14	(14)	-	-	-
Pension reserve	-	25	24	-	(49)	-
	<hr/> 510	<hr/> 4,275	<hr/> (4,135)	<hr/> (186)	<hr/> (49)	<hr/> 415
Restricted fixed asset funds						
Legacy assets	4,212	-	(198)	-	-	4,014
Devolved Formula Capital grants	92	11	(6)	-	-	97
Capital expenditure from GAG	641	-	(92)	186	-	735
Connect The Classroom	28	-	(28)	-	-	-
	<hr/> 4,973	<hr/> 11	<hr/> (324)	<hr/> 186	<hr/> -	<hr/> 4,846

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

15. Statement of funds (continued)

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Total Restricted funds	5,483	4,286	(4,459)	-	(49)	5,261
Total funds	5,573	4,325	(4,470)	-	(49)	5,379

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Restricted fixed asset funds 2025 £000	Total funds 2025 £000
Tangible fixed assets	-	-	4,539	4,539
Current assets	121	561	37	719
Creditors due within one year	-	(282)	-	(282)
Total	121	279	4,576	4,976

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	-	-	4,788	4,788
Current assets	118	706	58	882
Creditors due within one year	-	(291)	-	(291)
Total	118	415	4,846	5,379

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

17. Reconciliation of net expenditure to net cash flow from operating activities

	2025 £000	2024 £000
Net expenditure for the year (as per Statement of Financial Activities)	(336)	(145)
<hr/>		
Adjustments for:		
Depreciation	330	324
Capital grants from DfE and other capital income	(60)	(11)
Defined benefit pension scheme cost less contributions payable	(32)	(24)
Defined benefit pension scheme finance cost/(income)	(35)	(25)
(Increase)/decrease in debtors	(61)	2
Decrease in creditors	(9)	(64)
<hr/>		
Net cash (used in)/provided by operating activities	(203)	57
<hr/>		

18. Cash flows from investing activities

	2025 £000	2024 £000
Purchase of tangible fixed assets	(81)	(187)
Capital grants from DfE Group	60	11
Net cash used in investing activities	(21)	(176)
<hr/>		

19. Analysis of cash and cash equivalents

	2025 £000	2024 £000
Cash in hand and at bank	456	680
Total cash and cash equivalents	456	680
<hr/>		

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

20. Analysis of changes in net debt

	At 1 September 2024 £000	Cash flows £000	At 31 August 2025 £000
Cash at bank and in hand	680	(224)	456
	<hr/> 680	<hr/> (224)	<hr/> 456

21. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Middlesbrough Borough Council. 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 £20,000 were payable to the schemes at 31 August 2025 (2024 - £16,000) 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 academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) This is an increase of 5% in employer contributions and the cost control.
- 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

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

21. Pension commitments (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 employer's pension costs paid to TPS in the year amounted to £457,000 (2024 - £372,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.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 in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £207,000 (2024 - £196,000), of which employer's contributions totalled £155,000 (2024 - £147,000) and employees' contributions totalled £52,000 (2024 - £49,000). The agreed contribution rates for future years are 17.5 % for employers and 5.5 to 12.5 % for employees.

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

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

21. Pension commitments (continued)

Principal actuarial assumptions

	2025	2024
	%	%
Rate of increase in salaries	3.70	3.65
Rate of increase for pensions in payment/inflation	2.70	2.65
Discount rate for scheme liabilities	6.10	5.00
Inflation assumption (CPI)	2.70	2.65
Commutation of pensions to lump sums	80.00	80.00

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

	2025	2024
	Years	Years
Retiring today		
Males	20.6	20.4
Females	23.5	23.4
Retiring in 20 years		
Males	21.4	21.2
Females	25.0	24.9

Sensitivity analysis

	2025	2024
	£000	£000
Discount rate +0.1%	(54)	(68)
Discount rate -0.1%	54	68
Mortality assumption - 1 year increase	(84)	(100)
Mortality assumption - 1 year decrease	84	100
CPI rate +0.1%	55	68
CPI rate -0.1%	(55)	(68)

Share of scheme assets

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

	At 31 August	At 31 August
	2025	2024
	£000	£000
Equities	2,480	2,255
Property	912	826
Cash	255	95
Total market value of assets	3,647	3,176

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NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

The actual return on scheme assets was £296,000 (2024 - £305,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2025 £000	2024 £000
Current service cost	(123)	(123)
Interest income	163	145
Interest cost	(128)	(120)
Total amount recognised in the Statement of Financial Activities	(88)	(98)

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

	2025 £000	2024 £000
Opening defined benefit obligation	3,176	2,706
Current service cost	123	123
Interest cost	128	120
Employee contributions	52	49
Actuarial gains	(665)	(5)
Benefits paid	(32)	(31)
Asset Ceiling Restriction	865	214
At 31 August 2025	3,647	3,176

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

	2025 £000	2024 £000
Opening fair value of scheme assets	3,176	2,706
Interest income	163	145
Actuarial gains	133	160
Employer contributions	155	147
Employee contributions	52	49
Benefits paid	(32)	(31)
At 31 August 2025	3,647	3,176

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

22. Operating lease commitments

At 31 August 2025 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £000	2024 £000
Within 1 year	3	6
Later than 1 year and not later than 5 years	-	3
	<hr/> 3	<hr/> 9
	<hr/> <hr/> 3	<hr/> <hr/> 9

23. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the DfE of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

H Adams' husband is a director of Itchyrobot UK Limited. During the period the academy trust purchased goods totalling £200 (2024: £200).

The above transactions were made at arms length and comply with the regulations set out in the Academy Trust Handbook 2024.