

Company registration number 09666511 (England and Wales)

The Sovereign Trust
(A company limited by guarantee)

Annual report and financial statements
For the year ended 31 August 2025

The Sovereign Trust

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 16
Governance statement	17 - 20
Statement of regularity, propriety and compliance	21
Statement of trustees' responsibilities	22
Independent auditor's report on the financial statements	23 - 25
Independent reporting accountant's report on regularity	26 - 27
Group statement of financial activities including income and expenditure account	28 - 29
Group balance sheet	30
Academy balance sheet	31
Group statement of cash flows	32
Notes to the financial statements including accounting policies	33 - 63

The Sovereign Trust

Reference and administrative details

Members	Eddie Austin Deborah Rogers John Lomas Sally Cheshire Lorraine Flynn	
Trustees	Eddie Austin Nicholas Gill * Ian McGrath * Paul Eckley * (Chief Executive Officer and Accounting Officer) Stephanie Capon (resigned 31/12/2024) John Lomas Neil Moseley * (Chair of the Finance, Risk and Audit Committee) Cole Andrew (appointed 01/10/2024) Gill Hodgkinson (appointed 23/10/2025) *Director members of the Finance, Risk and Audit Committee	
Senior management team		
- Chief Executive Officer	Paul Eckley	
- Executive Head of Chatsworth High School & Community College	Andrew Taylor	
- Head of Chatsworth Futures	Bethany Cocken	
- Head of Pictor Academy	Joanne Williams (appointed 01/09/2024)	
- Head of Manor Academy	Pam Symonds	
- Head of New Park Academy	Almut Beever-Warren (retired 31/08/2025)	
- Head of New Park Academy	Laura Clegg (appointed 01/09/2025)	
- Head of Longford Park School	Sara Waite	
- Chief Financial Officer	Lisa Hughes	
- Chief Information Officer	Ian Green	
- Chief Human Resources Officer	Lisa-Marie McGrath	
- Estates and Communications Manager	Rachel Hill (appointed 01/10/2024)	
Company secretary	Elderflower Legal and Secretarial Services, Chestnut House, 23 Ryles Park Road, Macclesfield, SK11 8AH	
Company registration number	09666511 (England and Wales)	
Principal and registered office	Manor Academy, Manor Avenue, Sale, Cheshire, M33 5JX	
Academies operated	Location	Principal
Manor Academy	Sale	Pam Symonds
Pictor Academy	Timperley	Joanne Williams
New Park Academy	Eccles	Almut Beever-Warren
Longford Park School	Stretford	Sara Waite
Chatsworth High School & Community College	Eccles	Andrew Taylor
Chatsworth Futures Limited	Salford	Bethany Cocken
Independent auditor	DJH Audit Limited, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT	
Bankers	Lloyds Bank Plc, 40-42 School Road, Sale, M33 7XL	
Solicitors	Bexley Beaumont Limited, Centurion House, 129 Deansgate, Manchester, M3 3WR	

The Sovereign Trust

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 and strategic report under company law.

The academy trust operated six academies during the year, providing education for SEN pupils aged 3 to 25 across Trafford, Salford, and the surrounding boroughs. This followed the successful transfer of Chatsworth High School and Community College, along with Chatsworth Futures, into the Trust on 1 October 2024. Collectively, the educational provisions have a pupil capacity of 813, with 794 pupils enrolled as of October 2024 rising to 843 in the summer term 2025. In addition, the Trust has secured approval to open a new Free School in Warrington, scheduled to open in academic year 2026/2027.

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 charitable company is known as The Sovereign Trust (company number (09666511)).

The trustees of The Sovereign Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these financial statements 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 opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000.

Method of recruitment and appointment or election of trustees

Trustees are assessed based on the expertise, experience and skills required by the board in the discharge of their duties as representatives of the academy trust. New potential Trustees go through a thorough application process including a formal application and interview process. The members elect trustees and the board contains up to eight elected trustees who are appointed for a term of four years. At the year end there are 7 serving trustees.

No elected trustee received any remuneration in respect of their duties as a trustee from the academy trust during the year.

Policies and procedures adopted for the induction and training of trustees

The academy trust places a strong emphasis on trustee training. All new trustees are supported in developing their knowledge and skills through a range of online resources, including GovernorHub, SSS Learning, and the CST, which provide regular updates on key educational issues and training opportunities. In addition, the trust maintains an online resource hub for trustees, containing up-to-date policies and procedures, meeting minutes, and other essential information.

All new trustees are actively encouraged to make full use of the support available to develop a clear understanding of their roles and responsibilities as directors. Trustees with specific responsibilities on the board or advisory committees are also strongly encouraged to undertake tailored training relevant to their role.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Organisational structure

The trustees are responsible for setting general strategy, approving an annual development plan and budget, monitoring performance against the development plan and budget, monitoring the trust's academies, capital expenditure and senior leadership appointments and approval of the financial statements. The trustees, through the chief executive officer, also monitor the performance of the executive management team.

During the year, one new Trustee was appointed to the Board. He brings a broad range of skills and experience to support the Trust in its ongoing development. His professional background spans both mainstream and special education, with over 20 years of experience in senior leadership roles, including headship. In addition, he currently serves as an Ofsted inspector, further strengthening the Board's expertise in educational standards and school improvement.

The Trust remains compliant with the requirements of the Academy Trust Handbook in relation to members and governance.

During the year 2024/25, one trustee resigned due to work commitments. The Board has delegated the day-to-day management of the Academy Trust to the Chief Executive Officer (who also serves as the Accounting Officer) and the Executive Management Team.

The executive management team oversees the academies at an operational level, implementing the policies set by the trustees. Authority is delegated to members of the executive management team within defined parameters, as outlined in the scheme of delegation.

The trustees meet at least once each term to receive reports from the executive management team to manage strategic objectives. The Finance, Risk and Audit Committee meets separately from the main board meetings to discuss the financial position, the risk register and the system of internal controls for the academy trust.

The work of the board consists of:

- **Finance and risk**

Ensures the academy trust acts in accordance with the articles, funding agreements, vision, mission and values; and complies with relevant legislation, regulations, the Academy Trust Handbook and Education & Skills Funding Agency (ESFA) guidance. The EFSA was taken over by the DFE in March.

Exercise oversight and provide an independent objective view on the appropriateness, adequacy and effectiveness of the academy trust's risk management, financial management, and internal control and assurance arrangements including reviewing the financial statements.

- **Estates, health and safety**

To oversee the use of premises, grounds and extended academy facilities ensuring that the academy complies with health and safety guidelines, including appropriate external advice if required.

- **HR/staffing**

To be responsible for reviewing and agreeing staff provision, agreeing procedures for staff selection, appointment and performance management, contributing to the appraisal of the chief executive officer, reviewing and agreeing staff pay and training programs.

- **Audit**

The Finance, Risk and Audit Committee continues to meet as an advisory body to the board; it has no executive powers but aims to promote the highest standards of propriety and governance around the use of public funds whilst encouraging proper accountability for the use of these funds.

The committee satisfies the statutory requirements for the use of public funds by reviewing the internal and external financial statements on behalf of the board and promotes a climate of financial discipline and internal control within the academy trust. The committee appoints and oversees the work from the internal and external auditors. It will also obtain independent professional advice if considered necessary.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

• **Advisory committees**

Individual academy advisory committees meet termly and comprise all learning and other experiences that each academy provides for its pupils. Responsibilities for the curriculum are shared between the chief executive officer, heads of schools, the board of trustees, and the Secretary of State for Education. The advisory committee will have responsibility for monitoring test results and teaching of the curriculum including the review of the assessment policy, and all other policies relevant to curriculum, assessment and pupil progress and welfare.

Day-to-day management is delegated to the chief executive officer and individual headteachers along with their senior leadership teams.

The executive management team and senior leadership teams recognise that equal opportunities are an essential element of good practice within the workplace. The academy trust is committed to embedding equality of opportunity across all areas of its activities, fostering working environments where the contributions and needs of all individuals are fully respected and valued.

Arrangements for setting pay and remuneration of key management personnel

The trustees consider that they, together with executive management team comprise the key management personnel of the trust. The trustees give of their time freely and the pay and remuneration of the chief executive officer, heads of schools and senior staff is set by the remuneration committee advising the board of trustees and is kept under annual review via a robust performance management and appraisal system.

A number of criteria are used in setting pay;

- nature of the role and responsibilities;
- competitor salaries in the region; and
- the sector average salary for comparable positions.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	416.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	766
Total pay bill	17,549,523
Percentage of the total pay bill spent on facility time	0.00%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2%
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The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Engagement with employees

The Sovereign Trust is an equal opportunities employer and makes this clear throughout all recruitment processes. The Trust actively welcomes applications from disabled persons and is committed to ensuring fair and transparent selection procedures that focus on skills, experience, and potential.

The Trust is committed to supporting employees through changes in individual circumstances, including the onset of a disability. Where required, appropriate adjustments are made to working conditions to ensure that staff are able to continue to contribute effectively.

All employees of the Trust, including those with a disability, can expect to access professional development and career progression opportunities that reflect their skills, expertise, and aspirations.

The Trust recognises and values the role of trade unions in representing its employees. A Joint Consultative Committee comprising the CEO, HR executive, Headteachers, and regional union representatives, provides an established mechanism for consultation on matters affecting employment across the Trust.

This forum promotes constructive dialogue, supports positive employee relations. By working collaboratively with union representatives, the Trust is able to foster a culture of openness, fairness, and mutual respect.

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

The Directors of the Trust place strong emphasis on developing and maintaining positive relationships with suppliers, customers, and partners to ensure best value is achieved from the services provided. Integrity, transparency, and open communication are central to the Trust's approach in all business dealings, and the Trust expects the same values to be reflected in return.

The Trust is committed to finalising payments to suppliers in a timely manner and maintains robust processes for tendering and obtaining quotes. These practices ensure fairness, transparency, and value for money in all procurement activities.

Related parties and other connected charities and organisations

Throughout the year, the academy trust has continued to strengthen partnerships with schools and academies both locally and nationally. The chief executive officer serves as a key member of the Confederation of School Trusts, the Special School representative on the Funding Forum, and a member of the High Needs Block Funding Committee.

The academy trust collaborates with the Greater Manchester Challenge, a partnership of nine local authorities, and with the GM MAT Leaders group. The trust also works closely with local hospitals and Manchester Metropolitan University, which provide work placement opportunities for Manor College pupils.

The Pictor Academy Parent, Staff and Friends Association and the Manor Academy Parent Teacher Association are both registered charities established to fundraise in support of The Sovereign Trust. The New Park Academy Parent Teacher Association and the Chatsworth Parent Teacher Association, while not registered charities, also raise funds for the trust. Longford Park School and Chatsworth Futures do not currently have a PTA.

The members, trustees, senior staff and their families are regarded as related parties in accordance with the definition in the Charities SORP. All transactions with such parties are conducted in accordance with the academy financial regulations and procurement procedures.

During the year 2024-25, the academy trust entered into transactions with CS Services, a grounds maintenance company owned by a close relative of the Chief Financial Officer (CFO). In entering into this related party transaction, the academy trust has complied with the requirements of the Academy Trust Handbook 2024, including prior approval and declaration to the Education and Skills Funding Agency (ESFA).

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of The Sovereign Trust to ensure the clarity of vision, ethos and strategic direction to provide education for pupils between the ages of 3 and 25 with an Education Health and Care Plan.

The trustees carry out the following duties:

- ensure compliance with the laws and regulations applicable to academy trusts;
- ensure the academy trust is managed efficiently and effectively including the employment of additional professional advice on matters where there is a material risk to the charity;
- overseeing the financial performance of the schools and making sure effective use of funds; and
- ensure the academy trust assets and resources are protected and used in the pursuit of the objectives, aims and public benefit of the academy trust. The trustees oversee the finances to make sure it remains solvent and keeps appropriate financial records as per the Academy Trust Handbook 2024/25.

The academy trust's objects, as set out in its articles of association, are specifically restricted to the following:

- a. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision academies") or 16 to 19 academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the special academies").
- a. To promote for the benefit of the inhabitants of the areas in which the academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Our vision

To be a centre of excellence for learning and development for pupils with special educational needs.

Our mission statement

The Sovereign Trust academies are listening, caring, and learning communities where every individual is valued. We are committed to enabling pupils to achieve their best through a broad, challenging curriculum and by fostering a lifelong love of learning.

Our academies provide all pupils with access to excellent and innovative education, strengthened by Trust-wide collaboration that creates opportunities for enriched learning and clear pathways to employment and Independence.

The Trust is dedicated to continuous improvement, ensuring long-term sustainability while pursuing growth through development and strategic acquisitions.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Our values

The Sovereign Trust is a multi-academy trust and a family of schools who believe that by learning and growing together we can:

Respect	We value the diversity of our school communities and welcome all pupils to our academies. We remain vigilant in how we treat each other, ensuring respect of each other and the views of others.
Integrity	We work in a culture of trust, honesty and transparency with each other, ensuring every decision serves the pupils of the Trust equally.
Opportunity	We hold inclusion at the heart of everything we do, ensuring everyone is equally valued, and given equal opportunity to thrive.
Community	We foster a sense of community throughout the Trust and within our academies that supports both pupils and families in nurturing individual potential and the love of learning.
Enjoyment	We encourage fun and enjoyment in our curriculum that supports a positive learning environment.

Objectives, strategies and activities

The principal strategies of the academy trust are as follows:

- ensuring that each academy enables all pupils to achieve their own outstanding outcomes;
- establishing a culture in each academy where the central focus is on the success and well-being of each child;
- building a self-sustaining, system-led, collaborative approach to school improvement;
- ensure high quality, strong and passionate leadership and governance at all levels throughout the academy trust; and
- to strengthen the academy trust by growing our family of schools who share the academy trust's values.

Trustees and senior leaders in the trust led a trust wide consultation programme in order to develop a new strategic development plan (SDP).

Public benefit

The trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England & Wales. The trustees refer to the Charity Commission's general guidance on public benefit when reviewing the academy trust's objectives and aims and in planning future activities for the year. The academy trust continues to be at the heart of its community, promoting community cohesion and sharing facilities with other schools and academies and the wider community.

Strategic report

Achievements and performance

The core business of the Trust is the provision of high-quality education for pupils and learners with learning difficulties. The primary performance indicator for the Trust is the progress made by pupils and learners.

During the 2024-2025 academic year, pupils across all schools within the Trust demonstrated consistently strong progress in all areas of learning. This was validated through School Improvement Partner visits and reports, peer reviews, lesson observations, and the Trust's robust quality assurance processes.

In addition to academic achievement, the Trust places strong emphasis on wider outcomes. Pupils and learners have made notable progress in their personal development, independence, communication, and preparation for adulthood. Wellbeing and inclusion are at the heart of the Trust's work, ensuring that learners are supported to thrive both within school and in their future pathways.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

The Trust continues to face significant challenges in an increasingly difficult financial climate. PAN funding has remained unchanged since its introduction in 2013, despite rising costs and growing demand. Uplifts in Local Authority top-up funding have been minimal, leaving schools under sustained financial pressure. In some instances, Local Authorities have also failed to pass on Government allocations specifically intended to support specialist settings, such as the Schools Supplementary Grant. These funding constraints place additional strain on the Trust's ability to maintain high-quality provision for pupils with the most complex needs.

These factors have led to a sustained erosion of buying power for specialist settings over the past decade. Rising inflation has significantly increased costs, leaving the Trust with very limited scope to deliver further efficiencies or savings without affecting the quality of provision.

Despite significant and sustained financial pressures, the Trust has demonstrated strong and responsible financial management. Careful budgeting, strategic use of resources, and rigorous governance have enabled the Trust not only to remain financially resilient but also to safeguard its commitment to high-quality provision and improving outcomes for pupils and learners.

The Trustees remain determined to maintain the Trust's ethos, values, standards, and achievements, while continuing to drive forward both medium- and longer-term development plans. Their commitment is to ensure that the Trust not only sustains the quality of provision but also evolves to meet future challenges and opportunities, always with the best interests of pupils and learners at the centre of decision-making.

In order to maintain educational standards each academy in the trust applies the following strategies:

- **Manor Academy** - transitional pathways leading to fulfilling, contributory and worthwhile opportunities for all students as they progress into adulthood to drive the ethos, aims and curriculum.
- **New Park Academy** - building confidence in learning, developing pupils as respectful, tolerant and well-mannered citizens of the local and wider community is used to drive their ethos and aims, together with a challenging curriculum and supportive partnerships with home and wider services.
- **Pictor Academy** - the ethos, aims and curriculum are driven by supporting development through personalised learning opportunities with a focus on independence and communication.
- **Longford Park School** - offer structure and security through teaching matched to the abilities of their pupils. Many of the pupils need to experience success and praise. They envelop the children in a 'can do' ethos and provide an environment where the school motto is embraced by all - "Our children believe in themselves, and belong in a strong community, everyone is empowered to become the best they can be".
- **Chatsworth High School and Community College** - Creating the right life opportunities for every pupil, student and learner through the best quality specialist education and care and this permeates every aspect of our work, our achievements and our aspirations.
- **Chatsworth Futures** - Providing a small, supportive and challenging environment, which enables learners to develop their functional skills, independence, communication and employability where appropriate. Students also develop skills for living, using practical and realistic contexts to learn, develop and grow.

The achievements of children and young people across The Sovereign Trust are outstanding. From very low starting points, each student leaves with a broad range of skills and is well prepared for a variety of future opportunities.

There is a clear expectation across all core areas that the majority of young people will undertake external accreditation at the end of Key Stages 4 and 5, ensuring that their progress and achievements are formally recognised and valued beyond the Trust.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

OFSTED inspections

During the academic year, two of the Trust's academies were inspected by Ofsted: Chatsworth High School and Community College and Pictor Academy. Both were ungraded inspections.

The inspection reports recognised the consistently high quality of provision across the Trust and the positive impact on pupils' outcomes and well-being. Inspectors particularly highlighted the strength of leadership, the inclusive and supportive culture within each academy, and the commitment of staff to ensuring that pupils achieve their best.

The Trust is proud of these outcomes, which affirm the effectiveness of its approach while also providing valuable feedback to inform further improvement. Lessons learned from the inspections have been disseminated across all academies to strengthen consistency and drive ongoing development.

The Free School in Warrington, to be known as 'Seymour Academy' is due to open in September 2026.

Key performance indicators

Financial sustainability

- Cost of staffing as a percentage of income is below 88% for all academies
- The academy trust operates at a break-even position
- Academy outruns are measured to established budgets and variances investigated
- Operational costs as a percentage of income are less than 99% in 2 of 6 Academies

Leadership and governance development

- All academies within the trust are compliant with the requirements of Academy Trust Handbook.
- Leadership is rated as good or outstanding in 5 of 6 all academies.

Attendance and pupil numbers

Attendance figures across the country have been lower than pre pandemic levels. The National Average attendance for Special schools for the year 2024/25 is 86.3%

Pupil attendance percentages:	24/25
• Manor Academy Sale	89.95%
• New Park Academy	69.62%
• Longford park School	87.5%
• Pictor Academy	91.02%
• Chatsworth High School and Community College	89.97%

All academies within the Trust continue to operate at full capacity, reflecting the strong demand for places and confidence in the quality of provision.

Achievement

- 90% of pupils achieve their individual targets
- 95% of teaching is judged good or better
- Phonics schemes have been implemented across all schools to help enhance access to all aspects of the curriculum

Growth of the trust

In October 2024, two new academies—Chatsworth High School and Community College and Chatsworth Futures—joined the Trust, increasing the total number of academies to six and further strengthening the Trust's capacity to serve its communities. During the year, New Park expanded its provision to include education for students aged 16–19, enhancing opportunities for learners as they prepare for adulthood. Pictor, Manor, and Longford Park academies also broadened their provision by offering outreach support to mainstream schools across Trafford, reflecting the Trust's commitment to sharing expertise and raising standards more widely. All academies within the Trust are now operating at full capacity, underlining the high demand for places

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Safety, health and environment (SHE)

- SHE registers are up to date at all academies within the trust
- Conditional Improvement Fund Investments are made where required
- Fire and Risk audit has been completed in all academies across the trust
- Health and safety audits have been completed in all academies across the trust

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, the board of trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Promoting the success of the academy trust

The directors of The Sovereign Trust promote the success of the company for the benefit of all stakeholders by:

- regularly reviewing a dashboard of key indicators that measure and illustrate staff and pupil well-being;
- supporting the growth of the Trust by sponsoring new schools, responding to requests to take on provision, and engaging in the Free School programme to increase the availability of SEND places in areas where capacity is limited;
- making key appointments to the Board and Academy Advisory Committees (LGBs), and addressing any underperformance at board level;
- undertaking board effectiveness reviews and skills audits on a regular basis to assess engagement with stakeholders and to identify areas for improvement;
- holding discussion sessions on strategy and financial performance during 2024-25;
- maintaining a robust audit regime, overseen by the Finance, Risk and Audit Committee;
- providing ongoing CPD opportunities for directors and members;
- appointing directors with specialist expertise to strengthen board capacity, for example:
 - a director responsible for estates, who is also a parent of a child within the Trust and has experience running a large construction company, ensuring strong relationships with contractors and suppliers;
 - a director with extensive experience in SEND education services, commissioning and strategy, providing the board with greater insight into public services and sector challenges;
- a director who is a qualified chartered accountant, serving as chair of the Finance, Risk and Audit Committee.

Financial review

During the year 1 September 2024 to 31 August 2025 total incoming resources were £27.6m. The academy trust is primarily funded by grant income received from the ESFA and the local authorities. Total outgoing resources were £25m, including depreciation of £1m and FRS102 costs of £0.6m.

The academy trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The pension asset/liability is incorporated within the statement of financial activities and balance sheet. The pension values at 31 August 2025 have been determined by the actuary which shows each academy in the trust having a pension asset. In accordance with applicable accounting standards, the asset values have been capped at an asset ceiling value of £nil on the basis that the asset is not deemed to be recoverable.

As at 31 August 2025 the value of net current assets was £3.3m. The assets were used exclusively for providing education and the associated support services to the pupils of the academies. Total funds held at the balance sheet date are £28.7m, being £25.3m of restricted fixed asset funds, £2m of restricted general funds and £1.4m of unrestricted general funds. The total movement in free revenue reserves is an in-year surplus of £1.2m of which £0.4m relates to the transfer in of Chatsworth MAT.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

There have been high levels of staff absence for various reasons, some have been long term and cover has been required. Difficulties have been experienced with recruitment and filling vacancies too and therefore supply has had to be used. Supply costs have increased throughout the year however they have been balanced with lower staff salary costs.

Each academy is focused on the success of their school development plans to enhance their quality of education after which is essential to ensure the future needs of our pupils are met.

Reserves policy

The policy of the academy trust is to carry forward a prudent level of reserves designed to meet the long-term cyclical needs of renewal and any unforeseen contingencies, subject to the constraint that the level of reserves does not exceed the level permitted by the Education and Skills Funding Agency. In addition, that the resources are primarily used to meet the needs of the pupils within the academies and therefore that any reserves are kept under review and are not deemed excessive.

No material funds have been designated in the annual accounts. The academy trust does not have tangible assets that could be released. Pictor Academy is carrying a deficit in reserves as at 31 August 2025, plans and actions are in place to try and return this to a surplus.

Total funds held at the balance sheet date are £28.7m, being £25.3m of restricted fixed asset funds, £2m of restricted general funds and £1.4m of unrestricted general funds. The academy trust's current level of free reserves (total funds excluding the fixed assets restricted fund and excluding the pension reserve) is £3,328,000 as at 31 August 2025. The total movement in free revenue reserves is an in-year surplus of £1.2m.

Investment policy

All surplus income is held centrally in the Trust's designated Lloyds Bank account, where it accrues interest at the agreed rate. To maximise returns while ensuring security, the Trust also holds three higher-interest short-term deposit accounts with Lloyds Bank in which reserves are placed. The Trust adopts a prudent approach to financial management and does not invest funds elsewhere or participate in schemes such as equity bonds, thereby safeguarding public funds and ensuring stability.

Principal risks and uncertainties

The major risks to which the academy trust is exposed, as identified by the trustees, have been reviewed, and systems and procedures have been established to mitigate those risks. There is a risk register that is regularly reviewed at Finance, Risk and Audit Committee meetings and subsequently at board meetings and any actions are agreed as required. The 'red risks' are listed below. All but the GMP pension fund risk are mitigated, the GMPF risk has been agreed, by the board, to carry.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Principal risks	Mitigation
Compliance risk There is a risk that the financial reporting requirements are not complied with leading to investigation by the DFE /lack of support from DFE for future growth because: - the regulatory/legislative requirements relating to the production and reporting of the Statutory Accounts are not known or complied with; - the regulatory/legislative requirements relating to Accounting Standards are not known or complied with; - the Charities Statement of Recommended Practice (SORP) legislative requirements are not known or complied with.	• CFO and financial controller in place. • Finance Risk and Audit committee in place. • Monthly Financial Accounts/Reporting. • Budget monitoring. • Awareness of Financial Regulations. • Support of the Academies Finance staff and associated policies and procedures. • Effective Internal and External Audit. • 3-year financial forecasts. • Maintain effective relationship and build on with external accountants. • CEO to access training to increase awareness and develop understanding of required procedures. • Strengthen budget monitoring. • Financial procedures manual in place.
Finance risk There is a risk that the trust is unable to maintain overall financial viability leading to an inability to sustain our educational provision because of ineffective financial control policies, processes and operational control.	• Monthly financial accounts/reporting. • Budget monitoring reports. • Regular review by Finance and Risk Committee. • Board of directors agree a balanced budget. • Internal and external audits. • Review of the monthly financial position against budget. • Continued development of suitable control policies and processes to protect against financial loss. • Monitoring capital investment to ensure the academy trust maintains its physical assets. • Ensuring a clear supplier or third-party policy and a clear tender process to protect the academy trust financially. • Strengthen budget monitoring. • Strengthen internal audit.
Financial risk - There is a risk of significant financial shortfall leading to critical operational difficulties for the Trust because of failing to make provision for pension contingent liability and monitoring the performance of the GMPF pension scheme.	• Financial policies and procedures operated by the Trust; • Financial regulations; • Ill health Strain Insurance in place (April 2016) • Secretary of State guarantee to support pension failures
Financial risk - There is a risk that the trust is unable to maintain overall financial viability (or has reduced funds to work with) leading to a reduction in education standards or closure because there is insufficient income generation.	• Current planned large spend subject to audit • Re-arrange/ postpone/cancel the planned spends • ESFA financial support • Ensure reserves cover salaries that are dependent on external income • Share Trust wide reserves for those schools facing particular hardship • Centralise banking across the Trust to ease potential movement of funds to support short term cash flow pressures in some schools. • Fixed term contracts used where possible. • Capacity across schools increased to bring in additional funding.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Principal risks	Mitigation
Financial risk - There is a risk that the PFI contractors will not fulfill their obligations as the PFIs near their end leading to incomplete/outstanding maintenance work and increased financial burden because of not honouring the contract	• PFI contracts in place -due to end March 2030 • Ensure tight contract management in place.
Governance risk - There is a risk that performance (financial and non financial) across the academies isn't monitored or challenged by the SLT or Board Directors leading to poor performance, financial loss or non compliance because the management information is inadequate, out of date or ill informed	• Regular reporting and review of performance • SLT Review processes • Advice and support from external accountants and from ESFA • CFO role embedded, strategic planning, objective setting and budgeting processes • Training for Board on the understanding of roles and responsibilities • Board members signed up to Governhub
People risk - There is a risk of safeguarding infringements (including high risk behaviour eg from use of knives, guns, drugs, and peer on peer abuse) leading to reputational issues, enforcement action or financial penalties because of inadequate safeguarding procedures.	• Safeguarding Policy and procedures • All staff complete mandatory safeguarding and KCSIE training and it is kept up to date • Annual safeguarding audit for all schools by Judicium • Liaison with local police as required • External online safeguarding training • Annual refresher training on policy and procedures for Board members • Improved feedback from auditing
Strategic risk - There is a risk that the Trust has no long term strategy in place leading to it losing focus and direction because of poor financial planning, succession planning and vision.	• Strategic plan/ vision which sets out key aims and objectives of the MAT • Financial plans and budgets • Regular monitoring of financial and operational performance • Feedback from parents/carers, community, funders and other stakeholders. • Succession planning for key roles • Regular review of progress against Strategic Plan

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Emerging risks	Mitigation
The trust recognises that the Local Government Pension Scheme is a significant potential liability.	The academy trust is able to meet its known annual deficit contribution commitments for the foreseeable future, the risk from this liability is minimised where possible and is manageable.
New Park Academy and Chatsworth High School and Community College operate from a Private Finance Initiative (PFI) with a repayment programme until 2030.	By monitoring the financial position of the academy, the board will anticipate issues with meeting the requirements of the PFI.
Unfunded pay awards.	Budget forecasts will be reviewed more frequently to understand the impact and the F&R will have additional meetings to discuss enabling decisive action to be taken timely. Local Authorities will be informed of the financial pressures.
Warrington Free School.	Budget forecasts will be updated. Regular meetings will be held with Warrington LA and the DfE.

Fundraising

The majority of our fundraising is done through lettings of the buildings after school hours and of the hydrotherapy pool at Pictor throughout the week (when available), and at weekends. Other fundraising activities usually include events organised by the parent/staff/friend's groups. The academy trust does not use any external fundraisers.

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period

	2025 kWh	2024 kWh
Energy consumption used to calculate emissions (kWh)	2,461,583	1,766,220
Emissions calculated (metric tonnes CO₂e):	2025 tonnes CO₂e	2024 tonnes CO₂e
<i>Scope 1 emissions</i>		
- Gas combustion	318.44	227.68
- Fuel consumed for owned transport	8.82	9.50
<i>Total scope 1</i>	327.26	237.18
<i>Scope 2 emissions</i>		
- Electricity purchased	127.63	107.95
<i>Scope 3 emissions</i>		
- Fuel consumed for transport not owned by the academy trust	10.13	7.12
<i>Total gross emissions</i>	465.02	352.25
<i>Intensity ratio</i>		
Tonnes CO ₂ e per pupil	0.56	0.63

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Quantification and reporting methodology

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The pupil ratio this year has improved due to increased pupil numbers across the trust.

The Trust is continuing to work with an energy consultant to establish possible options so that we can continue to improve our energy consumption. We have had discussions with consultants regarding the benefits of Voltage Optimisation (VO) for our electric consumption, as well as looking into other energy saving schemes, such as LED Lighting replacement in those schools that do not have this in place.

While the data above indicates a trust-wide increase in energy consumption across all areas, this is not a fully accurate comparison, as this year's figures now include energy usage data from Chatsworth High School and Chatsworth Futures—two institutions that were not part of the trust in the previous reporting period. When the energy consumption from these two sites is excluded to allow for a like-for-like comparison with the previous year, the data actually reflects a trust-wide reduction in overall energy consumption, with a revised total of 1,756,256.54 kWh.

Given the absence of data from the previous reporting year for Chatsworth High School and Chatsworth Futures, it is not possible to determine whether there has been an increase or reduction in energy consumption at these institutions. However, among the remaining schools within the trust, all have recorded a reduction in electricity consumption, albeit slight in most cases. Notably, Longford Park demonstrated the most significant decrease, with a reduction of approximately 40%. The specific reason for this substantial decrease is currently unclear. Despite the drop in electricity usage at Longford Park, there has been a slight increase in its gas consumption—around 6%. Similarly, Pictor Academy has also experienced a marginal rise in gas usage, of less than 3%, as has New Park Academy with around 10% increase.

The increase in gas usage observed across the three schools identified above may be attributed to several operational factors. At New Park and Longford Park, pupil numbers have increased by approximately 30% and 24% respectively. This growth likely contributed to higher energy demands, particularly due to the need for additional classroom heating and an increase in the preparation of school meals. Although there has been no reported increase in pupil numbers at Pictor Academy, the slight rise in gas consumption may be explained by a higher frequency of swimming pool use, which requires consistent heating.

As always, the Trust continues to make use of the school minibus resources which enriches the curriculum and attainment of our pupils

Plans for future periods

Longer-term developmental needs include improving our facilities wherever funding will allow. In particular, we shall strive to secure grants to allow:

- the expansion of pupil opportunities; provision to increase to the age of 25.
- improved and increased capacity at New Park Academy, Longford Park and at Manor Academy;
- increased funding from external grant funding applications; and
- future school acquisitions and growth.

The trade, assets and liabilities of Chatsworth Multi Academy Trust, containing Chatsworth High School and Community College and Chatsworth Futures Limited were transferred to The Sovereign Trust on 1 October 2024.

The Sovereign Trust

Trustees' report (continued)

For the year ended 31 August 2025

Our plans for growth focus on special schools

The Free School in Warrington (Seymour Academy) will be officially open in September 2026. We envisage 'growing our own' staff and creating career paths for promotion and alternative opportunities across the trust schools. There is a new wave of Special Free schools and AP provision recently announced.

Funds held as custodian trustee on behalf of others

During the year 1 September 2024 to 31 August 2025, The Sovereign Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that DJH Audit Limited be reappointed as auditor of the charitable company will be put to the members.

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:



.....
E Austin

Chair of Trustees

The Sovereign Trust

Governance statement

For the year ended 31 August 2025

Scope of responsibility

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

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

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

Governance

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

Trustee	Meetings attended	Out of a possible
Ian McGrath	2	5
Eddie Austin	4	5
Nicholas Gill	5	5
Paul Eckley	5	5
Neil Moseley	4	5
Stephanie Capon	1	2
John Lomas	0	5
Cole Andrew	4	5

Finance, Risk and Audit Committee

The Finance, Risk and Audit committee is a sub-committee of the board of trustees. The Finance, Risk & Audit Committee was formed in order to discuss finance, risk and audit matters. This committee also challenges senior leadership decisions in a knowledgeable way. The purpose and responsibility of the committee is to oversee the financial, risk management and the wider internal control framework of the academy trust and report any findings to the board of trustees. The committee has met 4 times during the year. Attendance during the year was as follows:

Trustee	Meetings attended	Out of a possible
Nicholas Gill	4	5
Neil Moseley	5	5
Paul Eckley	5	5
Stephanie Capon	2	2
Ian McGrath	1	1

Conflicts of interest

Upon appointment, and at least annually, directors, members, governors and officers are required to complete a declaration of Outside and Business Interest form. This document must also be updated whenever a material change occurs. A register of interests is maintained and made available to the public via the website, in line with the trust's Conflicts of Interest Policy and the requirements of the Academy Trust Handbook.

Failure by a director, member, governor or officer to declare an interest, real or perceived, could result in the complaints process being instigated by the trust. Depending on the circumstances and severity of the conflict, this may result in the person being removed from office in accordance with the trust's Articles of Association.

The Sovereign Trust

Governance statement (continued)

For the year ended 31 August 2025

Governance reviews

The Sovereign Trust board of trustees reviews its effectiveness at the end of each meeting and at the end of the year by completing a skills review and a series of surveys sent by the chair of trustees. These focus on various areas:

- Governance framework: Compliance and evaluation
- Governance framework: People and structures
- Governance framework: Strategic leadership
- Governance framework: Accountability for educational standards and financial performance

The chair collates information to support discussions about skills development on the board. Following the most recent governance effectiveness review, actions included further developing the role of the chair and strengthening the Board's SEN expertise by appointing an additional trustee. Trustees' knowledge and understanding of safeguarding have also been enhanced through the introduction of an online training system. The chair of trustees, with extensive experience in organisational development and committee leadership, has brought a considerable positive impact to the way meetings are conducted. Likewise, the chair of the Finance and Risk Committee brings substantial expertise in company accounts, which has streamlined the operation of finance meetings.

Review of value for money

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

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:

Improving educational results

Our resources are directed where they will be the most effective in meeting educational requirements, for example;

- robust tracking systems to record and monitor all aspects of pupil data including progress;
- continuing to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development;
- through robust performance management systems that ensure staff development delivers excellent teaching and learning opportunities for pupils;
- funding is allocated to optimal effect, e.g. through personalised programmes for pupils, after school clubs, breakfast clubs; vocational courses and accreditations, supported internships
- working collaboratively with other schools, forming a Teaching School Alliance to improve CPD and share excellent practice and improve standards;
- implement strategies to improve attendance;
- provide increased speech and language support for pupils;
- increasing age range to 25;
- working with Warrington LA to establish a Free School provision to enable more pupils to be educated in their local area; and
- working with LA's to determine the SEND need to provide AP provision and Special School provision in the new wave of Free schools.

Better purchasing

- spending proposals are priced and presented to the board, where appropriate, challenged appropriately and recorded in minutes; and
- contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the academy trust and tenders/quotes are obtained to ensure value for money.

The Sovereign Trust

Governance statement (continued)

For the year ended 31 August 2025

Financial governance and oversight

Financial governance arrangements include regular monitoring by the board of trustees and through the Finance, Risk and Audit Committee including:

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports reviewed and agreed by the board;
- regular monitoring review of reports and data within the board meetings, monitoring the impact of activities and funding streams such as pupil premium;
- monthly reviews by the executive management team of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- robust financial procedures and regular policy reviews ensure the academy trust is operating within the regulations of the Academies Financial Handbook; and
- external and internal audit checks, monitoring and reporting on the academy trust's financial procedures and performance.

Reviewing controls and managing risks

- cash flow forecasts are included within regular reports to identify surplus cash balances;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties are defined within policies and board meetings; and
- a review of risk register is a standing item for all meetings.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sovereign Trust for the period 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 FRAC 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and the academy trust appointed Warrington Borough Council as internal auditor for the 2024-2025 period.

The Sovereign Trust

Governance statement (continued)

For the year ended 31 August 2025

The board of trustees considered the need for a dedicated internal audit function and appointed Warrington Borough Council as the academy trust's internal auditor for the 2024–2025 period. The internal auditor's role included providing advice on financial and other matters, as well as undertaking a range of checks across the Trust's systems, including:

- Orders and payments
- Payroll and HR processes
- Estates management
- Safeguarding
- IT

During the year, particular attention was given to the new settings within the Trust, Chatsworth High School and Community College, and Chatsworth Futures.

The internal auditor reports to the board of trustees, through the Finance, Risk and Audit 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 prepares a 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 delivered their schedule of work as planned and the trust tailored their programme of checks to the risk register priorities.

Review of effectiveness

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

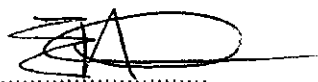
- the work of the internal auditor;
- the work of the SRMA;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

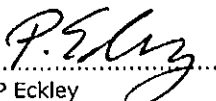
Conclusion

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

Approved by order of the board of trustees on 18 December 2025 and signed on its behalf by:



E Austin
Chair of Trustees



P Eckley
CEO & Accounting Officer

The Sovereign Trust

Statement of regularity, propriety and compliance

For the year ended 31 August 2025

As accounting officer of The Sovereign Trust, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the trust's funding agreement with the Department for Education (DfE), and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the academy trust 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.


.....
P Eckley
Accounting Officer

18 December 2025

The Sovereign Trust

Statement of trustees' responsibilities

For the year ended 31 August 2025

The trustees (who are also the directors of The Sovereign Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2024 to 2025 published by the Department for Education, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

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

The 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 18 December 2025 and signed on its behalf by:



.....
E Austin
Chair of Trustees

The Sovereign Trust

Independent auditor's report on the financial statements to the members of The Sovereign Trust

For the year ended 31 August 2025

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent academy trust's affairs as at 31 August 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

The Sovereign Trust

Independent auditor's report on the financial statements to the members of The Sovereign Trust (continued)

For the year ended 31 August 2025

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 by the parent academy trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy trust's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 group and parent 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 group or parent academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

The Sovereign Trust

Independent auditor's report on the financial statements to the members of The Sovereign Trust (continued)

For the year ended 31 August 2025

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

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

DJH Audit Limited

.....
Melanie Bailey (Senior Statutory Auditor)

For and on behalf of DJH Audit Limited, Statutory Auditor
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date: 18/12/25

The Sovereign Trust

Independent reporting accountant's report on regularity to The Sovereign Trust and the Secretary of State for Education

For the year ended 31 August 2025

In accordance with the terms of our engagement letter dated 5 September 2025 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by The Sovereign Trust during the period 1 September 2024 to 31 August 2025 have not been applied to the purposes intended by Parliament and that the financial transactions do not conform to the authorities which govern them.

This report is made solely to The Sovereign Trust and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Sovereign Trust and the Secretary of State for Education those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Sovereign Trust and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

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

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

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

Approach

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

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

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

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

The Sovereign Trust

Independent reporting accountant's report on regularity to The Sovereign Trust and the Secretary of State for Education (continued)

For the year ended 31 August 2025

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

DJH Audit Limited

Reporting Accountant

DJH Audit Limited

Date: 18/12/25

The Sovereign Trust

Group statement of financial activities including income and expenditure account

For the year ended 31 August 2025

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2025 £'000	Total 2024 £'000
Income and endowments from:						
Donations and capital grants	3	-	81	143	224	124
Donations - transfer of existing academy into the trust		133	-	1,206	1,339	-
Charitable activities:						
- Funding for educational operations	4	-	23,211	-	23,211	15,208
- Chatsworth Futures		2,055	-	104	2,159	-
Other trading activities	5	447	219	-	666	308
Investments	6	32	-	-	32	38
Total		<u>2,667</u>	<u>23,511</u>	<u>1,453</u>	<u>27,631</u>	<u>15,678</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	191	22,324	939	23,454	15,908
- Chatsworth Futures		1,506	-	26	1,532	-
Total	7	<u>1,697</u>	<u>22,324</u>	<u>965</u>	<u>24,986</u>	<u>15,908</u>
Net income/(expenditure)		970	1,187	488	2,645	(230)
Transfers between funds	20	(379)	(44)	423	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	24	-	(554)	-	(554)	(320)
Net movement in funds		591	589	911	2,091	(550)
Reconciliation of funds						
Total funds brought forward		<u>767</u>	<u>1,381</u>	<u>24,414</u>	<u>26,562</u>	<u>27,112</u>
Total funds carried forward		<u>1,358</u>	<u>1,970</u>	<u>25,325</u>	<u>28,653</u>	<u>26,562</u>

The Sovereign Trust

Group statement of financial activities (continued) including income and expenditure account

For the year ended 31 August 2025

Comparative year information Year ended 31 August 2024	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2024 £'000
Income and endowments from:					
Donations and capital grants	3	-	17	107	124
Charitable activities:					
- Funding for educational operations	4	-	15,208	-	15,208
Other trading activities	5	296	12	-	308
Investments	6	38	-	-	38
Total		<u>334</u>	<u>15,237</u>	<u>107</u>	<u>15,678</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	250	14,890	768	15,908
Total	7	<u>250</u>	<u>14,890</u>	<u>768</u>	<u>15,908</u>
Net income/(expenditure)		84	347	(661)	(230)
Transfers between funds	20	(469)	247	222	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	24	-	(320)	-	(320)
Net movement in funds		(385)	274	(439)	(550)
Reconciliation of funds					
Total funds brought forward		<u>1,152</u>	<u>1,107</u>	<u>24,853</u>	<u>27,112</u>
Total funds carried forward		<u>767</u>	<u>1,381</u>	<u>24,414</u>	<u>26,562</u>

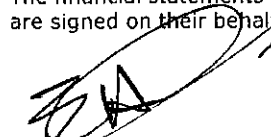
The Sovereign Trust

Group balance sheet

As at 31 August 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	13		5		-
Tangible assets	14		25,320		24,410
			25,325		24,410
Current assets					
Debtors	16	1,372		398	
Cash at bank and in hand		3,485		2,969	
		4,857		3,367	
Current liabilities					
Creditors: amounts falling due within one year	17	(1,510)		(1,189)	
Net current assets			3,347		2,178
Total assets less current liabilities			28,672		26,588
Creditors: amounts falling due after more than one year	18		(19)		(26)
Net assets excluding pension asset			28,653		26,562
Defined benefit pension scheme asset	24		-		-
Total net assets			28,653		26,562
Funds of the academy trust:					
Restricted funds	20				
- Fixed asset funds			25,325		24,414
- Restricted income funds			1,970		1,381
Total restricted funds			27,295		25,795
Unrestricted income funds	20		1,358		767
Total funds			28,653		26,562

The financial statements were approved by the trustees and authorised for issue on 18 December 2025 and are signed on their behalf by:


E Austin
Chair of Trustees

Company registration number 09666511 (England and Wales)

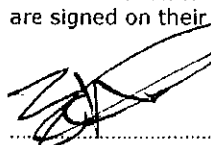
The Sovereign Trust

Academy balance sheet

As at 31 August 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	13		5		-
Tangible assets	15		25,218		24,410
			25,223		24,410
Current assets					
Debtors	16	1,354		398	
Cash at bank and in hand		2,998		2,969	
		4,352		3,367	
Current liabilities					
Creditors: amounts falling due within one year	17	(1,446)		(1,189)	
Net current assets			2,906		2,178
Total assets less current liabilities			28,129		26,588
Creditors: amounts falling due after more than one year	18		(19)		(26)
Net assets excluding pension asset			28,110		26,562
Defined benefit pension scheme asset	24		-		-
Total net assets			28,110		26,562
Funds of the academy trust:					
Restricted funds	21				
- Fixed asset funds			25,223		24,414
- Restricted income funds			1,970		1,381
Total restricted funds			27,193		25,795
Unrestricted income funds	21		917		767
Total funds			28,110		26,562

The financial statements were approved by the trustees and authorised for issue on 18 December 2025 and are signed on their behalf by:



E Austin

Chair of Trustees

Company registration number 09666511 (England and Wales)

The Sovereign Trust

Group statement of cash flows

For the year ended 31 August 2025

		2025		2024
	Notes	£'000	£'000	£'000
Cash flows from operating activities				
Net cash provided by operating activities	25		505	517
Cash funds transferred on conversion			413	-
			<u>918</u>	<u>517</u>
Cash flows from investing activities				
Dividends, interest and rents from investments		32		38
Capital grants from DfE Group		57		88
Capital funding received from sponsors and others		190		19
Purchase of tangible fixed assets		<u>(570)</u>	<u>(334)</u>	
Net cash used in investing activities			(291)	(189)
Cash flows from financing activities				
Repayment of long term bank loan		<u>(7)</u>	<u>(6)</u>	
Net cash used in financing activities			<u>(7)</u>	<u>(6)</u>
Net increase in cash and cash equivalents in the reporting period			620	322
Cash and cash equivalents at beginning of the year			<u>2,969</u>	<u>2,647</u>
Cash and cash equivalents at end of the year			<u>3,485</u>	<u>2,969</u>

The Sovereign Trust

Notes to the financial statements

For the year ended 31 August 2025

1 Accounting policies

The Sovereign Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

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

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The result of the subsidiary is consolidated on a line by line basis. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

1 Accounting policies

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

Transfer of assets on conversion

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

Transfer of assets from existing academies

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

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. This includes redundancy payments and settlement payments.

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

All resources expended are inclusive of irrecoverable VAT.

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

1 Accounting policies

Expenditure on raising funds

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

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

- Purchased computer software - over the life of the license

1.6 Tangible fixed assets and depreciation

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

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

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

Leasehold land and buildings	Land - 0.8% straight line, Buildings - 2% straight line
Leasehold improvements	10% straight line
Computer equipment	33 1/3% straight line
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

1 Accounting policies

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

Government loans are recognised at their nominal value and reduced by subsequent repayments.

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.

1.10 Taxation

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

1.11 Pensions benefits

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

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

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

1 Accounting policies

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

1.12 Fund accounting

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

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

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

1.13 PFI arrangements

The academy trust has a PFI arrangement in place in New Park Academy and Chatsworth High School & Community College which covers rent, rates, maintenance and facility management arrangements. Payments are accounted for in the period to which they relate.

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the DfE. Payments received from the DfE and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 30.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

2 Critical accounting estimates and areas of judgement

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 24, will impact on 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 pension values as at 31 August 2025 have been determined by the actuary which is showing the academy trust as having a total pension asset as at 31 August 2025. In accordance with applicable accounting standards, the asset values have been capped at an asset ceiling value of £nil on the basis that the asset is not deemed to be realisable.

Critical areas of judgement

The trustees have considered the apportionment of depreciation between direct and support costs. The majority of fixed assets are almost entirely used for the provision of education and only a small part for support services. Therefore a 90% direct cost and 10% support cost apportionment is considered appropriate.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Capital grants	-	57	57	88
Other donations	-	167	167	36
	<u>-</u>	<u>224</u>	<u>224</u>	<u>124</u>

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

4 Funding for the academy trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	6,190	6,190	4,590
Other DfE/ESFA grants:				
- UIFSM	-	20	20	18
- Pupil premium	-	418	418	312
- 16-19 Funding Allocation	-	828	828	410
- Others	-	297	297	294
	<u>-</u>	<u>7,753</u>	<u>7,753</u>	<u>5,624</u>
Other government grants				
Local authority grants	-	15,458	15,458	9,584
	<u>-</u>	<u>15,458</u>	<u>15,458</u>	<u>9,584</u>
Chatsworth Futures Limited	<u>1,775</u>	<u>-</u>	<u>1,775</u>	<u>-</u>
Total funding	<u>1,775</u>	<u>23,211</u>	<u>24,986</u>	<u>15,208</u>

The academy trust received £15,458,000 (2024: £9,584,000) from the local authorities in the year for High Needs Top Up funding, teachers pay and pension grants, alternative provision PRU funding, Out Of Borough funding, unitary charge funding, pupil premium funding and other funding.

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Hire of facilities	113	-	113	90
Catering income	43	-	43	41
Chatsworth Futures income	6	-	6	-
Other income	285	219	504	177
	<u>447</u>	<u>219</u>	<u>666</u>	<u>308</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Short term deposits	<u>32</u>	<u>-</u>	<u>32</u>	<u>38</u>

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2025 £'000	2024 £'000
Academy's educational operations					
- Direct costs	15,310	843	2,874	19,027	12,861
- Allocated support costs	1,692	1,902	859	4,453	3,047
Chatsworth Futures					
- Direct costs	1,230	-	51	1,281	-
- Allocated support costs	-	112	113	225	-
	<u>18,232</u>	<u>2,857</u>	<u>3,897</u>	<u>24,986</u>	<u>15,908</u>

Net income/(expenditure) for the year includes:

	2025 £'000	2024 £'000
Operating lease rentals	961	442
Depreciation of tangible fixed assets	961	768
Amortisation of intangible fixed assets	4	-
Fees payable to auditor for:		
- Audit	21	14
- Other services	3	3
Net interest on defined benefit pension liability	<u>(190)</u>	<u>(115)</u>

8 Central services

The academy trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services

The academy trust charges for these services on the basis of 6% of GAG, LA Top-Up and Out Of Borough income.

The amounts charged during the year were as follows:

	2025 £'000	2024 £'000
Manor Academy	242	238
Pictor Academy	185	183
New Park Academy	343	284
Longford Park School	123	102
Chatsworth High School & Community College	275	-
Chatsworth Futures Limited	90	-
	<u>893</u>	<u>807</u>

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Direct costs				
Educational operations	164	18,863	19,027	12,861
Chatsworth Futures	1,281	26	1,307	-
Support costs				
Educational operations	27	4,400	4,427	3,047
Chatsworth Futures	225	-	225	-
	<u>1,697</u>	<u>23,289</u>	<u>24,986</u>	<u>15,908</u>
	Chatsworth Futures £'000	Educational operations £'000	Total 2025 £'000	Total 2024 £'000
Direct costs				
Teaching and educational support staff costs	1,232	15,312	16,544	10,256
Staff development	10	27	37	15
Depreciation and amortisation	26	843	869	684
Technology costs	22	27	49	33
Educational supplies and services	17	2,542	2,559	1,698
Examination fees	-	43	43	30
Other direct costs	-	233	233	145
	<u>1,307</u>	<u>19,027</u>	<u>20,334</u>	<u>12,861</u>
Support costs				
Support staff costs	-	1,800	1,800	1,163
Depreciation and amortisation	-	96	96	84
Technology costs	2	247	249	167
Maintenance of premises and equipment	59	191	250	647
Cleaning	32	267	299	158
Energy costs	-	256	256	259
Rent, rates and other occupancy costs	13	1,039	1,052	110
Insurance	6	18	24	21
Security and transport	8	9	17	15
Catering	-	405	405	305
Net interest on defined benefit pension scheme asset	-	(190)	(190)	(115)
Legal costs	54	182	236	176
Other support costs	49	65	114	36
Governance costs	2	42	44	21
	<u>225</u>	<u>4,427</u>	<u>4,652</u>	<u>3,047</u>

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

9 Charitable activities

Premises costs includes PFI charges totalling £825,000 (2024: £409,000). These amounts are paid to the local authority, are index linked and the academy trust is committed to these payments until 2030.

10 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2025 £'000	2024 £'000
Wages and salaries	13,241	8,127
Social security costs	1,422	834
Pension costs	2,602	1,592
Staff costs - employees	17,265	10,553
Agency staff costs	967	745
Staff restructuring costs	-	40
	18,232	11,338
Staff development and other staff costs	149	96
Total staff expenditure	18,381	11,434
Staff restructuring costs comprise:		
Severance payments	-	40

Staff numbers

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

	2025 Number	2024 Number
Teachers	113	90
Administration and support	279	185
Management	11	8
	403	283

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

10 Staff

The number of persons employed, expressed as a full time equivalent, was as follows:

	2025 Number	2024 Number
Teachers	102	76
Administration and support	215	133
Management	11	8
	<u>328</u>	<u>217</u>

Higher paid staff

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

	2025 Number	2024 Number
£60,001 - £70,000	11	5
£70,001 - £80,000	8	3
£80,001 - £90,000	1	-
£100,001 - £110,000	-	2
£110,001 - £120,000	2	1
£120,001 - £130,000	1	-
	<u>1</u>	<u>-</u>

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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,260,000 (2024: £968,000).

11 Trustees' remuneration and expenses

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

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

P Eckley (Trustee and Accounting Officer)
Remuneration: £125,001 - £130,000 (2024: £115,001 - £120,000)
Employer's pension contributions: £35,001 - £40,000 (2024: £30,001 - £35,000)

During the period ended 31 August 2025, travel and subsistence expenses totalling £135 (2024: £96) were reimbursed to 1 trustee (2024: 1 trustee).

Other transactions with the trustees are set out in the related parties note.

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

12 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Intangible fixed assets - Group and Academy

	Computer software £'000
Cost	
At 1 September 2024	-
Transfers in of existing academies	20
At 31 August 2025	20
Amortisation	
At 1 September 2024	-
Transfers in of existing academies	11
Charge for year	4
At 31 August 2025	15
Carrying amount	
At 31 August 2025	5
At 31 August 2024	-

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

14 Tangible fixed assets - Group

	Leasehold land and buildings £'000	Leasehold improvements £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2024	26,160	-	571	3,029	178	29,938
Transfer in of existing academies	-	1,430	211	284	59	1,984
Additions	-	-	145	425	-	570
Disposals	-	-	-	-	(55)	(55)
At 31 August 2025	26,160	1,430	927	3,738	182	32,437
Depreciation						
At 1 September 2024	3,232	-	423	1,733	140	5,528
Transfer in of existing academies	-	239	145	248	51	683
On disposals	-	-	-	-	(55)	(55)
Charge for the year	412	143	114	270	22	961
At 31 August 2025	3,644	382	682	2,251	158	7,117
Net book value						
At 31 August 2025	22,516	1,048	245	1,487	24	25,320
At 31 August 2024	22,928	-	148	1,296	38	24,410

The net book value of land and buildings comprises:

	2025 £'000	2024 £'000
Freeholds	3	-
Long leaseholds (over 50 years)	22,513	22,928
	22,516	22,928

The land and buildings for New Park Academy are provided on a PFI contract which at 31 August 2025 had a further 5 years to run. The land and buildings are owned by Salford City Council.

The land and buildings for Chatsworth High School & Community College are provided on a PFI contract which at 31 August 2025 had a further 5 years to run. The land and buildings are owned by Salford City Council.

The land and buildings for Manor Academy, Pictor Academy and Longford Park School are held on a long leasehold of 125 years from the date of conversion.

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

15 Tangible fixed assets - Academy

	Leasehold land and buildings £'000	Leasehold improvements £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2024	26,160	-	571	3,029	178	29,938
Transfer in of existing academies	-	1,257	211	174	59	1,701
Additions	-	-	145	401	-	546
Disposals	-	-	-	-	(55)	(55)
At 31 August 2025	26,160	1,257	927	3,604	182	32,130
Depreciation						
At 1 September 2024	3,232	-	423	1,733	140	5,528
Transfer in of existing academies	-	155	145	153	51	504
On disposals	-	-	-	-	(55)	(55)
Charge for the year	412	126	114	261	22	935
At 31 August 2025	3,644	281	682	2,147	158	6,912
Net book value						
At 31 August 2025	22,516	976	245	1,457	24	25,218
At 31 August 2024	22,928	-	148	1,296	38	24,410

16 Debtors

	Group 2025 £'000	Group 2024 £'000	Academy 2025 £'000	Academy 2024 £'000
Trade debtors	264	98	269	98
VAT recoverable	180	40	180	40
Other debtors	2	-	2	-
Prepayments and accrued income	926	260	903	260
	1,372	398	1,354	398

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

17 Creditors: amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Academy 2025 £'000	Academy 2024 £'000
Government loans	7	7	7	7
Trade creditors	594	178	589	178
Amounts owed to group undertakings	-	-	5	-
Other taxation and social security	359	160	359	160
DfE creditors	-	36	-	36
Other creditors	186	218	181	218
Accruals and deferred income	364	590	305	590
	<u>1,510</u>	<u>1,189</u>	<u>1,446</u>	<u>1,189</u>

18 Creditors: amounts falling due after more than one year - Group and Academy

	2025 £'000	2024 £'000
Government loans	<u>19</u>	<u>26</u>
Analysis of loans	2025 £'000	2024 £'000
Wholly repayable within five years	26	33
Less: included in current liabilities	<u>(7)</u>	<u>(7)</u>
Amounts included above	<u>19</u>	<u>26</u>
Loan maturity		
Debt due in one year or less	7	7
Due in more than one year but not more than two years	7	7
Due in more than two years but not more than five years	12	14
Due in more than five years	<u>-</u>	<u>5</u>
	<u>26</u>	<u>33</u>

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

18 Creditors: amounts falling due after more than one year - Group and Academy

At the balance sheet date, the academy trust had the following loans:

Manor Academy - £3,218 outstanding Salix loan relating to previous capital projects.
Manor Academy - £19,533 outstanding CIF loan relating to electrical works completed in 2020-21.
Pictor Academy - £2,815 outstanding Salix loan relating to previous boiler works.

Salix loans are interest free loans approved by the Education and Skills Funding Agency (ESFA) repayable in equal instalments over 8 years.

The CIF loan was also approved by the ESFA as part of the CIF bid and has an interest rate of 2.29% and is repayable over 10 years.

19 Deferred income

	2025 £'000	2024 £'000
Deferred income is included within:		
Creditors due within one year	26	113
Deferred income at 1 September 2024	113	9
Released from previous years	(113)	(9)
Resources deferred in the year	26	113
Deferred income at 31 August 2025	26	113

At the balance sheet date, the academy trust was holding the following funds in advance of the next financial year:

- Universal Infant Free School Meals - £20,000 (2024: £11,000)
- LA grant income - £3,000 (2024: £99,000)
- Other income - £3,000 (2024: £3,000)

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

20 Funds - Group

	Balance at 1 September 2024 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2025 £'000
Restricted general funds					
General Annual Grant (GAG)	1,381	6,190	(5,557)	(44)	1,970
UIFSM	-	20	(20)	-	-
Pupil premium	-	418	(418)	-	-
Other DfE/ESFA grants	-	1,125	(1,125)	-	-
Other government grants	-	15,458	(15,458)	-	-
Other restricted funds	-	300	(300)	-	-
Pension reserve	-	-	554	(554)	-
	<u>1,381</u>	<u>23,511</u>	<u>(22,324)</u>	<u>(598)</u>	<u>1,970</u>
Restricted fixed asset funds					
Inherited on conversion	21,132	73	(472)	-	20,733
DfE group capital grants	2,116	1,117	(345)	-	2,888
Capital expenditure from GAG	855	177	(119)	423	1,336
Local authority capital grants	252	86	(16)	-	322
Other capital grants	59	-	(13)	-	46
	<u>24,414</u>	<u>1,453</u>	<u>(965)</u>	<u>423</u>	<u>25,325</u>
Total restricted funds	<u>25,795</u>	<u>24,964</u>	<u>(23,289)</u>	<u>(175)</u>	<u>27,295</u>
Unrestricted funds					
General funds	767	606	(101)	(355)	917
Chatsworth Futures	-	2,061	(1,596)	(24)	441
	<u>767</u>	<u>2,667</u>	<u>(1,697)</u>	<u>(379)</u>	<u>1,358</u>
Total funds	<u>26,562</u>	<u>27,631</u>	<u>(24,986)</u>	<u>(554)</u>	<u>28,653</u>

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

20 Funds - Group

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy. The restricted fixed asset fund carried forward represents the net book value of fixed assets carried forward of £25,325,000. The transfer of £393,000 from restricted general GAG fund to restricted fixed asset fund relates to capital additions for which there was no specific capital funding.

Unrestricted funds are funds which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

The pension values as at 31 August 2025 have been determined by the actuary which is showing the following pension assets within the academy trust as at the balance sheet date:

Manor Academy & Pictor Academy – pension asset of £3,964,000

New Park Academy – pension asset of £1,515,000

Longford Park School – pension asset of £509,000

Chatsworth High School & Community College – pension asset of £2,681,000

In accordance with applicable accounting standards, the asset values have been capped at an asset ceiling value of £nil on the basis that the asset is not deemed to be realisable.

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

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

20 Funds - Group

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

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2024 £'000
Restricted general funds					
General Annual Grant (GAG)	1,107	4,590	(4,563)	247	1,381
UIFSM	-	18	(18)	-	-
Pupil premium	-	312	(312)	-	-
Other DfE/ESFA grants	-	704	(704)	-	-
Other government grants	-	9,584	(9,584)	-	-
Other restricted funds	-	29	(29)	-	-
Pension reserve	-	-	320	(320)	-
	<u>1,107</u>	<u>15,237</u>	<u>(14,890)</u>	<u>(73)</u>	<u>1,381</u>
Restricted fixed asset funds					
Inherited on conversion	21,540	-	(408)	-	21,132
DfE group capital grants	2,277	88	(249)	-	2,116
Capital expenditure from GAG	712	-	(79)	222	855
Local authority capital grants	252	-	-	-	252
Other capital grants	72	19	(32)	-	59
	<u>24,853</u>	<u>107</u>	<u>(768)</u>	<u>222</u>	<u>24,414</u>
Total restricted funds	<u>25,960</u>	<u>15,344</u>	<u>(15,658)</u>	<u>149</u>	<u>25,795</u>
Unrestricted funds					
General funds	<u>1,152</u>	<u>334</u>	<u>(250)</u>	<u>(469)</u>	<u>767</u>
Total funds	<u>27,112</u>	<u>15,678</u>	<u>(15,908)</u>	<u>(320)</u>	<u>26,562</u>

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

20 Funds - Group

Total funds analysis by academy

	2025 £'000	2024 £'000
Fund balances at 31 August 2025 were allocated as follows:		
Manor Academy	983	921
Pictor Academy	(49)	167
New Park Academy	1,079	751
Longford Park School	25	74
Chatsworth High School & Community College	357	-
Chatsworth Futures Limited	441	-
Central services	492	235
Total before fixed assets fund and pension reserve	3,328	2,148
Restricted fixed asset fund	25,325	24,414
Pension reserve	-	-
Total funds	28,653	26,562

Pictor Academy is carrying a deficit on its revenue reserves at the year end. As a small SEN setting the financial challenges are much more intensified. Smaller settings are hit the hardest with increases to staffing costs as funding is often based on pupil numbers and not the staffing structure in place. This setting has 120 pupils and a high staffing ratio, 2:1 pupil to staff. The Head of School manages the staffing structure as best they can to avoid deficits increasing further whilst maintaining a safe environment for all. The Head of School and the Trust will continue talks with the local authority to increase funding so that staffing costs can be covered.

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2025 £'000	Total 2024 £'000
Manor Academy	3,301	312	298	437	4,348	3,882
Pictor Academy	2,769	332	56	439	3,596	3,406
New Park Academy	3,126	411	1,796	761	6,094	5,184
Longford Park School	1,803	260	62	243	2,368	2,184
Chatsworth High School & Community College	3,662	677	473	708	5,520	-
Chatsworth Futures Limited	1,242	-	39	225	1,506	-
Central services	485	366	-	292	1,143	804
	11,484	1,681	2,212	2,172	17,549	15,460

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

21 Funds - Academy

	Balance at 1 September 2024 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2025 £'000
Restricted general funds					
General Annual Grant (GAG)	1,381	6,190	(5,557)	(44)	1,970
UIFSM	-	20	(20)	-	-
Pupil premium	-	418	(418)	-	-
Other DfE/ESFA grants	-	1,125	(1,125)	-	-
Other government grants	-	15,458	(15,458)	-	-
Other restricted funds	-	300	(300)	-	-
Pension reserve	-	-	554	(554)	-
	<u>1,381</u>	<u>23,511</u>	<u>(22,324)</u>	<u>(598)</u>	<u>1,970</u>
Restricted fixed asset funds					
Inherited on conversion	21,132	73	(472)	-	20,733
DfE group capital grants	2,116	1,117	(319)	-	2,914
Capital expenditure from GAG	855	73	(119)	399	1,208
Local authority capital grants	252	86	(16)	-	322
Other capital grants	59	-	(13)	-	46
	<u>24,414</u>	<u>1,349</u>	<u>(939)</u>	<u>399</u>	<u>25,223</u>
Total restricted funds	<u>25,795</u>	<u>24,860</u>	<u>(23,263)</u>	<u>(199)</u>	<u>27,193</u>
Unrestricted funds					
General funds	<u>767</u>	<u>696</u>	<u>(191)</u>	<u>(355)</u>	<u>917</u>
Total funds	<u>26,562</u>	<u>25,556</u>	<u>(23,454)</u>	<u>(554)</u>	<u>28,110</u>

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

21 Funds - Academy

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy. The restricted fixed asset fund carried forward represents the net book value of fixed assets carried forward of £25,223,000. The transfer of £393,000 from restricted general GAG fund to restricted fixed asset fund relates to capital additions for which there was no specific capital funding.

Unrestricted funds are funds which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

The pension values as at 31 August 2025 have been determined by the actuary which is showing the following pension assets within the academy trust as at the balance sheet date:

Manor Academy & Pictor Academy – pension asset of £3,964,000
New Park Academy – pension asset of £1,515,000
Longford Park School – pension asset of £509,000
Chatsworth High School & Community College – pension asset of £2,681,000

In accordance with applicable accounting standards, the asset values have been capped at an asset ceiling value of £nil on the basis that the asset is not deemed to be realisable.

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

22 Analysis of net assets between funds - Group

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2025 are represented by:				
Intangible fixed assets	-	-	5	5
Tangible fixed assets	-	-	25,320	25,320
Current assets	1,427	3,430	-	4,857
Current liabilities	(69)	(1,441)	-	(1,510)
Non-current liabilities	-	(19)	-	(19)
Total net assets	1,358	1,970	25,325	28,653

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

22 Analysis of net assets between funds - Group

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	24,410	24,410
Current assets	767	2,596	4	3,367
Current liabilities	-	(1,189)	-	(1,189)
Non-current liabilities	-	(26)	-	(26)
Total net assets	767	1,381	24,414	26,562

23 Analysis of net assets between funds - Academy

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2025 are represented by:				
Intangible fixed assets	-	-	5	5
Tangible fixed assets	-	-	25,218	25,218
Current assets	917	3,430	-	4,347
Current liabilities	-	(1,441)	-	(1,441)
Non-current liabilities	-	(19)	-	(19)
Total net assets	917	1,970	25,223	28,110

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	24,410	24,410
Current assets	767	2,596	4	3,367
Current liabilities	-	(1,189)	-	(1,189)
Non-current liabilities	-	(26)	-	(26)
Total net assets	767	1,381	24,414	26,562

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

24 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan 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 that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £179,000 were payable to the schemes at 31 August 2025 (2024: £218,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,551,000 (2024: £1,021,000).

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

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

24 Pension and similar obligations

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.6% for employers and 5.5 - 12.5% for employees.

As described in note 31, the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the transfer in from the existing academy and new employees who joined the scheme in the period. The obligation in respect of employees who transferred in represents their cumulative service at both the predecessor academy trust and the academy trust at the balance sheet date.

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

Total contributions made	2025	2024
	£'000	£'000
Employer's contributions	1,361	766
Employees' contributions	397	221
Total contributions	1,758	987
Principal actuarial assumptions	2025	2024
	%	%
Rate of increase in salaries	3.50	3.45
Rate of increase for pensions in payment/inflation	2.70	2.65
Discount rate for scheme liabilities	6.10	5.00

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

24 Pension and similar obligations

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

	2025 Years	2024 Years
Retiring today		
- Males	18.6 - 20.9	20.0 - 20.7
- Females	22.9 - 24.8	22.9 - 24.7
Retiring in 20 years		
- Males	20.2 - 20.7	20.0 - 20.5
- Females	24.2 - 25.2	24.3 - 25.1

Sensitivity analysis

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

Manor Academy & Pictor Academy	Approximate % increase to liabilities	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	2%	128
1 year increase in member life expectancy	4%	228
0.1% increase in the Salary Increase Rate	0%	6
0.1% increase in the Pension Increase Rate (CPI)	2%	126

New Park Academy	Approximate % increase to liabilities	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	2%	53
1 year increase in member life expectancy	4%	85
0.1% increase in the Salary Increase Rate	0%	1
0.1% increase in the Pension Increase Rate (CPI)	2%	53

Longford Park School	Approximate % increase to liabilities	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	3%	22
1 year increase in member life expectancy	4%	34
0.1% increase in the Salary Increase Rate	0%	-
0.1% increase in the Pension Increase Rate (CPI)	3%	23

Chatsworth High School and Community College	Approximate % increase to liabilities	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	3%	130
1 year increase in member life expectancy	4%	194
0.1% increase in the Salary Increase Rate	0%	7
0.1% increase in the Pension Increase Rate (CPI)	3%	127

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

24 Pension and similar obligations

The academy trust's share of the assets in the scheme	2025 Fair value £'000	2024 Fair value £'000
Equities	14,444	8,732
Bonds	3,777	1,898
Cash and other liquid assets	2,000	1,012
Property	2,000	1,012
Total market value of assets	22,221	12,654
Restriction on scheme assets	(8,669)	(2,860)
Net assets recognised	13,552	9,794

The actual return on scheme assets was £1,505,000 (2024: £1,046,000).

Amount recognised in the statement of financial activities	2025 £'000	2024 £'000
Current service cost	951	561
Past service cost	46	-
Interest income	(972)	(581)
Interest cost	782	466
Total amount recognised	807	446

Changes in the present value of defined benefit obligations	2025 £'000	2024 £'000
At 1 September 2024	9,794	8,641
Transferred in on existing academies joining the academy trust	5,648	-
Current service cost	951	561
Interest cost	782	466
Employee contributions	397	221
Actuarial (gain)/loss	(3,882)	19
Benefits paid	(184)	(114)
Past service cost	46	-
At 31 August 2025	13,552	9,794

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

24 Pension and similar obligations

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

	2025 £'000	2024 £'000
At 1 September 2024	12,654	10,735
Transferred in on existing academies joining the academy trust	6,488	-
Interest income	972	581
Actuarial gain	533	465
Employer contributions	1,361	766
Employee contributions	397	221
Benefits paid	(184)	(114)
At 31 August 2025	22,221	12,654
Restriction on scheme assets	(8,669)	(2,860)
Net assets recognised	13,552	9,794

The pension values as at 31 August 2024 have been determined by the actuary which is showing the following pension assets within the academy trust as at the balance sheet date:

Manor Academy & Pictor Academy – pension asset of £2,052,000
New Park Academy – pension asset of £670,000
Longford Park School – pension asset of £138,000
Chatsworth High School & Community College – pension asset of £2,681,000

In accordance with applicable accounting standards, the asset values have been capped at an asset ceiling value of £nil on the basis that the asset is not deemed to be realisable.

Restriction of pension scheme assets

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

25 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Notes	2025 £'000	2024 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		2,645	(230)
Adjusted for:			
Net surplus on transfer of academy in the trust	31	(1,723)	-
Capital grants from DfE and other capital income		(143)	(107)
Investment income receivable	6	(32)	(38)
Defined benefit pension costs less contributions payable	24	(364)	(205)
Defined benefit pension scheme finance income	24	(190)	(115)
Depreciation of tangible fixed assets		961	768
Amortisation of intangible fixed assets	13	4	-
(Increase)/decrease in debtors		(974)	110
Increase in creditors		321	334
Net cash provided by operating activities		505	517

26 Analysis of changes in net funds

	1 September 2024 £'000	Cash flows £'000	31 August 2025 £'000
Cash	2,969	516	3,485
Loans falling due within one year	(7)	-	(7)
Loans falling due after more than one year	(26)	7	(19)
	2,936	523	3,459

27 Long-term commitments

Operating leases

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

	2025 £'000	2024 £'000
Amounts due within one year	200	36
Amounts due in two and five years	429	34
	629	70

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

27 Long-term commitments

Other contractual commitments

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

	2025 £'000	2024 £'000
Amounts due within one year	955	409
Amounts due in two and five years	3,828	1,636
Amounts due after five years	-	170
	<u>4,783</u>	<u>2,215</u>

PFI Commitments

New Park Academy is a PFI school operating under a PFI contract due to expire in 2030. Upon the conversion to an academy on 1 June 2018, the Trust contracted with Salford City Council to discharge the financial obligations of unitary charges for the remainder of the contract. The unitary charge amounted to £413,000 in 2024/25 and is expected to be £475,000 in 2025/26. The unitary charge commitment for the remaining 5 years of the PFI contract is included in the other contractual commitments shown above.

Chatsworth High School & Community College is also a PFI school operating under a PFI contract with Salford City Council, due to expire in 2030. The unitary charge amounted to £412,000 in 2024/25 and is expected to be £481,000 in 2025/26. The unitary charge commitment for the remaining 5 years of the PFI contract is included in the other contractual commitments shown above.

28 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. The following related party transactions took place in the financial period.

During the year ended 31 August 2025, the academy trust procured maintenance services from CS Services totalling £3,744 (2024: £3,680). CS Services is owned by the brother of L Hughes, CFO of The Sovereign Trust. At the balance sheet date, no amounts were owed by the academy trust.

In entering into the transaction, the academy trust has complied with the requirements of the Academy Trust Handbook 2024.

29 Members' liability

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

The Sovereign Trust

Notes to the financial statements (continued)

For the year ended 31 August 2025

30 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the DfE. In the accounting period ending 31 August 2025 the academy trust received £9,143 and disbursed £14,292 from the fund. As at 31 August 2025, the cumulative unspent 16-19 bursary fund is £2,031, of which £nil relates to undistributed funding that is repayable to the DfE. Comparatives for the accounting period ending 31 August 2024 are £7,145 received, £8,641 disbursed, total cumulative unspent fund of £305 of which £nil was repayable to the DfE.

31 Transfer of existing academies into the academy trust

On 1 October 2024, Chatsworth High School and Community College and Chatsworth Futures Limited transferred from Chatsworth Multi Academy Trust to The Sovereign Trust for £nil consideration.

A breakdown of the funds transferred is given below.

	Transfer in recognised £'000
Net assets acquired	
Other tangible fixed assets	1,310
Cash and cash equivalents	413
Total net assets	1,723

There were no fair value adjustments required to the values reported by the transferring trust.

