

PENAIR SCHOOL
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025



PENAIR SCHOOL
(A company limited by guarantee)

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PENAIR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	E Seale N Vincent J Parker A Brigden A Tullett (appointed 8 October 2025) L Keam
Trustees	J Davidson, Head Teacher C Howard C Parham C Pascoe S Pope M Spencer R Trowman E Seale, Chair of Trustees (resigned 31 August 2025) M Kerr (resigned 31 August 2025) S Griffiths (resigned 3 October 2025) T Mason (appointed 16 December 2024) R Schofield (appointed 16 December 2024) S Clague (appointed 8 October 2025) A Tullet, Chair of Trustees (appointed 8 October 2025)
Company registered number	07557657
Company name	Penair School
Principal and registered office	St Clement Truro Cornwall TR1 1TN
Company secretary	G Hakin
Accounting officer	J Davidson
Senior management team	J Davidson, Headteacher N Hosking, Deputy headteacher C Finlay, Assistant headteacher J Hocking, Assistant headteacher L Neesham, Assistant headteacher M Mugford, Assistant headteacher (Appointed on 1 September 2024) J Crane, Assistant headteacher (Appointed on 1 September 2024) G Hakin, Business manager B Crowe, Data manager

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

Independent auditors	Griffin Chartered Accountants Courtenay House PynesHill Exeter EX2 5AZ
Bankers	Lloyds Bank Plc 234 High Street Exeter Devon EX4 3AY
Solicitors	Cornwall Council Legal Services Room 458 County Hall Truro Cornwall TR1 3AY

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their annual report together with the financial statements and auditors' 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 operates an academy for pupils aged 11 to 16 serving a catchment area in Truro. It has a pupil capacity of 1350 and had a roll of 1228 in the school census on 2nd October 2025.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Trustees of Penair School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Penair School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

The academy trust through its Articles has indemnified its trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its trustees.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The charitable company's Governing Body comprises the Headteacher, a minimum of two parent trustees, any number of staff trustees provided that the total number of trustees, (including the Headteacher), who are employees of the charitable company, does not exceed one third of the total number of trustees.

The academy shall have the following trustees as set out in its Articles of Association and funding agreement:

- up to seven trustees who are appointed by members
- a minimum of two parent trustees who are elected by parents of registered pupils at the charitable company
- any staff trustees appointed by the Governing Body
- up to three co-opted trustees who are appointed by the Governing Body
- the Headteacher who is treated for all purposes as being an ex officio trustee.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to their remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

When appointing new trustees, the board will consider the breadth of skill and experience provided by existing trustees to ensure that the board has the necessary competence to contribute collectively to the charitable company's development.

e. Policies adopted for the induction and training of Trustees

The school has an induction process to support all new trustees that includes the requirement to undertake training provided by an appropriate external body.

f. Organisational structure

Penair School has followed the organisational structure laid down in the Articles of Association that were registered with Companies House on 9 March 2011.

The structure consists of three levels: the members, the trustees, and the management team. The members of the charitable company comprise the signatories of the memorandum, including the Chair of Trustees. The members have defined the roles of the trustees and the committee structure. The members meet annually to hold an Annual General Meeting (AGM). The Board of Trustees meets regularly throughout the year.

A Business, Audit and Risk Committee, a board committee, meets regularly throughout the year. Trustees are also assigned specific areas of focus aligned to the management and administration of the charitable company and its agreed strategic plan. The governing board committees operate in accordance with documented and approved terms of reference that include any delegated responsibilities and reporting arrangements.

The responsibilities of the finance and general purposes committee are conducted by the Business, Audit and Risk Committee. The Business, Audit and Risk Committee also incorporates the duties of an audit committee in accordance with the Academy Trust Handbook requirements.

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

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Pay Review Committee is in place to approve recommendations for teachers' pay based on their successful performance during the school year.

Penair has its own pay policy for support staff and complies with the School Teachers Pay and Conditions document.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	6,413,164	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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i. Related parties and other connected charities and organisations

There were no related parties or other Connected Charities and organisations in the period.

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is to advance, for the public benefit, education in the United Kingdom by maintaining, managing and developing a school, offering a broad and balanced curriculum.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The charitable company's primary objective during the period was to increase collaborative working between academies to improve standards of education for the children of the charitable company.

Penair is an inclusive school, focused on ensuring that all its students make excellent progress in a supportive, safe yet challenging environment. Its broad curriculum and committed staff ensure that all its students have the opportunity to pursue the subjects that excite and interest them. Its purpose is to create a caring, learning community of high quality where everyone is valued for who they are and for what they may become. Penair School is extremely proud of the progress that it has made in recent years. In March 2023 the school was again graded 'Good' by Ofsted who stated: *"Penair School has high expectations of its pupils. Leaders have designed an ambitious curriculum. Pupils who attend regularly achieve well. There is an inclusive culture at the school. All pupils are encouraged to follow their interests, and most pupils enjoy their learning."*

c. Public benefit

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Strategic report

Achievements and performance

Penair School continues to demonstrate strong academic performance, achieving the highest percentage of pupils attaining grade 5 or above in English and Mathematics GCSEs in Cornwall for the past two years. This success reflects the dedication and commitment of our staff in delivering high-quality teaching and learning.

In response to the shortage of alternative provision places across Cornwall, the school has developed a range of in-house support initiatives, including a KS4 Intervention Centre, Forest School, and targeted literacy and numeracy programmes informed by baseline testing. These initiatives provide tailored support for disadvantaged and SEND pupils, as well as for those with significant gaps in their learning.

Penair offers a comprehensive extracurricular programme, with particular strength in sports and outdoor education. Students have achieved success at local, regional, and national levels in both team and individual competitions. Our Combined Cadet Force, which now has over 145 pupils, continues to be recognised nationally as a flagship programme among state schools.

We remain committed to delivering an inclusive, engaging, and balanced curriculum, ensuring that every student has access to a broad range of learning experiences that support both academic and personal development.

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

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

It is important to note that the last five years in education have presented a unique set of circumstances. This has created some difficulties when making comparisons with previous year's examination results. The summer 2025 exam results present an improved picture on the summer 2024 results overall and are above 2019 results in most headline measures. An improvement in the proportion of all subjects gaining 9-4 grades or equivalent (74.4% in 2025 compared to 74.2% in 2024) and 9-5 grades (59.7% in 2025 compared to 59.0% in 2024) and 9-7 grades (25.2% in 2025 compared to 24.8% in 2024).

The 2022 to 2025 exam grades were sat examinations, but the students had experienced disruption through the Covid-19 period. Provisional national reports suggest the overall national (England) 9-4 proportion (all subjects) has dipped slightly to 67% compared to 68% in the previous year and national results are roughly in line with last year's results.

There are pleasing improvements in key threshold measures in relation to English and maths combined:

- 70.7% of students achieved 9-4 grades in both English and mathematics (combined) in 2025 compared to 70.2% in 2024; with 76.3% achieving 9-4 grades in English and 78.0% in maths in 2025 compared with 80.5% in English and 73.2% in maths in 2024.
- 56.0% of students achieved 9-5 grades in both English and mathematics (combined) in 2025 compared to 54.1% in 2024; with 65.1% achieving 9-5 grades in English and 64.2% in maths in 2025 compared with 65.9% in English and 60.0% in maths in 2024.
- 17.7% of students achieved 9-7 grades in both English and mathematics (combined) in 2025 compared to 17.6% in 2024; with 29.7% achieving 9-7 grades in English and 28.0% in maths in 2025 compared with 28.3% in English and 24.4% in maths in 2024.

The overall average grade of 4.9 is above last year (4.8). The whole school Attainment 8 figure was 49.03 compared to 48.04 in 2024 and 45.27 in 2023. The provisional national average is 45.9 in 2025.

On GCSE results day, Headteacher James Davidson said: "I would like to congratulate all Penair students on their excellent GCSE results this year. Students have worked extremely hard, and these excellent results are a tribute to their commitment and dedication to their studies. "I would like to thank their teachers and other staff who have taught and supported students so effectively, and also parents who have nurtured and encouraged students throughout their time at school."

In terms of the numbers of students on roll, from the Autumn (October) 2025 School Census, Penair school had 1228 students, compared to 1240 students in Autumn 2024 and 1183 students in Autumn 2023. This is an upward trend from 1138 students in Autumn 2022 and 1080 students in the Autumn 2021 Census. There were 1023 students at the Autumn 2020, 946 in Autumn 2019 and 918 in Autumn 2018.

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

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

The academy has continued to make some saving through continued funding from the Department for Education through the Core Schools Budget Grant (CSBG), National Insurance contributions Grant (NICG), and Teachers Pay Award (TPAG) and Teachers Pension Employer Contribution Grants (TPECG). The school also receives Exceptional Growth Funding from the Local Authority to address funding shortfalls for year-on-year pupil growth in the period.

The conclusion of the Recovery Premium Grant and National Tutoring Programme funding was disappointing, as the school continues its efforts to close the disadvantage gap. However, the introduction of the Core Schools Budget Grant (CSBG) provided a welcome source of support to meet the 2024 Teachers' Pay Award and other financial pressures. The school also welcomes the government's commitment to publish teachers' pay award outcomes in time for budget planning. This position will continue to be monitored by the Business, Audit and Risk Committee.

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

Financial review

Most of the academy's income is derived from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2025, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2025, total revenue expenditure of £9,271,696 was covered by recurrent grant funding from the DfE, together with other incoming resources of £9,640,482. The excess of income over expenditure for the year (excluding restricted fixed asset and pension funds) was £368,786 (2024: £23,301).

The academy also receives grants for fixed assets from the DfE. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

At 31 August 2025 the net book value of fixed assets was £16,926,193 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Financial and risk management objectives and policies

Penair School has limited exposure to major financial risks given the funding arrangements for academy schools. However, there are risks associated with changes to the level of funding received and the trustees are aware that the school has faced challenges due to the lag in funding which has seen a disparity between pupil numbers funded for and those actually on roll in recent years. A three-year recovery plan designed to manage this has proved successful and the school is now in an increasingly strong financial position

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

a. Reserves policy

The current policy is for Penair to hold a percentage of reserves within a range of 5-8% of General Annual Grant (GAG) funding, allowing the school to maintain resilience and enable investment. All revenue reserves are controlled by Penair Trust Board including those transferred in upon conversion and cannot be spent without the approval of the Trust Board.

Based on the reserves policy, 5-8% of the 2024-25 GAG funding allocation ranges between £371k and £594k. The current free reserves, which are considered to be the unrestricted funds and unspent GAG and Growth funding total £733k and the Trustees are therefore satisfied that the reserves are in line.

However, trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for Penair School. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and the Penair School Business, Audit and Risk Committee.

The trustees consider the financial year-end position of £17,694,593 (2024: £17,880,897) comprising £16,866,132 (2024: £17,253,706) of restricted fixed asset funds, £95,364 (2024: 274,134) of restricted funds and £733,097 (2024: £353,057) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to NIL (2024: £(72,000)) and general restricted funds of £95,364 (2024: £346,134).

The level of free reserves held by the academy are £733,097, (2024: £353,057).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding LGPS liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

b. Investment policy

The Academy's Articles gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects."

Whilst the trustees have responsibility for the Trust's finances, the Scheme of Delegation approved by the Governing Board delegates responsibility to the Business, Audit and Risk Committee to approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust's investments and investment policy on a regular basis.

The investment objectives are:

- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn.
- By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Academy, commanding broad public support.

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

c. Principal risks and uncertainties

The trustees use a number of charitable company policies, including health and safety, finance, safeguarding and a risk register to evaluate strategic and reputational, operational, compliance and financial risks. They have ensured that the management structure, systems and controls are in place to manage those risks, as well as insurance to cover financial and governance arrangements and by completing the School Resource Management Self-Assessment Checklist which was submitted to the DfE during the period, and are satisfied with the overall assessment.

The Governing Body ensures regular review of its principal risks as described in its strategic risk register through the monitoring of key controls and sources of assurance that drive the work plans for the governing board and those of its committees.

The school has one primary risk which is the potential fall in pupil numbers because of the opening of the proposed North Coast Free School resulting in a reduction in DfE funding and potential staff redundancies. The school is working to mitigate this risk in the following ways:

- working with the local authority to estimate pupil number coming through the local primary schools for future years
- offering temporary staff contracts where appropriate
- raising the profile of the school to become the school of choice in the local area.

Fundraising

The school complies with the Fundraising Regulator's voluntary regulation scheme and works alongside the Association of Parents and Friends of Penair School (APFPS) registered charity no. 1087032. APFPS raise funds for the school through specific fundraising events and activities.

The school and its staff raise funds through grant applications and external donations.

During the year, no fundraising complaints were received.

Communication to potential donors are invited by letter only once for any given project and reasonable precautions are taken to ensure data privacy.

Plans for future periods

To continue to ensure that Penair remains a 'Good' school as deemed by Ofsted, the Trust will maintain its relentless drive in raising standards to fulfil the maximum potential of its students; achieving high standards in terms of outcomes across the school and ensuring that all students are offered every opportunity to achieve wider success to the very best of their ability.

The trust will continue to raise results through partnerships with other schools, in particular our partner primary schools, focusing on literacy and numeracy intervention programmes and supported transition arrangements. We have established a close working relationship with two other stand alone secondary academies in Cornwall, sharing best practice, policy development, benchmarking and curriculum development.

The trust will ensure all resources and levels of staffing are available to deliver the exciting and creative curriculum and to meet any identified needs.

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

Plans for future periods (continued)

Strategic direction and the school's strategic plan continue to focus on the following:

- quality of education
- staff development and wellbeing
- leadership and management including finance and infrastructure
- behaviour and attitudes, wellbeing and resilience
- outstanding governance
- personal development and cultural currency

Funds held as custodian on behalf of others

The school does not hold any funds as custodian trustee.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 17 December 2025 and signed on its behalf by:



A Tullett
(Chair of Trustees)

PENAIR SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge our overall responsibility for ensuring that Penair School has an effective and appropriate system of control, financial and otherwise. Such a system however is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in DfE's Academy Trust Governance Guide and competency framework for governance.

The Governing Body has delegated day-to-day responsibility to J C Davidson, Headteacher, as accounting officer, for ensuring financial controls conform to 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 Penair School and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Governing Body has formally met 5 times during the year in addition to the Annual General Meeting.

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

Trustee	Meetings attended	Out of a possible
J Davidson, Head Teacher	5	5
C Howard	4	5
C Parham	5	5
C Pascoe	2	5
S Pope	4	5
M Spencer	4	5
R Trowman	5	5
E Seale, Chair of Trustees	5	5
M Kerr	3	5
S Griffiths	3	5
T Mason	3	4
R Schofield	4	4

M Kerr and E Seale resigned as trustees and T Mason and R Schofield were appointed as trustees in the period. The governing committees met as scheduled, during which analysis of each committee's data was reviewed. Each committee's review contributed to the enhancement of the full governing board's transparency enabling effective decision making. Further detail on how effective oversight of funds is maintained is included in the review of value for money below.

Conflicts of interest

In order to identify, avoid and manage conflicts of interest or related party transactions within the school, Trustees and senior leaders complete an annual declaration of interest which is held by the Clerk to the Board of Trustees. The first item on every committee meeting's agenda is the declaration of any business or pecuniary interest by its members and any related party transactions are considered when awarding contracts. Any related party transactions that arise are reported to the DfE.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews

During the year 2024/2025, the Governing Body continued to develop its governance arrangements. The board operates a cycle of continuous reflection and improvement to ensure its governance arrangements continue to be fit for purpose and, meet the expectations of the academy's stakeholders. During the year, the Chair continued to further strengthen Penair's strategic planning, board governance and assurance arrangements.

The progress made in the previous year was further embedded.

Achievements during the 2024/2025 year include:

- The strategic plan was reviewed and updated in line with national priorities as well as reflecting local decision-making. Revisions were developed in collaboration with governors through meetings of the Strategy Committee, and subsequently approved by the full Board. The relationship between the school's operational improvement plan and strategic plan continue to be aligned so that governors and senior leaders are focusing on the same objectives and key milestones.
- The work of the Internal Audit service provided by Cornwall Council has been reviewed by the Business, Audit and Risk Committee during the financial year. This is so that the Board can be confident that the strength testing of its internal control system is comprehensive, and produces a robust level of assurance. The school's internal scrutiny framework has been updated and continues to align to the strategic risk register. The framework provides a dynamic tool whereby governors can record their controls and assurance needs and expectations. The Trustee board and its committee agendas have been cross-referenced to the plan to ensure that there is a clear thread between the Trustees' strategic role and the levels and sources of assurance they expect to receive during the course of the academic year.
- The school's governance framework document is reviewed annually and this year was no exception. Forward planning cycles for the board and its committees were critically examined at the end of the academic year by the outgoing Chair. Full Trustee Board approval for the changes is sought in the following autumn term, subject to the incoming Chair's agreement.
- A recruitment programme took place during 2024/25 academic year to replace the retiring Chair of Trustees. Although challenging, a successful candidate was put forward. The appointment is subject to full Board approval early in the 2025/26 autumn term.
- The Board continues to build on its aspiration to widen stakeholder engagement as part of its ongoing development of the school's strategic plan and strategic direction.

The Business, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity and to provide support and guidance for all matters relating to the school premises, grounds, security and health and safety
- Make appropriate comments and recommendations on such matters to the Governing Body on a regular basis
- Function as the trust's audit and risk committee in accordance with the Academy Trust Handbook

Major issues and decisions referred to the full governing board for ratification, unless otherwise delegated.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Davidson	5	5
E Seale	5	5
M Kerr	2	5
T Mason	3	3
C Pascoe	5	5
M Spencer	4	5

Review of value for money

As accounting officer, the Headteacher 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 where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

Improving Outcomes

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

- targeting resources in line with the strategic priorities
- recruitment or redeployment of specialist teaching assistants to support the identified needs
- implementing initiatives to ensure pupils learning is child led and initiated, underpinned by competencies and is challenging enough to meet individual needs
- professional development for middle leaders, teaching staff and teaching assistants
- developing the assessment, tracking and monitoring processes to ensure data is used to inform planning, target interventions and support differentiation, including regular internal and Senior Leadership team meetings to review progress and impact of interventions for different groups of pupils
- developing new staff performance review and appraisal processes for effective monitoring of performance
- exploring alternative purchasing options both on-line and direct through suppliers to find the best value
- working with other local schools in partnership to identify products and services that can be procured across a number of schools in order to drive down cost and/or negotiate favourable rates e.g. maintenance, health and safety and facilities contracts
- implementing a tender process for significant purchases and/or contracts, for example estate development.
- ensuring funding is directed to address the repair and improvement priorities of the school, maintaining a safe and comfortable environment for teaching and learning. The school achieves this through, a fully costed Asset Management Plan and adopting the Good Estates Management for Schools (GEMS) framework.

The effectiveness of these strategies can be seen in improved pupil progress, attainment and outcomes, and staff observations.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Financial Governance and Oversight

Our governance arrangements include regular monitoring by the Chair of Trustees (monthly), the Board of Trustees and the Business, Audit and Risk Committee.

The work of the Business, Audit and Risk Committee is further informed by regular internal audit and assurance reporting carried out by Cornwall Council Internal Audit Service, along with on-going support from our external auditors.

Penair School maintains effective oversight of funds through both its full Board of Trustees meetings and the meetings of its Business, Audit and Risk Committee. The full Board meets four times each year and always discusses the financial position of the school at these meetings. The Business, Audit and Risk Committee meet at least four times a year and closely monitors the financial position. In addition, a Strategy Committee meets at least once a year to review the school's strategic plan. As part of this work, it considers all major risks that would prevent delivery of the school's strategic objectives, including those relating to its finances. All governors are invited to attend and contribute to meetings of the Strategy Committee.

Better Purchasing

Examples of steps taken to ensure value for money when purchasing include:

All contracts are reviewed on an annual basis to ensure they are fit for purpose and best value partnering with other trusts when tendering for service contracts to benefit from economies of scale using schools' buying groups to access framework agreements

The trust worked with suppliers to ensure that spending was regular, proper and presented value for money in line with the requirements of the Academy Trust Handbook and ensured appropriate and proportionate due diligence was carried out to ensure any relief was necessary for the continuity of supply of a critical service.

Better Income Generation

Examples of steps to maximise income include:

- the school's banking arrangements ensure that where cash flow allows, monies are transferred into a higher interest account.
- leasing part of the school grounds to a commercial company.
- letting school facilities out to the local community

Reviewing Controls and Managing Risks

The senior leadership team and budget holders have reviewed regular budget reports, including future recommendations. This has ensured that spending is within budget and forward plans are agreed and implemented when there has been any variance.

Actions taken to manage risk include the school's use of professional advice from its human resources and legal service providers when required.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Future Objectives

We recognise the need to continue developing relationships with other academies and/or local schools, in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skill and expertise.

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 Penair School for the year 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. All strategic risks are captured in the school's strategic risk register which is under the ownership of the board. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing Penair School'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. Strategic risks are regularly reviewed by the Board of Trustees who receive cyclical risk management reports from the school's business manager, in line with the school's risk management strategy and procedure.

The strategic risk register is underpinned by the operational risk register, the owners of which are the senior leadership team. The designated areas of the operational risk register are reviewed on an annual basis by the school's senior leaders.

The risk and control framework

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

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

PENAIR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

As the Academy Trust Handbook includes internal scrutiny compliance other than those of a financial nature, the Board of Trustees has strengthened their internal scrutiny arrangements and continues to engage the services of Cornwall Council's Internal Audit service which is staffed by qualified and experienced auditors. This has enabled the school to strengthen its reviews of its internal control systems. Audits/reviews completed in the current period include:

- recruitment, selection and onboarding (follow up)
- procurement

The agreed schedule of work was completed during the 2024/25 financial year.

The Board of Trustees has decided to employ Cornwall Council as internal auditor.

On a semi-annual basis, the internal auditor reports to the Board of Trustees through the Business. Audit and Risk committee. Reports provide the Committee with an opinion on the level of assurance, level of risk and priority areas for action from the fieldwork completed. The planned areas of internal control are set out in the school's internal scrutiny framework and agreed at the beginning of each financial year. There were no material control or other issues reported during the 2024/2025 financial year.

Review of effectiveness

As accounting officer, the Headteacher 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 responsible officer;
- the financial management and governance self-assessment process
- the work of the senior management team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Conclusion

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

Approved by order of the members of the Board of Trustees on 17 December 2025 and signed on their behalf by:



A Tullett
Chair of Trustees



J Davidson
Accounting Officer

PENAIR SCHOOL
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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Penair School, I have considered my responsibility to notify the Academy Board of Trustees and the Department for Education (DfE) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2024, including responsibilities for estates safety and management.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2024.

I confirm that no instances of material irregularity, impropriety or funding 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.

James Davidson

J Davidson
Accounting Officer

Date: 17 December 2025

PENAIR SCHOOL
(A company limited by guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 17 December 2025 and signed on its behalf by:



A Tullett
(Chair of Trustees)

PENAIR SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PENAIR SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy'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.

PENAIR SCHOOL
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PENAIR SCHOOL (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

PENAIR SCHOOL
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PENAIR SCHOOL (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Our audit procedures have reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as an ongoing consideration of fraud and irregularities during the whole audit process.

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.

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

PENAIR SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PENAIR SCHOOL (CONTINUED)

Use of our report

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



Laura Waycott FCA (Senior statutory auditor)

For and on behalf of

Griffin

Statutory Auditor

Courtenay House

Pynes Hill

Exeter

EX2 5AZ

19/12/25

PENAIR SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PENAIR SCHOOL AND THE SECRETARY OF STATE FOR EDUCATION

In accordance with the terms of our engagement letter dated 16 April 2025 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts 2024 to 2025, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Penair School during the year 1 September 2024 to 31 August 2025 have not been applied to the purposes identified by Parliament and that the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of Penair School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Penair School's funding agreement with the Secretary of State for Education dated 1 April 2011 and the Academy Trust Handbook, extant from 1 September 2024, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by DfE. We performed a limited assurance engagement as defined 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's income and expenditure.

The work undertaken to draw our conclusion includes:

- Review of governance procedures
- Evaluation and testing of the system of internal controls, such as authorisation and value for money procedures
- Substantive testing on relevant transactions

PENAIR SCHOOL
(A company limited by guarantee)

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

Conclusion

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



Reporting Accountant

Griffin
Courtenay House
Pynes Hill
Exeter
EX2 5AZ

Date: 19/12/25

PENAIR SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:						
Donations and capital grants	3	-	2,166	16,595	18,761	126,806
Other trading activities	5	134,998	-	-	134,998	134,338
Investments	6	24,402	-	-	24,402	25,245
Charitable activities	4	369,534	9,109,382	-	9,478,916	8,383,215
Total income		528,934	9,111,548	16,595	9,657,077	8,669,604
Expenditure on:						
Charitable activities	8	87,692	9,103,004	643,685	9,834,381	9,104,888
Total expenditure		87,692	9,103,004	643,685	9,834,381	9,104,888
Net income/(expenditure)		441,242	8,544	(627,090)	(177,304)	(435,284)
Transfers between funds	17	(61,202)	(178,314)	239,516	-	-
Net movement in funds before other recognised gains/(losses)		380,040	(169,770)	(387,574)	(177,304)	(435,284)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(9,000)	-	(9,000)	57,000
Net movement in funds		380,040	(178,770)	(387,574)	(186,304)	(378,284)
Reconciliation of funds:						
Total funds brought forward		353,057	274,134	17,253,706	17,880,897	18,259,181
Net movement in funds		380,040	(178,770)	(387,574)	(186,304)	(378,284)
Total funds carried forward		733,097	95,364	16,866,132	17,694,593	17,880,897

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 58 form part of these financial statements.

PENAIR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07557657

BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	16,926,193	17,187,686
		<u>16,926,193</u>	<u>17,187,686</u>
Current assets			
Debtors	14	265,025	502,090
Cash at bank and in hand		1,060,507	964,621
		<u>1,325,532</u>	<u>1,466,711</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(506,414)	(640,339)
Net current assets		<u>819,118</u>	<u>826,372</u>
Total assets less current liabilities		<u>17,745,311</u>	<u>18,014,058</u>
Creditors: amounts falling due after more than one year	16	(50,718)	(61,161)
Net assets excluding pension asset / liability		<u>17,694,593</u>	<u>17,952,897</u>
Defined benefit pension scheme asset / liability	25	-	(72,000)
Total net assets		<u><u>17,694,593</u></u>	<u><u>17,880,897</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	16,866,132	17,253,706
Restricted income funds	17	95,364	346,134
Restricted funds excluding pension asset	17	16,961,496	17,599,840
Pension reserve	17	-	(72,000)
Total restricted funds	17	<u>16,961,496</u>	<u>17,527,840</u>
Unrestricted income funds	17	<u>733,097</u>	<u>353,057</u>
Total funds		<u><u>17,694,593</u></u>	<u><u>17,880,897</u></u>

PENAIR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07557657

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2025

The financial statements on pages 26 to 58 were approved by the Trustees, and authorised for issue on 17 December 2025 and are signed on their behalf, by:



A Tullett
(Chair of Trustees)

The notes on pages 30 to 58 form part of these financial statements.

PENAIR SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	446,715	(120,160)
Cash flows from investing activities			
	21	(341,195)	(116,292)
Cash flows from financing activities			
	20	(9,634)	(9,268)
Change in cash and cash equivalents in the year		95,886	(245,720)
Cash and cash equivalents at the beginning of the year		964,621	1,210,341
Cash and cash equivalents at the end of the year	22, 23	1,060,507	964,621

The notes on pages 30 to 58 form part of these financial statements

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Board of Trustees has a reasonable expectation that the trust has adequate resources to continue to operate for the foreseeable future. The Trustees have considered a number of factors in arriving at this conclusion. The academy had a revenue reserves position at the 31 August 2025 of £828,431, with £1,060,507 held of cash at this date. From the management accounts prepared, the funds will continue to grow from this position.

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

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

1. Accounting policies (continued)

1.3 Income (continued)

• **Other income**

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

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

PENAIR SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Furniture and equipment	- 10 - 20% straight line
Computer equipment	- 33% straight line

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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 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.

PENAIR SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

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

1.12 Operating leases

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

1. Accounting policies (continued)

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing Combined Cadet Force funds from the DfE. Payments from the DfE and subsequent disbursements for equipment for the cadets are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The funds received, paid and any balances held at the period end are disclosed in Note 30.

1.15 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. A judgment has been made to cap any pension asset at £Nil, in order to reflect that no economic benefit is expected to be received, as detailed in note 25.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment (continued)

The valuation of land and buildings is a significant area of estimation within the financial statements. In accordance with the Academies Accounts Direction issued by the Department for Education (DfE), the academy trust recognises land and buildings at fair value on conversion or acquisition, based on a valuation commissioned by the DfE and carried out by independent professional valuers. Subsequent valuations are undertaken at least every five years, or sooner if there is evidence of material change. The valuation methodology used is Depreciated Replacement Cost (DRC), which reflects the cost of replacing the asset with a modern equivalent, adjusted for physical deterioration and obsolescence.

The academy trust recognises an accrual for staff back pay where there is a constructive obligation arising from contractual agreements, national pay awards, or other formal commitments. This estimate involves judgement regarding the timing, eligibility, and amount of backdated pay due to employees. Where final pay awards are pending, the trust uses best estimates based on available guidance and sector norms.

Depreciation is estimated over the useful life of an asset in order to write off the value of this asset in line with life.

Critical areas of judgment:

The academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

The actuary has valued the LGPS pension position as an overall asset of £764,000 at 31 August 2025. However, this asset has not been recognised on the balance sheet of the academy trust. Instead the year end position has been capped at £Nil. Academy trusts are pooled within their respective Local Government Pension Schemes and a refund from the scheme is considered unlikely. Therefore, as the academy trust will not gain any future economic benefits as a result of the asset position, it is not considered appropriate to recognise this as an asset on the balance sheet.

3. Income from donations and capital grants

	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £
Donations	2,166	-	2,166
Capital Grants	-	16,595	16,595
	<u>2,166</u>	<u>16,595</u>	<u>18,761</u>

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

3. Income from donations and capital grants (continued)

	<i>Restricted funds 2024 £</i>	<i>Restricted fixed asset funds 2024 £</i>	<i>Total funds 2024 £</i>
Donations	2,239	-	2,239
Capital Grants	-	124,567	124,567
	<u>2,239</u>	<u>124,567</u>	<u>126,806</u>

4. Funding for the Academy's charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Educational operations			
DfE grants			
General Annual Grant	-	7,425,311	7,425,311
Other DfE grants			
Pupil Premium	-	293,810	293,810
Teachers Pay and Pension Grant	-	287,148	287,148
Core Schools Budget Grant	-	273,685	273,685
Others	-	54,724	54,724
	<u>-</u>	<u>8,334,678</u>	<u>8,334,678</u>
Other Government grants			
High Needs	-	188,447	188,447
Other LA Funding	-	347,882	347,882
	<u>-</u>	<u>536,329</u>	<u>536,329</u>
Non-government grants and other income			
Catering income	369,534	-	369,534
Educational visits income	-	238,375	238,375
	<u>369,534</u>	<u>238,375</u>	<u>607,909</u>
	<u>369,534</u>	<u>9,109,382</u>	<u>9,478,916</u>
	<u>369,534</u>	<u>9,109,382</u>	<u>9,478,916</u>

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

4. Funding for the Academy's charitable activities (continued)

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Educational operations			
DfE grants			
General Annual Grant	-	6,710,491	6,710,491
Other DfE grants			
Recovery Premium	-	64,860	64,860
Pupil Premium	-	274,599	274,599
Mainstream Schools Additional Grant	-	237,813	237,813
Teachers Pay and Pension Grant	-	190,564	190,564
Others	-	24,789	24,789
	-	7,503,116	7,503,116
Other Government grants			
High Needs	-	125,636	125,636
Other LA Funding	-	266,586	266,586
	-	392,222	392,222
Non-government grants and other income			
Catering income	226,053	-	226,053
Educational visits income	-	261,824	261,824
	226,053	261,824	487,877
	226,053	8,157,162	8,383,215
	226,053	8,157,162	8,383,215

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

5. Income from other trading activities

	Unrestricted funds 2025 £	Total funds 2025 £
Hire of facilities	53,782	53,782
Recharges and reimbursements	7,554	7,554
Other income	73,662	73,662
	134,998	134,998

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Hire of facilities	39,724	-	39,724
Recharges and reimbursements	8,795	7,500	16,295
Other income	77,828	491	78,319
	126,347	7,991	134,338

6. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £
Bank interest	24,402	24,402
	24,402	24,402

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Bank interest	25,245	25,245
	25,245	25,245

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2025 £	Premises 2025 £	Other 2025 £	Total 2025 £
Educational operations:				
Direct costs	5,577,362	302,140	1,301,544	7,181,046
Allocated support costs	1,220,698	599,934	832,703	2,653,335
	<u>6,798,060</u>	<u>902,074</u>	<u>2,134,247</u>	<u>9,834,381</u>

	<i>Staff Costs 2024 £</i>	<i>As restated Premises 2024 £</i>	<i>As restated Other 2024 £</i>	<i>Total 2024 £</i>
Educational operations:				
Direct costs	5,054,262	304,857	1,291,282	6,650,401
Allocated support costs	1,104,437	582,529	767,521	2,454,487
	<u>6,158,699</u>	<u>887,386</u>	<u>2,058,803</u>	<u>9,104,888</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Education	<u>7,181,046</u>	<u>2,653,335</u>	<u>9,834,381</u>

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

8. Analysis of expenditure by activities (continued)

	<i>As restated Activities undertaken directly 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Education	6,650,401	2,454,487	9,104,888

Analysis of direct costs

	Total funds 2025 £	<i>Total funds 2024 £</i>
Staff costs	5,405,287	4,802,915
Depreciation	521,807	528,209
Educational resources	991,077	980,094
Technology costs	90,800	87,836
Agency supply costs	172,075	251,347
	7,181,046	6,650,401

Analysis of support costs

	Total funds 2025 £	<i>Total funds 2024 £</i>
Pension finance costs	1,000	8,000
Staff costs	1,220,698	1,104,437
Depreciation	121,878	108,943
Premises costs	529,363	519,653
Technology costs	49,126	43,665
Legal and professional	4,769	4,840
Other support costs	704,039	640,944
Governance costs	22,462	24,005
	2,653,335	2,454,487

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2025 £	2024 £
Operating lease rentals	64,046	64,046
Depreciation of tangible fixed assets	643,685	637,152
Fees paid to auditors for:		
- audit	8,950	13,300
- other services	1,750	6,365
	658,381	723,163

10. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2025 £	2024 £
Wages and salaries	4,863,775	4,414,659
Social security costs	553,070	452,309
Pension costs	1,209,140	1,022,182
	6,625,985	5,889,150
Agency staff costs	172,075	251,347
Staff restructuring costs	-	18,202
	6,798,060	6,158,699
	2025 £	2024 £
Severance payments	-	18,202
	-	18,202

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

b. Severance payments

The Academy paid £Nil severance payments in the year (2024 - 1), disclosed in the following bands:

	2025 No.	<i>2024 No.</i>
£0 - £25,000	-	1
	<u> </u>	<u> </u>

c. Non statutory/non-contractual staff severance payments

There have not been any staff restructuring costs in this financial year for non statutory/non-contractual payments (2024: £10,921).

d. Staff numbers

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

	2025 No.	<i>2024 No.</i>
Teachers	78	66
Administration and support	57	51
Management	9	9
	<u> </u>	<u> </u>
	144	126
	<u> </u>	<u> </u>

e. Higher paid staff

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

	2025 No.	<i>2024 No.</i>
In the band £60,001 - £70,000	6	3
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	-	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u> </u>	<u> </u>

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

10. Staff (continued)

f. Key management personnel

The key management personnel of the Academy 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 was £886,565 (2024 - £853,996).

11. Trustees' remuneration and expenses

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

		2025	2024
		£	£
J Davidson, Head Teacher	Remuneration	110,000 - 115,000	<i>100,000 - 105,000</i>
	Pension contributions paid	30,000 - 35,000	<i>25,000 - 30,000</i>

During the year ended 31 August 2025, expenses totalling £92 were reimbursed or paid directly to 1 Trustee (2024 - £79 to 1 Trustee). These expenses related to travel.

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2025 was £34,886 (2024 - £33,841). The cost of this insurance is included in the total insurance cost.

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

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2024	20,095,644	2,156,621	571,839	22,824,104
Additions	215,368	43,560	123,264	382,192
Disposals	-	-	(124,746)	(124,746)
At 31 August 2025	<u>20,311,012</u>	<u>2,200,181</u>	<u>570,357</u>	<u>23,081,550</u>
Depreciation				
At 1 September 2024	3,514,350	1,619,959	502,109	5,636,418
Charge for the year	372,711	202,878	68,096	643,685
On disposals	-	-	(124,746)	(124,746)
At 31 August 2025	<u>3,887,061</u>	<u>1,822,837</u>	<u>445,459</u>	<u>6,155,357</u>
Net book value				
At 31 August 2025	<u><u>16,423,951</u></u>	<u><u>377,344</u></u>	<u><u>124,898</u></u>	<u><u>16,926,193</u></u>
<i>At 31 August 2024</i>	<u><u>16,581,294</u></u>	<u><u>536,662</u></u>	<u><u>69,730</u></u>	<u><u>17,187,686</u></u>

The value of land not depreciated included in the net book value of freehold property displayed above is £1,568,996 (2024: £1,568,996)

The Academy's transactions relating to land and buildings included the granting of a leasehold on the school's land for £7,873 per annum over a term of 3 years, which increases after this time period.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	20,936	11,257
Prepayments and accrued income	193,986	417,965
Tax recoverable	50,103	72,868
	265,025	502,090
	265,025	502,090

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Other loans	9,343	9,343
Trade creditors	161,508	224,922
Other taxation and social security	130,119	105,167
Other creditors	147,625	131,804
Accruals and deferred income	57,819	169,103
	506,414	640,339
	506,414	640,339

Loans consist of £2,278 from Salix which is interest free and repayable over 8 years and £7,065 from CIF on which interest is charged at 1.95% to 2.07% and is repayable over 10 years.

	2025 £	2024 £
Deferred income at 1 September 2024	7,921	653
Resources deferred during the year	20,926	7,921
Amounts released from previous periods	(7,921)	(653)
	20,926	7,921
	20,926	7,921

At the balance sheet date, the academy was holding funds received in advance of the 2025/26 financial year totalling £20,926 (2024: £7,921). The deferred income is made up of £20,270 (2024: £7,265) of school trips and £656 (2024: £656) of rental income.

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

16. Creditors: Amounts falling due after more than one year

	2025	<i>2024</i>
	£	£
Other loans	50,718	<i>61,161</i>

Loans consist of £5,923 from Salix which is interest free and repayable over 8 years and £44,795 from CIF on which interest is charged at 1.95% to 2.07% and is repayable over 10 years.

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

17. Statement of funds

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
Unrestricted funds						
General funds	353,057	528,934	(87,692)	(61,202)	-	733,097
Restricted general funds						
General Annual Grant (GAG)	90,686	7,425,311	(7,337,683)	(178,314)	-	-
Pupil Premium	-	302,953	(302,953)	-	-	-
Recovery Premium	54,838	-	(20,381)	-	-	34,457
Core School Budget Grant	-	273,685	(273,685)	-	-	-
Teachers Pay and Pension Grant	-	287,148	(287,148)	-	-	-
Other DfE Grants	-	61,538	(61,538)	-	-	-
SEN Income	-	188,447	(188,447)	-	-	-
Growth Funding	142,868	286,013	(414,957)	-	-	13,924
Other LA	15,953	1,379	(5,405)	-	-	11,927
Other Restricted	41,789	285,074	(291,807)	-	-	35,056
Pension reserve	(72,000)	-	81,000	-	(9,000)	-
	274,134	9,111,548	(9,103,004)	(178,314)	(9,000)	95,364

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

**Restricted fixed
asset funds**

Transfer on conversion	8,525,324	-	(206,335)	-	-	8,318,989
Assets purchased since conversion	8,662,361	-	(437,350)	382,193	-	8,607,204
DfE capital grants	1,760	16,595	-	(18,355)	-	-
Other capital grants	64,261	-	-	(64,261)	-	-
DfE Loans	-	-	-	(60,061)	-	(60,061)
	<u>17,253,706</u>	<u>16,595</u>	<u>(643,685)</u>	<u>239,516</u>	<u>-</u>	<u>16,866,132</u>
Total Restricted funds	<u>17,527,840</u>	<u>9,128,143</u>	<u>(9,746,689)</u>	<u>61,202</u>	<u>(9,000)</u>	<u>16,961,496</u>
Total funds	<u><u>17,880,897</u></u>	<u><u>9,657,077</u></u>	<u><u>(9,834,381)</u></u>	<u><u>-</u></u>	<u><u>(9,000)</u></u>	<u><u>17,694,593</u></u>

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

Restricted Funds

General Annual Grant (GAG)

Income from the DfE which is to be used for the normal running costs of the academy, including education and support costs.

Pupil Premium

Funding received from the DfE for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Recovery Premium

Recovery premium is received from the DfE in response to the COVID-19 pandemic.

SEN income

Income received from the Local Authority to fund further support for pupils with additional needs.

Core Schools Budget Grant

DfE funding to support schools with inflationary increase in daily running and operating costs.

Teachers Pay and Pension Grants

Additional DfE funding to fund the increase in teachers salary costs.

Other DfE income

This represents other funding from the DfE such as NIC Grant and Mentor income.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Growth Funding

This represents income received from the Local Authority to help facilitate increasing pupil numbers within the academy.

Other LA income

Funding received from the Government and Local Authority to be used for the normal running costs of the academy, including education and support costs.

Other Restricted income

This income comprises funds received for specific purposes such as educational visits.

Pension Reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

Restricted Fixed Asset Funds

Transfer on conversion

Funds that represent the fixed assets owned by the academy at the point of their conversion.

Assets purchased since conversion

Funds transferred from the unrestricted funds and restricted GAG fund to purchase fixed assets.

DfE capital grants

Funds left unspent that were received from the DfE for the purchase of fixed assets.

Other capital grants

Funds left unspent that were received from other grant sources for the purchase of fixed assets.

DfE loans

This represents the outstanding balance of salix and CIF loans at the year end.

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

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

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2024 £</i>
Unrestricted funds						
General funds	277,154	377,645	(242,705)	(59,037)	-	353,057
Restricted general funds						
General Annual Grant (GAG)	239,032	6,710,491	(6,863,339)	4,502	-	90,686
Pupil Premium	-	274,599	(274,599)	-	-	-
Recovery Premium	68,636	64,860	(78,658)	-	-	54,838
National Tutoring Funding	-	15,660	(15,660)	-	-	-
Other DfE Grants	-	437,506	(437,506)	-	-	-
SEN Income	-	125,636	(125,636)	-	-	-
Growth Funding	120,393	145,488	(61,686)	(61,327)	-	142,868
Other LA	24,173	121,098	(124,816)	(4,502)	-	15,953
Other Restricted	66,866	272,054	(297,131)	-	-	41,789
Pension reserve	(183,000)	-	54,000	-	57,000	(72,000)
	<u>336,100</u>	<u>8,167,392</u>	<u>(8,225,031)</u>	<u>(61,327)</u>	<u>57,000</u>	<u>274,134</u>

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17. Statement of funds (continued)

**Restricted fixed
asset funds**

Transfer on conversion	8,929,027	-	(403,703)	-	-	8,525,324
Assets purchased since conversion	8,629,707	-	(233,449)	266,103	-	8,662,361
DfE capital grants	15,839	124,567	-	(138,646)	-	1,760
Other capital grants	71,354	-	-	(7,093)	-	64,261
	<u>17,645,927</u>	<u>124,567</u>	<u>(637,152)</u>	<u>120,364</u>	<u>-</u>	<u>17,253,706</u>
Total Restricted funds	<u>17,982,027</u>	<u>8,291,959</u>	<u>(8,862,183)</u>	<u>59,037</u>	<u>57,000</u>	<u>17,527,840</u>
Total funds	<u><u>18,259,181</u></u>	<u><u>8,669,604</u></u>	<u><u>(9,104,888)</u></u>	<u><u>-</u></u>	<u><u>57,000</u></u>	<u><u>17,880,897</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	-	16,926,193	16,926,193
Current assets	733,097	592,435	-	1,325,532
Creditors due within one year	-	(497,071)	(9,343)	(506,414)
Creditors due in more than one year	-	-	(50,718)	(50,718)
Total	<u><u>733,097</u></u>	<u><u>95,364</u></u>	<u><u>16,866,132</u></u>	<u><u>17,694,593</u></u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Restricted fixed asset funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	-	-	17,187,686	17,187,686
Current assets	353,057	937,642	176,012	1,466,711
Creditors due within one year	-	(530,347)	(109,992)	(640,339)
Creditors due in more than one year	-	(61,161)	-	(61,161)
Provisions for liabilities and charges	-	(72,000)	-	(72,000)
Total	353,057	274,134	17,253,706	17,880,897

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

	2025 £	2024 £
Net expenditure for the year (as per Statement of financial activities)	(177,304)	(435,284)
Adjustments for:		
Depreciation	643,685	637,152
Capital grants from DfE and other capital income	(16,595)	(124,567)
Interest receivable	(24,402)	(25,245)
Defined benefit pension scheme obligation inherited	(82,000)	(62,000)
Defined benefit pension scheme finance cost	1,000	8,000
Decrease/(increase) in debtors	237,065	(80,790)
Decrease in creditors	(134,734)	(37,426)
Net cash provided by/(used in) operating activities	446,715	(120,160)

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20. Cash flows from financing activities

	2025 £	2024 £
Repayments of borrowing	(9,634)	(9,268)
Net cash used in financing activities	(9,634)	(9,268)

21. Cash flows from investing activities

	2025 £	2024 £
Dividends, interest and rents from investments	24,402	25,245
Purchase of tangible fixed assets	(382,192)	(266,104)
Capital grants from DfE Group	16,595	124,567
Net cash used in investing activities	(341,195)	(116,292)

22. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand and at bank	1,060,507	964,621
Total cash and cash equivalents	1,060,507	964,621

23. Analysis of changes in net debt

	At 1 September 2024 £	Cash flows £	Other non- cash changes £	At 31 August 2025 £
Cash at bank and in hand	964,621	95,886	-	1,060,507
Debt due within 1 year	(9,343)	10,443	(10,443)	(9,343)
Debt due after 1 year	(61,161)	-	10,443	(50,718)
	894,117	106,329	-	1,000,446

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24. Contingent asset

The actuary has valued the LGPS pension position as an overall asset of £764,000 at 31 August 2025. However, this asset has not been recognised on the balance sheet of the academy trust. Instead the year end position has been capped at £Nil. Academy trusts are pooled within their respective Local Government Pension Schemes and a refund from the scheme is considered unlikely. Therefore, as the academy trust will not gain any future economic benefits as a result of the asset position, it is not considered appropriate to recognise this as an asset on the balance sheet.

25. Pension commitments

The Academy'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 Cornwall County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £142,733 were payable to the schemes at 31 August 2025 (2024 - £131,804) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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25. Pension commitments (continued)

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 TPS in the year amounted to £1,014,723 (2024 - £836,661).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Academy 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 has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £345,000 (2024 - £306,000), of which employer's contributions totalled £278,000 (2024 - £246,000) and employees' contributions totalled £67,000 (2024 - £60,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2025	2024
	%	%
Rate of increase in salaries	2.70	2.65
Rate of increase for pensions in payment/inflation	2.70	2.65
Discount rate for scheme liabilities	6.05	5.00
Inflation assumption (CPI)	2.70	2.65

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25. Pension commitments (continued)

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

	2025 Years	<i>2024 Years</i>
<i>Retiring today</i>		
Males	20.50	<i>20.30</i>
Females	24.20	<i>24.20</i>
<i>Retiring in 20 years</i>		
Males	22.10	<i>21.80</i>
Females	25.50	<i>25.40</i>

Sensitivity analysis

	2025 £000	<i>2024 £000</i>
Discount rate +0.1%	72,000	<i>86,000</i>
Discount rate -0.1%	(72,000)	<i>(86,000)</i>
Mortality assumption - 1 year increase	(144,000)	<i>(162,000)</i>
Mortality assumption - 1 year decrease	144,000	<i>162,000</i>
CPI rate +0.1%	(73,000)	<i>(86,000)</i>
CPI rate -0.1%	73,000	<i>86,000</i>

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31 August 2025 £	<i>At 31 August 2024 £</i>
Equities	2,702,000	<i>2,382,000</i>
Property	261,000	<i>238,000</i>
Cash and other liquid assets	87,000	<i>79,000</i>
Bonds	1,308,000	<i>1,270,000</i>
Total market value of assets	4,358,000	<i>3,969,000</i>

The actual return on scheme assets was £137,000 (2024 - £235,000).

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25. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2025 £	2024 £
Current service cost	(196,000)	(184,000)
Interest income	205,000	188,000
Interest cost	(206,000)	(196,000)
Total amount recognised in the Statement of financial activities	(197,000)	(192,000)

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

	2025 £	2024 £
At 1 September	4,041,000	3,701,000
Current service cost	196,000	184,000
Interest cost	206,000	196,000
Employee contributions	67,000	60,000
Actuarial gains	(59,000)	(10,000)
Benefits paid	(93,000)	(90,000)
At 31 August	4,358,000	4,041,000

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

	2025 £	2024 £
At 1 September	3,969,000	3,518,000
Interest income	205,000	188,000
Actuarial (losses)/gains	(68,000)	47,000
Employer contributions	278,000	246,000
Employee contributions	67,000	60,000
Benefits paid	(93,000)	(90,000)
At 31 August	4,358,000	3,969,000

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26. Operating lease commitments

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

	2025 £	2024 £
Not later than 1 year	63,458	64,046
Later than 1 year and not later than 5 years	107,310	170,768
	<u>170,768</u>	<u>234,814</u>

27. Members' liability

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

28. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

29. Agency arrangements

The academy distributes funds for the combined cadet force for their distinct purposes as an agent for the DfE. In the accounting period ended 31 August 2025, the academy received £6,373 (2024: £5,039) and disbursed £2,948 (2024: 5,039) from the fund. An amount of NIL (2024: NIL) is included in other creditors relating to undistributed funds that is repayable to the DfE.

