

Streets.

## REPORT TO TRUSTEES

Prepared for

Sir Robert Pattinson  
Academy

Year ended 31 August 2025

Streets Audit LLP



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## 1. Introduction

Streets is a top 40 firm of Chartered Accountants with multiple offices across the country.

Streets Audit LLP is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details of our registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under the reference number C001217999.

The purpose of this report is to summarise the key issues arising from the audit of the Financial Statements for the year ended 31 August 2025 and report any significant accounting matters or weaknesses in internal controls that have come to our attention during the audit.

As the auditor, we are responsible for performing the audit, in accordance with International Standards on Auditing (UK).

As required by ISA 260, we are communicating the matters contained in this report to you formally.

This report has been prepared for the sole use of Sir Robert Pattinson Academy. It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person.

## 2. Audit Communication

We have audited the statutory financial statements of Sir Robert Pattinson Academy for the year ended 31 August 2025 in accordance with the terms of our engagement letter. We draw your attention to the following points, as required by auditing standards:

### 2.1. Qualitative aspects of the trust's accounting practices and financial reporting

We have no comments to make concerning the qualitative aspects of the trust's accounting practices and financial reporting.

### 2.2. Unadjusted misstatements

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value items to the extent that our audit identifies these.

Under ISA (UK) 260 "Communication with those charged with governance", we are obligated to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

This report documents potential misstatements identified during the course of the audit. We would welcome your confirmation that you do not wish to adjust the financial statements for these items, together with your reasoning.

In this report, we also include any adjustments made to the financial statements during the course of the audit. We would welcome your confirmation of these adjustments being made.

### 2.3. Material weaknesses in the accounting and internal control systems

As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our risk assessment of the financial statements being materially misstated.

This report contains details of areas which were identified during the course of the audit and our recommendations. It is not intended to be a full list of all potential weaknesses that may be present in your systems.

## 2.4. Letter of representation

We will request letters of representation from you prior to signing the auditor's report and regularity assurance report. This will need to be signed by all the trustees. Alternatively, we will require a copy of the board minute which documents the trustees' consideration and acceptance of their contents.

A copy of the letters are included in Appendix 1 and 2.

## 2.5. Expected modifications to the auditor's report

Subject to receiving all the remaining confirmations and outstanding matters noted in section 2.8 below, we do not propose to modify the audit report.

## 2.6. Fraud and suspected fraud

We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.

Our work as the auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.

## 2.7. Related parties

There were no significant matters arising during the audit in connection with the trust's related parties.

## 2.8. Outstanding matters

We draw your attention to the following information which is outstanding at the point of issuing this report. We will be unable to issue final audited financial statements until we have received the following items which are discussed further in this report;

- a) Receipt of the final outstanding information from our audit fieldwork, as communicated with Jane Gothorp (Business Manager)
- b) Confirmation/decisions on the points included in this report as appropriate
- c) Completion of our Post Balance Sheet Events work up to the date of signing the audit report
- d) Receipt of the signed letters of representation, draft accounts and copy meeting minutes (where signed by one trustee on behalf of the board)

## 3. Significant Audit Findings

Our general audit approach was determined by our assessment of the audit risk, both in terms of the potential misstatement in the financial statements and of the control environment in which the academy trust operates.

To summarise our approach, we:

- updated our understanding of the academy trust and its environment;
- reviewed the design and implementation of key internal financial control systems; and
- planned and performed an audit with professional scepticism recognising that circumstances may exist that cause the financial statements to be materially misstated.

Significant risks arise on most audits and are often derived from operational risks that may result in a material misstatement, relate to unusual transactions that occur infrequently, or judgemental matters where measurement is uncertain. In areas where we identified the potential for significant risk, we extended our audit testing to include more detailed substantive work. Our work in other areas was proportionally less.

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements. In general, misstatements, including omissions, are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in the light of surrounding circumstances and are affected by our perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both.

There were no changes to our audit approach as previously communicated to you.

The following areas are considered to be the key audit issues that arose during the year and should be reviewed by management to ensure that these conclusions are in accordance with their understanding.

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## 3.1. Significant risks

The below table summarises conclusions concerning the significant risks of material misstatement identified. These risks are considered to have a pervasive impact on the financial statements.

Significant risk areas identified	Audit Approach	Conclusion
<u>Fraud concerning income recognition</u>  In accordance with applicable auditing standards, we ordinarily presume that there are risks of fraud in income recognition.	We consider the type of income transactions within the trust which would give rise to such risks and performed appropriate work in order to ensure that income is materially accurate for the financial period.  Our work included reconciliation of Government and Local Authority grant income to remittances and payment schedules, and testing on a sample basis other income received for catering, schools trips and other activities.	No issues were identified during our audit procedures and we have nothing to report.
<u>Management override of controls</u>  Per auditing standards, we are required to include management override of controls as a default risk on all audits. This is regardless of whether any evidence has been observed in the year.	Our audit work included review of journal transactions on a sample basis and agreeing these to source documentation where appropriate.	No issues were identified during our audit procedures and we have nothing to report.
<u>Related party transactions</u>  The disclosure of related party transactions is an important element of transparency in trust financial reporting and considered material by nature to the financial statements. For this reason, our audit approach considers related party transactions a key risk for all charities.	Our testing was focused on the completeness of the related party transactions disclosed by management during the audit. This included review of available registers of business interests for trustees and key management, agreeing the accuracy of these to available public records, and performing a review for any transactions with these connected persons or organisations.	No significant issues were identified during our audit procedures.  We would welcome trustees' confirmation that note 29 to the financial statements is complete and there are no further transactions requiring disclosure.

Significant risk areas identified	Audit Approach	Conclusion
<p><u>Misappropriation of public funds</u></p> <p>The majority of income to the trust is through direct grant funding from the government's Department for Education (DfE), and therefore we consider a key audit risk to be the potential misappropriation of public funds.</p>	<p>We have considered this as part of our regularity assurance report work which is detailed in section 5 of this report.</p>	<p>Our regularity assurance report work did not identify any instances of misappropriation of public funds.</p>

## 3.2. Key accounting estimates

Key Accounting Estimate	Audit Approach	Conclusion
<p><u>Depreciation of tangible fixed assets</u></p> <p>Depreciation is charged on tangible fixed assets to write down the cost of an asset over its estimated useful life, reflecting the consumption of economic benefits.</p> <p>The selection of useful lives and depreciation methods requires management judgment and is therefore considered a key accounting estimate.</p>	<p>Our audit approach encompasses a review of the trust's depreciation policies, recalculation of depreciation charges, and assessment of the reasonableness of useful economic lives and residual values applied by management.</p> <p>We have compared estimates to prior periods to ensure consistency and evaluated whether management's assumptions were reasonable and in line with our understanding of the entity and the sector in which it operates.</p>	<p>No issues were identified during our audit procedures and we have nothing to report on this matter.</p>
<p><u>Local government pension scheme (LGPS)</u></p> <p>The trust's share of the LGPS plan assets and liabilities are recognised in the financial statements as a defined benefit pension scheme asset or liability.</p> <p>The valuation of the trust's share of the pension scheme's assets and liabilities is a key accounting estimate made by management. An independent actuary has prepared a valuation for the trust in line with the reporting requirements of FRS 102 accounting standards.</p>	<p>We have obtained the FRS 102 accounting valuation prepared by the actuary and considered the reliability of the report provided by the independent actuary.</p> <p>At the year-end, the assets of the plan exceeded the value of the liabilities per the valuation and as a result the trust's share was a surplus of £1,951,000 as at 31 August 2025.</p> <p>In accordance with FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.</p>	<p>A secondary contribution to the LGPS continues to be payable this coming year, and the projected service costs is less than the expected future employer contributions, which imply that no asset exists. As a result, the pension asset has not been recognised in the balance sheet of the draft financial statements.</p> <p>The asset and liability movements as included in the FRS 102 valuation report have been disclosed in the notes to the financial statements for transparency.</p> <p>We would welcome trustees' confirmation of this point.</p>

## 3.3. Other key audit areas

Key audit area	Audit Approach	Conclusion
<p><u>Payroll costs</u></p> <p>Staff salary costs represent the majority of trust expenditure, and therefore form a key focus for our audit procedures.</p> <p>The Academies Accounts Direction also requires disclosure in the accounts relating to higher paid staff, key management personnel costs and staff trustee remuneration (where applicable).</p>	<p>Our audit procedures include proof in total reconciliation of payroll costs in the accounts to supporting payroll documentation.</p> <p>We have also tested staff pay rates, on a sample basis, agreeing rates of pay paid to staff to supporting contracts and pay award letters. We have also verified the existence of staff in our sample to available identification documents and a valid DBS number.</p> <p>We have also reviewed the accounts disclosures prepared by management as part of the accounts and audit process, and agreed these to available supporting documentation.</p>	<p>No issues were identified during our audit procedures and we have nothing to report.</p>
<p><u>Governance – Schedule of Musts</u></p> <p>The Academy Trust Handbook sets out the overarching framework for financial governance, management and other controls. Compliance with the handbook is a key consideration of our regularity assurance report work, set out in more detail in section 5 of this report.</p>	<p>Our regularity assurance report work considers the trust's compliance with the Academy Trust Handbook. Our procedures include a review of available governance and financial management information against the DfE "Schedule of Musts" which set out the minimum requirements for compliance with the Handbook.</p>	<p>Our review has not identified any significant issues or clear non-compliance with the Academy Trust Handbook.</p> <p>We recommend that trustees continue to keep under review the governance arrangements in place to ensure ongoing compliance with DfE guidance and best practice.</p>

Key audit area	Audit Approach	Conclusion
<p><u>Trustees' Report and Governance Statement</u></p> <p>The Academies Accounts Direction sets out the additional disclosure and reporting requirements for the Trustees' Annual Report and Governance Statement included in the trust's financial statements. Compliance with these requirements is a key part of transparency in reporting to stakeholders, demonstrating how the trust is managed and handles public money.</p>	<p>Our audit of the financial statements incorporates a detailed review of the Trustees' Report and Governance Statement prepared by trustees/management against the disclosure and reporting requirements for academy trusts.</p>	<p>Our review has not identified any significant issues or clear non-compliance with the Academies Accounts Direction disclosure requirements.</p>

## 4. Accounting and other matters

### 4.1. Financial outturn

The trust achieved net income this year of £315,020 (2024: £15,765) before movement on the pension scheme.

Income during the year was £20,452,336, compared to £9,099,069 in the previous year, the main movement for this being the significant capital income recognised for Capital projects next year. Similarly, expenditure has risen from £9,083,304 to £11,960,021 in the year. Staffing costs as you would expect represent the largest portion of costs, increasing from £6,995,773 in 2024 to £7,355,681 this year. Other significant variances include maintenance costs which have risen from £599,094 to £2,759,667, as a result of the CIF projects across the trust.

The trust's net assets have increased from £8,684,568 to £17,014,883 at the 31 August 2025. Net current assets are £8,624,044, with cash at bank and in hand of £1,741,934 being an increased position while the trusts hold additional capital funds in a savings account.

At the year end the trust had total available reserves – comprising unspent GAG funds and School funds – of £564,681.

### 4.2. Taxation

We are not aware of any activities that would give rise to a breach of HM Revenue and Customs thresholds for charities; accordingly, we do not believe that the trust has a corporation tax liability.

Academies benefit from a charitable exemption from corporation tax on trading activities that do not meet the academy's charitable objectives, provided the income does not exceed the small-scale trading threshold of £80,000 per annum. If this threshold is surpassed, the trust will be required to submit a Corporation Tax return in the period of breach, wherein it will be taxed on the entirety of its non-charitable trading income, not just the income which is in excess of the threshold.

If the trust is expecting to have trading income in excess of £80,000 for the foreseeable future, it may be beneficial to set up a trading subsidiary to contain the trade. This would enable easier separation of charitable and non-charitable activities, as well as giving relief on trading profits for amounts donated to the parent trust. If you are expecting to breach the £80,000 threshold now, or in the future, please contact us for more information.

## 5. Regularity assurance report

In addition to our audit report on the financial statements the Accounts Direction also requires us to issue an assurance report on regularity. This requirement was brought in by the Department for Education in 2012, together with the additional “Statement on Regularity, Propriety and Compliance” which is signed by the Accounting Officer.

We conducted our regularity assurance engagement in accordance with the Academies Accounts Direction and Academy Trust Handbook issued by the Department for Education. 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 included examination, on a test basis, of evidence relevant to the regularity and propriety of the trust’s income and expenditure. The work undertaken to draw our conclusions included:

- Review of the trust’s systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focusing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year; and
- Discussions with the Finance Team.

We note the trust has followed its processes to manage conflicts of interests and related party transactions, and that no DfE declarations or approvals were required during the year.

Our review of value for money procedures identified good compliance with the trust’s finance policies, with written quotations and tendering processes followed for the sample tested. There was one exception to this which has been mentioned in section 8 of this report. We also note clear policies in place for use of school credit cards and strong internal controls in this area, which require multi factor authentication to make purchases.

**Conclusion:** Subject to concluding on any outstanding matters above, there were no regularity issues which need to be brought to your attention in connection with the regularity assurance engagement. The Accounting Officer needs to be satisfied that the reporting practices are effective and complete for the year under review to enable them to sign the statement of regularity in the financial statements.

## 6. Adjusted Misstatements

Adjustments have been made in arriving at the final financial statements. Please review these adjustments and advise us if there are any in which you are not in agreement. The adjustments are as follows:

Description of misstatement	Unrestricted funds (£)	Restricted Funds (£)	Restricted Fixed Asset Funds (£)	Total (£)
Net surplus/(deficit) per draft trial balance	(183,169)	442,921	37,879	297,631
<u>Audit adjustments:</u>				
OBA - Debtor received post year end	(501)			(501)
Accrued income - CIF balances			8,002,950	8,002,950
Capitalisation of leisure benches			7,065	7,065
Capitalise additions and Aspens donated asset			35,220	35,220
Capitalisation of ramp and laser printer			8,172	8,172
Depreciation on capitalised assets			(83)	(83)
Correction of LAC prepayment		(849)		(849)
Deferred Income - movement for year		(19,290)		(19,290)
Pension - adjustment for net cost and finance income	-	162,000	-	162,000
Net income/ (Expenditure)	<b>(183,670)</b>	<b>584,782</b>	<b>8,091,203</b>	<b>8,492,315</b>
Transfers	183,670	(188,716)	5,046	-
Pension - actuarial gains and derecognise surplus	-	(162,000)	-	(162,000)
Net movement in funds	<b>-</b>	<b>234,066</b>	<b>8,096,249</b>	<b>8,330,315</b>

## 7. Unadjusted Misstatements

During the audit the following non-trivial potential errors were identified which have not been adjusted for.

For the purposes of the audit the trivial level was £15,450. All non-trivial potential errors that were identified have been adjusted for.

## 8. Systems and Internal Controls

As part of our audit we are required by auditing standards to review the main systems and controls operated by the academy trust, and report any material weaknesses to those charged with governance. Our procedures are designed primarily with a view to the expression of an opinion on the accounts. Our comments cannot therefore be expected to include all possible improvements in the internal controls that a more extensive review by internal audit or the Responsible Officer might identify.

The following risk areas have been assessed against a traffic light system matrix in order to identify to trustees the priority in which matters should be addressed;

### Priority Matrix



### Priority Definition

Risk area is identified as low risk and action noted is a recommendation.

Risk area is identified as medium risk and action noted requires considering.

Risk area is identified as high risk and action noted requires immediate consideration.

## 8.1. Update on points from the previous year

No points raised in respect of the previous year.

## 8.2. Points from the current year

Risk rating	Observation	Implications	Recommendations	Management response
LOW	One instance was noted that the Academy was not following their finance policy regarding obtaining quotations, particularly for renewing software contracts in the current year.	On this occasion there is not a clear evidence trail of the Academy reviewing contracts and achieving value for money, in line with the Academies Trust Handbook requirements.	While it has been noted that the Academy struggles to obtain quotations/tenders for similar services due to the bespoke nature of their service it would be recommended that contracts are discussed in the minutes once a year regarding their value for money. Alternatively, the finance policy should be revised regarding tendering for service level agreements. Where the system is not expressly followed the business case for dispensing with the agreed approach must be approved by trustees.	We note that the Academy is looking to refresh it's IT Service contracts in the coming financial year and this particular software is to be considered by the board.

## 9. Independence and Ethics

In accordance with our profession's ethical requirements and further to our audit planning letter issued confirming audit arrangements, there are no further matters to bring to your attention concerning our integrity, objectivity and independence.

We confirm that Streets Audit LLP and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

We have discussed the fact that we provide accounting services to the trust in addition to acting as auditors. We wish to confirm that in our opinion the provision of such services does not affect our independence as the additional services provided are of a routine compliance nature and the board of trustees takes any decisions where judgement is required.

The following services were provided in the year:

- Preparation of statutory financial statements
- Corporation tax compliance, when required

## 10. Concluding Remarks

We'd like to thank everyone at Sir Robert Pattinson Academy, especially Jane Gothorp and the rest of the finance team, for their support and cooperation during the audit. We really appreciated their help throughout the process.

