



ACCOUNTANTS &
BUSINESS ADVISORS

MAKING BUSINESS MAKE SENSE

Ribbon Academy Trust

Audit Finalization Report

Year ended 31 August 2025

Strictly private and confidential

19 November 2025

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Introduction

We are pleased to enclose our audit findings for Ribbon Academy Trust for the year ended 31 August 2025. The primary purpose of this report is to outline and discuss with the Board the significant matters arising from our audit work.

This report summarises the principal audit, accounting and reporting issues arising during the audit process.

This report has been prepared for the sole use of the Trustees of Ribbon Academy Trust and must not be shown to third parties without our prior consent. No responsibilities are accepted by RMT Ribchesters or associated company Sumer Auditco Ltd towards any party acting or refraining from action as a result of this report.



Audit and accounting matters

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement we determined that overall materiality for the financial statements to be £69,100, based on a percentage of total expenditure. Performance materiality of £51,800 was applied for testing which is 75% of materiality.

In this report we have identified errors considered to be above a trivial level, being 5% of overall materiality at £3,460, in addition to any other identified misstatements that warranted reporting on qualitative grounds.

Audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, considering the structure of the Trust, the accounting processes and controls and the sector in which the Trust operates.

A full scope audit has been performed by RMT Ribchesters on the Trust.

Internal controls and other matters

As part of the audit process we are required to advise you in writing of any significant deficiencies in your internal controls, if any, and communicate other matters of interest to you as Trustees arising from our audit.

During the course of our audit for the 31 August 2025 no significant deficiencies in internal controls were identified. However, there were a certain number of matters noted which are summarised within **Appendix III** for your consideration.

These matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.



Audit and accounting matters (cont'd)

Accounting policies

During the audit we considered the Trust's accounting policies to ascertain if they are appropriate and in accordance with UK Generally Accepted Accounting Practice. We confirm that we have not identified any concerns in relation to accounting policies.

Accounting estimates

In accordance with ISA (UK) 540, Accounting Estimates, we are required to review the accounting estimates and related disclosures involved in the preparation of the financial statements to ensure that they are reasonable. We can confirm that we have not identified any concerns in relation to accounting estimates and have found no indications of management bias.

Expected modifications to the audit report

We are required to bring to your attention details of any proposed modifications to the audit report on the financial statements. As discussed with you, we confirm that there are no proposed modifications to the report.

Independence and representations

In order to act as auditors, we are required to identify any threats to our objectivity and independence and to implement appropriate safeguards to address any identified issues. We confirm that we have not identified any threats to our independence that were not previously communicated with you and safeguarded at the planning stages.

Audit status

The detailed audit work is now completed. The following represent the key ongoing areas of work outstanding at the date of this report:

- Signed Letter of Representation (to be obtained at sign off)



Significant audit risks

At the planning stage we assessed the audit risks in relation to the Trust. The risks we considered to be significant to the audit are outlined below.

Our risk assessment remains unchanged from that at the planning stage.

Income recognition

Under the International Standard on Auditing (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

Income is recognised at the point the Trust has entitlement to the funds, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Trust earns the right to consideration by its performance. This exposes the Trust to the risk of incomplete and incorrect cut-off of income recognised in the period.

How the matter was addressed in the audit

To address the risk of improper revenue recognition, our audit work included, but was not restricted to:

- performing substantive testing to determine whether the accounting policies had been correctly applied;
- reviewing a sample of revenue transactions around the year end to ensure cut-off was correct and income had been recognised in the correct period;
- performing analytical reviews against prior period results and current period expectations;
- considering the appropriateness and application of the Trust's accounting policies for revenue recognition; and
- considering the disclosures in the financial statements regarding revenue.

Key observations

The results of our testing were generally satisfactory and there were no significant issues which were identified from our work over revenue recognition, including any issues in relation to fraud.



Significant audit risks (cont'd)

Management override

In preparing the financial statements management are required to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about the carrying value of assets and liabilities that are not available from other sources.

How the matter was addressed in the audit

During the course of our audit we performed the following procedures to address the risk of management override:

- assessed the appropriateness of accounting policy choices made by management and the basis of key judgements, estimates and assumptions;
- reviewed manual journal entries posted within the period for indicators of management bias, transactions outside the normal course of operations or indicators of fraudulent activity; and
- considered the value, nature and cause of misstatements identified during the course of the audit to identify indicators of bias.

Key observations

The results of our testing were satisfactory, and we consider the disclosure surrounding accounting policy choices and key accounting judgements to be appropriate.



Other audit points

Valuation of Long Leasehold Properties

The Trust hold long leasehold land and buildings for the Academy School. These land and buildings are recognised as fixed assets in the balance sheet and are included at the valuation which was provided on conversion, with depreciation applied. This is therefore a significant accounting estimate.

How the matter was addressed in the audit

During the course of our audit we performed the following procedures to address the risk identified:

- assessed the appropriateness of the valuation method selected by management and the basis of key judgements, estimates and assumptions;
- agreed the value per the accounts to the valuations obtained;
- considered the disclosures in the financial statements regarding estimation uncertainty.

Key observations

Our audit testing in this area provided satisfactory results.

Valuation of Local Government Pension Scheme (LGPS) Assets and Liabilities

The Academy School within the Trust is a member of an LGPS scheme for its non-teaching staff. This is an on-balance sheet defined benefit contribution scheme. The assets and future liabilities of the scheme are required to be carried at valuation at the balance sheet date. Therefore, reliance is required to be placed on third party generated actuarial reports. This is therefore a significant accounting estimate.

How the matters were addressed in the audit

- We assessed the qualifications of the third-party specialists who provided valuations of the scheme assets and liabilities
- We tested the reasonableness of the assumptions used in those valuation reports
- We tested the accuracy of the accounting entries, including journals which bring those assets and liabilities into the financial statements
- We undertook a detailed analytical review.

Key observations

Our audit testing in this area provided satisfactory results.



Fund Accounting

The trust benefit from a range of sources of funding, some of which have restrictions placed upon them. There is a risk that funding with restrictions placed on them are not recognised as restricted funds and that expenditure made out of that funding is not in accordance with the terms of the fund.

How the matters were addressed in the audit

- We tested a sample of income sources to funding documents and checked whether the restrictions on that funding was properly identified.
- We reviewed the financial statements to gain reasonable assurance that the disclosures are appropriate.
- We tested a sample of items of expenditure made out of restricted funds to gain assurance that such costs have been properly charged to that fund and that the expenditure is in accordance with the donor's wishes.

Key observations

The results of our audit work in this area were satisfactory.



Other matters

Material misstatements

We are required to bring to your attention details of all material misstatements whether caused by fraud or error and ensure that these are corrected in the final financial statements. During the course of the audit there were a number of adjustments that, although not all material, have been posted to the financial statements. These have been summarised in the surplus reconciliation included within **Appendix I**.

Unadjusted misstatements

There were no mis-statements which remain unadjusted.

Control recommendations

Our report on the quality of accounting systems and management controls is included within **Appendix III**.

We ask the Trustees and management to prepare responses to the points noted, outlining any planned activities to address the issues highlighted.

Letter of Representation

We have prepared a Letter of Representation, a draft of which is included within **Appendix IV**.

We ask the Trustees to review the letter, and sign a copy printed on headed paper prior to the audit report being signed.



Other matters (cont'd)

Contingent assets / liabilities

We are not aware of any significant contingent assets or liabilities requiring disclosure in the financial statements as a result of discussions with management or being identified through audit work performed. As stated in the Letter of Representation, the Trustees confirm that all known actual or possible litigation and claims have been disclosed to us and are reflected in the financial statements in accordance with UK GAAP.

Fraud considerations

We are not aware of any major instances of fraud encountered by the Trust during the period, or post year end. As stated in the Letter of Representation, the Trustees confirm that there have been no actual or suspected instances of fraud involving management or employees who have a significant role in internal control which could have a material effect on the financial statements.

Related party transactions

Through our audit procedures and discussions with management, we have not identified any related party transactions other than those disclosed within the financial statements. A list of these transactions is included within **Appendix V**.

We ask that the Trustees confirm to us any other potential related party transactions which are not disclosed in the draft financial statements.

Going concern and subsequent events review

In accordance with ISA (UK) 570, Going Concern, we are required to review management's initial assessment of the entity's ability to continue as a going concern.

We have not become aware of any material events that have taken place between the balance sheet date and the date of this report that require disclosure in the financial statements and the going concern assumption remains appropriate.

We ask that the Trustees confirm to us any knowledge of events that have taken place after the balance sheet date which may impact the judgements or disclosures made in the financial statements.



Appendix I: Surplus reconciliation

	£
Surplus per draft financial statements	269,791
Reallocation of deposit for trampoline park to cost of asset	(1,000)
Accrual of NIC Grant for period to 31 August 2025	20,701
Reallocation of School fund income	7,667
Release of household Support fund income	14,196
Reallocation of costs relating to Netball court resurfacing	1,800
Correction to SMP posting	5,457
Profit per final financial statements	<u>318,612</u>

Appendix III: Report on the quality of accounting systems and management controls

<i>Weakness</i>	<i>Suggestion</i>	<i>Response of Trustees</i>
<p>Our audit work identified that in addition to the School Principal, who is also the Accounting Officer, two members of staff served as Trustees in the year. Section 1.23 of The Academies Financial Handbook (AFH) states that “No other employees should serve as trustees, nor should trustees occupy staff establishment roles on an unpaid voluntary basis”.</p> <p>Therefore, the AFH allows the Senior Executive Leader to serve as a Trustee, subject to certain conditions on their appointment being met, however it states that other employees should not serve as trustees.</p> <p>This is to ensure that the responsibilities of those who are charged with Governance are clearly separated from those who have operational and management responsibility. Having paid employees sitting on the Board could weaken the function of oversight and also expose those individuals to the potential for conflicts of interest.</p>	<p>We would advise that paid staff are not appointed to Trustee roles.</p>	

Appendix IV: Letter of Representation

Sumer Auditco Limited
RMT Ribchesters
Finchale House,
Belmont Business Park,
Durham,
DH1 1TW

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Ribbon Academy Trust for the year ended 31 August 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view, in accordance with the applicable financial reporting framework. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Generally Accepted Accounting Practice.

We confirm that to the best of our knowledge and belief, and having made appropriate enquiries of other Trustees and officials of the Trust:

Financial statements

1. We acknowledge and have fulfilled our responsibilities as Trustees, as set out in the terms of your engagement dated 23 May 2025 under the Companies Act 2006, for preparing financial statements in accordance with the applicable financial reporting framework that give a true and fair view and for making accurate representations to you as auditors.
2. The methods, significant assumptions and the data used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. Full disclosure is made in the financial statements of:
 - a. outstanding capital commitments contracted for at the balance sheet date;
 - b. all contingent liabilities including details of pending litigation and material claims against the Trust;
5. All events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed. Should such further material events occur prior to your signature of the audit report we will advise you accordingly.
6. We confirm the financial statements are free of material misstatements, including omissions. We confirm that in our opinion the effects of unadjusted misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the unadjusted misstatements is set out in the Appendix II.

7. We can confirm that we are aware that a related party of the Trust is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the Trust or vice versa and, as a result, will include Members, Trustees, other key management, close family and other business interests of the previous. We confirm that the related party relationships and transactions set out in Appendix V are a complete list of such relationships and transactions and that we are not aware of any further related parties or transactions.
8. We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the requirements of accounting standards.
9. We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the Trust is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis. We confirm that we disclosed to you details of our plans for future actions relating to our going concern assessment including the feasibility of these plans.

Information provided

10. We confirm that all accounting records have been made available to you for the purpose of your audit, in accordance with your terms of engagement, and that all transactions undertaken by the Trust have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and Trustee meetings, have been made available to you. We have given you unrestricted access to persons within the Trust in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
11. We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and believe we have appropriately fulfilled these responsibilities. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the Trust.
13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
15. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the Trust conducts its operations and which could affect the financial statements. The Trust has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

We have disclosed to you the identity of the Trust's related parties and all the related party relationships and transactions of which we are aware.

16. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been accounted for and disclosed in accordance with the requirements of accounting standards.
17. We confirm that we have disclosed to you details of all banking and financing arrangements including related contracts and hedging products.
18. We confirm that the Trust has had, at no time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the company) for Trustees, nor to provide guarantees of any kind on behalf of the Trustees, except as already disclosed in the accounts.
19. We confirm that the Trust has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets.
20. We confirm that we have provided for all bad debts that we feel are irrecoverable. No further provision for bad debts is required.
21. We confirm that the PAYE and VAT regulations in force during the financial year have been complied with.
22. We confirm that there are no companies associated with this company for tax purposes
23. We understand that for tax purposes companies are associated, or related 51% group companies, if for any part of the accounting period one is a 51% subsidiary of the other, or both are 51% subsidiaries of the same company.
24. We confirm that there were no amounts owed by related parties at the balance sheet date.
25. We confirm that, in so far as we are aware, the carrying value of the long leasehold property in the accounts is accurate and we are not aware of any such circumstances which would otherwise challenge this valuation.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which you as auditors are unaware; and
- each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that you are aware of that information.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and expertise (and, where appropriate of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the Trustees during the course of your audit.

Yours faithfully

Signed on behalf of the board of Trustees by:

.....

XXXXXXXXXX

Trustee

Date: XX XXXXXX 2025

Appendix V: Related party transactions

NAME/ COMPANY	RELATIONSHIP TO TRUST	DESCRIPTION OF TRANSACTIONS	AMOUNT OWED FROM/(TO) AT 31 August 2024	INCOME / (EXPENDITURE)
C Park	Member	None	Nil	£Nil
E Chandler	Member	None	Nil	£Nil
K Gaudie-Jones	Member	None	Nil	£Nil
L Walton	Member	None	Nil	£Nil
S Simon	Member	None	Nil	£Nil
PW Garrod	Trustee	None	Nil	£Nil
M Morton	Trustee	None	Nil	£Nil
I Stephenson	Trustee	None	Nil	£Nil
A Sheridan	Trustee & Accounting Officer	None	Nil	£Nil
JA Griffiths (until 24/01/2025)	Trustee	None	Nil	£Nil
EM Chandler	Trustee	None	Nil	£Nil
D Richardson	Trustee and Employee	None	Nil	£Nil
SG Ball	Trustee	None	Nil	£Nil
H Williams	Trustee	None	Nil	£Nil
KL Maddison	Trustee and Employee	None	Nil	£Nil
SK Finn (until 12/01/2025)	Trustee	None	Nil	£Nil
V Scott	Trustee	None	Nil	£Nil
C Corner (from 27/01/2025)	Trustee	None	Nil	£Nil
P Huntingdon (from 9/04/2025)	Key Management	None	Nil	£Nil
LB Robson	Key Management	None	Nil	£Nil
J Lowes	Key Management	None	Nil	£Nil
S Houghton	Key Management	None	Nil	£Nil
A Thorne	Key Management	None	Nil	£Nil
Ribbon Daycare Limited	Common Director	Shared costs	£10,580	£109,825