

Company registration number 10726202 (England and Wales)

THE LETTA TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

THE LETTA TRUST

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THE LETTA TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Gael Hicks Mark Campbell Atana Kumar Bhattacharjee (Babu) Ramakrishnan Venkatakrishna Peter Sherratt	
Trustees	Peter Sherratt (Executive Chair) Ramakrishnan Venkatakrishna (Chair of Resources Committee) Ruth Brock (Vice Chair of Trustees) Stuart Poyser (Chair of Audit and Risk Committee) Daniel Rose (Trustee) Ndey Salla (Trustee) (Resigned 16 September 2024) Zoe Kirk (Trustee) Belinda King (Trustee) L M Teasdale (Trustee) (Appointed 16 October 2024) B Phillips (Trustee) (Appointed 14 August 2025)	
Bankers	Lloyds TSB, 125 London Wall, London EC2Y 5AS	
Senior management team	J Franklin R Begum H Hikmat F Durnian J Iver O Woodward S Alcock B Lo Giudice	Chief Executive Officer Chief Finance Officer Chief Operating Officer Head Teacher (Bygrove) Head Teacher (Stebon) Head Teacher (Columbia) Head Teacher (Hermitage) Head Teacher (Virginia) [Joined LETTA 01/07/2025]
Company registration number	10726202 (England and Wales)	
Principal address	Bygrove Primary School Bygrove Street LONDON E14 6DN	
Independent auditor	Wilson Partners Limited Ground Floor, Arena Court Crown Lane MAIDENHEAD SL6 8QZ	
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR	

THE LETTA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2024 to 31 August 2025. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the attached financial statements and comply with the Academy's Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

The Letta Trust operates 5 primary schools and provision for adult education, including initial teacher training through a SCITT, apprenticeships as a registered apprenticeship provider and two Foundation Degrees as a franchise partner with two universities.

During the year three schools joined the LETTA Trust: Columbia Primary School (1st September 2024), Hermitage Primary School (1st September 2024), and Virginia Primary School (1st July 2025).

We serve the community in East London. Our primary schools have a combined full-time equivalent roll of 1,820 in the school census on 15 May 2025. This includes provision for 2-year-olds.

Structure, governance and management

Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The trustees of the LETTA Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The LETTA Trust. Details of the trustees who served throughout the year are included in the reference and administrative details on page one.

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 cease to be a member.

Trustees' indemnities

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

Organisational structure

The governance of the Trust is defined in the memorandum and Articles of Association together with the Funding Agreement with the Department for Education (DfE) and the Scheme of Delegation. The Terms of Reference provide the framework for how decisions are made and agreed by the Committees in operation and the Trust Board. The Chief Executive Officer (CEO) is designated the Accounting Officer for the Trust. The governance structure includes three layers:

1. The Members group, which includes five members, at least three of whom are independent of the Trust Board. The members appoint trustees to the Trust Board
2. The Trust Board, which can include up to eleven trustees. The Trust leader or Chief Executive Officer (CEO) is appointed by the Trust Board to oversee the smooth running and development of the Trust. The CEO is not a trustee
3. The Local Governing Boards who work closely alongside Headteachers and school leaders to ensure that each school provides children and families with a high-quality education and that each school continues to improve.

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Arrangements for setting pay and remuneration of key management personnel

FRS 102 requires details of the arrangements for setting pay and remuneration of the Trust's key leadership personnel. The key leadership personnel within the Trust are the trustees, the CEO, CFO, COO, Director of School Improvement and the Headteachers.

Trustees are not remunerated but may claim reasonable expenses. In the year 2024-2025, no expenses were claimed by trustees.

The CEO, CFO, COO, Director of School Improvement and Headteachers' pay is determined in accordance with the Trust's pay policy and takes into account whether the performance management objectives for the year have been met. An appropriately qualified external advisor assists trustees in determining what the performance management objectives for the CEO should be and whether they have been met. Trustees take account of the DfE's guidance on Setting Executive Salaries.

The CEO works alongside trustees and members of the Local Governing Boards to carry out a performance management review for the CFO, COO, Director of School Improvement and the Headteachers. Actual levels of pay are determined with reference to the School Teachers' Pay and Conditions Document and the Trust's Pay Policy. The CFO and COO job descriptions and salary scales are benchmarked against similar roles and other MATs.

Details of the remuneration paid to key management personnel are set out in note 9.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	962
Total pay bill	10,081,530
Percentage of the 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	9%
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Facility time in this context includes:

- Paid time off for the purpose of carrying out trade union duties as a union representative, union learning representative or union health and safety representative
- Paid time off for the purpose of undergoing training relevant to the carrying out of trade union duties
- Paid time off for accompanying another of the employer's workers to grievance or disciplinary hearings
- Paid and unpaid time off for taking part in trade union activities when acting as a union representative

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Engagement with employees

It is the expertise and engagement of our staff teams that make LETTA schools successful. As such, we are passionate about continued professional development and career progression for every staff member, whatever their role. The LETTA Trust has an Investors in People Platinum award.

Each Local Governing Board includes an elected staff member in addition to the Headteacher. There is strong dialogue with staff through meetings and surveys. Teaching staff terms and conditions continue to follow those recommended by the School Teachers' Review Body. Non-teaching staff continue on the local government terms and conditions. The Trust has clear, up-to-date staff-related policies and, where required, consults with staff before amending these policies. These policies show a commitment to the recruitment and retention of staff with disabilities. We have in place a robust system to provide support plans for staff, including making reasonable adjustments to support those staff who require assistance.

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

The Trust builds close working relationships with key suppliers to achieve economies of scale, value for money and focus on the quality and reliability of service. We consider whether our suppliers ensure fair wages for employees and that sustainable environmental practices are in place.

Related parties and other connected charities and organisations

LETTA School Direct Limited is a separately registered social enterprise (registration number 08428346) that delivers school improvement activities on behalf of the Trust and other partner schools in the LETTA training partnership. The CEO and LETTA Headteachers are trustees on this board and on the board of the Poplar Partnership Ltd (charity number 1145513), which supports collaborative school projects in schools in East London. The LETTA Trust also worked closely with The East End Community Foundation (charity number 1147789) in overseeing the Connecting Communities project that aims to tackle digital disadvantage in East London.

Objectives and activities

Objects and aims

The charity's principal object is to advance for the public benefit education in the United Kingdom by developing high quality schools offering a broad and balanced curriculum.

This object sets out the purpose of the charity. In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit. The charity's mission, vision and strategic plan are designed to help us move towards achieving this long-term goal. As an education charity, we are accountable not only to our funders but also to our pupils, their parents and the wider community. These stakeholders support us, engage with us and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit. Well-established involvement and consultation mechanisms, both direct (through pupil, parent and staff surveys) and indirect (through the involvement of parents and local people on our Local Governing Boards and Trust Board) ensure that decisions made by the trustees are informed by the needs of those we serve.

Mission

We believe that by providing the very best educational provision, we will combat social inequality, level the playing field and allow our learners to be successful at school and go on to live happy, healthy and fulfilling lives.

Vision

Our vision is that every child in every school in our trust:

- Loves learning, achieves their very best, has fun at school and feels excited about the future
- Knows how to make friends and get along well with people; to treat them with fairness, compassion and respect
- Grows healthy and strong, believes in themselves and has the confidence and resilience to follow their dreams
- Feels part of their community, proud of their school and inspired to make a positive difference in the world

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Values

Our values determine how we work together:

- Aspiration: aiming high; broadening horizons; creating possibilities
- Innovation: taking risks; daring to be different; pioneering research; shaping the future; leading the way
- Equality: inclusive; excellence for all; celebrating diversity; all for one and one for all!
- Generosity: open doors; collaboration; challenge and support; community-minded; team spirit; Ubuntu.

Guiding principle

Our guiding principle is the philosophy of Ubuntu; a southern African philosophy that speaks of our interconnectedness, of the importance of relationships, of openness and generosity to one another.

Strategic goals

Trustees have agreed three strategic goals to steer the trust towards fulfilling its vision.

1. Strategic goal for education

Schools where the educational experience is inclusive, learning is irresistible, and every learner succeeds.

2. Strategic goal for people

People who are motivated, passionate about their work, cared for, and given opportunities to learn and progress.

3. Strategic goal for partnerships and growth

A highly collaborative group of schools committed to community engagement and partnership working that improves the quality of education for all.

4. Strategic goal for financial and operational rigour

Educational success founded on a strong financial and operational model that ensures every penny impacts positively on our learners.

LETTA's finance and operations model is underpinned by our core values and is designed to support us in achieving our mission. The majority of the budget is spent on our staff team. We recruit, train and deploy these people carefully so that they deliver the very best quality educational experience for our learners. The remainder of our income is allocated to maintaining a safe, welcoming learning environment and high-quality resources to support the delivery of the curriculum.

The substantial school improvement function that serves the trust, providing ITT, apprenticeships and other training and development programmes, is of huge benefit to our schools. This provision also essentially funds itself and costs our schools nothing.

Objectives, strategies and activities

School improvement

Our schools perform well academically and offer an excellent education to all pupils through a broad, rich curriculum that includes a range of opportunities for personal and cultural development. School improvement activities are always underpinned by up-to-date research. Leaders and teachers use the latest educational research and their own action research to improve the quality of education across the trust. School leaders work closely together to learn from each other and develop effective practice.

Continuing professional development

The LETTA Trust leads a large partnership of schools that work together on school improvement activities and continuing professional development for school staff. In 2024-2025, the LETTA training partnership delivered carefully designed professional development programmes that attracted and developed skilled staff. The LETTA Trust also runs a highly successful initial teacher training programme through the LETTA SCITT, which was graded outstanding for a second time by Ofsted in January 2024. LETTA's apprenticeship provision was also graded outstanding by Ofsted in May 2024.

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

From September 2024 to July 2025, teaching staff in our schools participated in the Trust's professional learning activities, including:

- Joint training sessions relating to the Trust's annual education development priority, 'Inclusivity', which sought to improve and deepen teachers' understanding of the importance of 'belonging' to the success of our learners, as well as their understanding of the most effective approaches to support pupils with autism and ADHD
- Training relating to individual school improvement plans
- Opportunities for reading and research relating to SEND
- Our level 3 teaching assistant apprenticeship, 'Lead London', an early leadership apprenticeship and Instructional Coaching
- LETTA's Early Career Teacher programme
- The LETTA SCITT's initial teacher training routes, including primary and secondary routes, and enhancements in SEND and mathematics
- Leaders across the trust also participated in the National Professional Qualifications for school leaders, including NPQH and NPQSL, and Headteachers worked towards a coaching qualification

Integrated support and shared services

The Trust has developed a central operations team and business model to facilitate steady growth, deliver value for money, minimise risk and ensure that our schools are able to focus on the quality of education. There is a career pathway for staff in operational roles that includes apprenticeships and the opportunity to develop expertise in areas such as finance, procurement and HR. Staff based in school offices can progress and deliver services across the trust as part of the central operations team. The Trust trained staff members in 2024-2025 on administrative and business-related apprenticeships.

Partnerships

LETTA Trust schools actively seek out opportunities to work with other schools on school improvement activities. We have strong partnerships with our LETTA training partner schools, the Poplar Partnership and the Tower Hamlets Education Partnership. We also work closely with community organisations, including the East End Community Foundation and Poplar Harca, national ones like the Corum Shakespeare Schools Foundation charity and international organisations such as Morgan Stanley and Citigroup.

Inclusion and diversity

Inclusion is at the heart of our culture, so it is not surprising that two of our schools were reaccredited by the Inclusion Quality Mark in 2025 as Flagship Schools. There are only 100 Flagship schools nationally.

Equal opportunities

Equality is one of the trust's four core values. At LETTA, we believe that equality of opportunity is integral in our workplaces. We create a working environment where we aim to ensure that everybody's needs are met and their contribution is valued. Trustees review and set equalities objectives annually. Our objectives include creating employment opportunities for local families, delivering on the trust's anti-racism statement and working towards greater diversity in school leadership.

Disability matters

The LETTA Trust is committed to ensuring equality in employment. We ensure that our recruitment process is inclusive and accessible by:

- Advertising jobs in a range of places
- Making adverts accessible including providing accessible formats if requested
- Providing reasonable adjustments as required
- Being aware of unconscious bias. All those involved in recruitment have been trained in this area. Where possible we implement a blind shortlisting process

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Transparency and employee consultation

The LETTA Trust is committed to working ethically and with the utmost transparency. All employees are able to access key documents and minutes of meetings. Each Local Governing Board includes elected staff representatives. We are committed to involving our staff in decision making and we regularly seek feedback on both ideas and performance. We do this through:

- Staff meetings
- Weekly 1-1s
- Staff surveys including the annual staff survey and 360 reviews for leaders
- Communicating regularly with local union representatives with regard to policies and plans
- Communicating regularly with local union representatives with regards to policies and plans

Public benefit

LETTA Trust schools strive to promote and support the advancement of education for children both in our schools and beyond. Our schools provide an extensive programme of educational and recreational activities, all designed to contribute to the overall education of our pupils in areas such as academic distinction, the arts and sport.

Pupils take part in a wide range of trips, including residential school journeys, where they learn things they could not learn at school or at home, extend their vocabulary and develop independence and social skills.

Every child participates in arts events and projects. Children in Y4 perform in the Shakespeare Schools Festival, and children in Y5 take part in a Disney production project. Children in other year groups perform for their friends and families to celebrate a range of events across the year. The Y6 end-of-year performances are a highlight for the whole school community.

Sports clubs at lunchtime and after school continue to be popular. Last year, pupils took part in a wide range of local competitions in sports such as football, gymnastics and badminton.

The concept of public benefit takes us beyond our schools to the local community and our civic duty. In 2024-2025, the LETTA SCITT trained 54 new teachers who are now employed in schools across East London. Through our apprenticeship provision, we were able to support 80 local people to get into work and to be promoted in the workplace. We delivered an Early Years Foundation degree as a franchised partner of Kingston University to 32 local residents. This programme makes getting a degree and then training to teach possible for local people who did not have the opportunity to attend university and who perhaps can't study full-time as they need to work.

Strategic report

Achievements and performance

Trustees and Local Governing Board members measure success through a range of academic, financial and operational key performance indicators. These include:

- OFSTED grades
- Benchmarked performance in national assessments
- The school's own pupil achievement data
- Attendance
- Pupil numbers on roll
- Salary costs as a percentage of total guaranteed income
- Pupil-to-staff ratios
- Retention of a minimum uncommitted reserve of 5%
- Projected balances over 3 years

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

OFSTED inspection outcomes:

Bygrove Primary School

Inspection dates: 15 and 16 November 2023

Overall effectiveness: Outstanding

Columbia Primary School

Inspection dates: 3 and 4 July 2023

(prior to conversion)

Overall effectiveness: Good

Hermitage Primary School

Inspection dates: 10 and 11 May 2023 (prior to conversion)

Overall effectiveness: Requires improvement

Stebon Primary School

Inspection dates: 18 and 19 July 2023

Overall effectiveness: Outstanding

Virginia Primary School

Inspection dates: 19 and 20 October 2021 (prior to conversion)

Overall Effectiveness: Outstanding

LETTA Apprenticeship

Inspection Dates: 14 to 16 May 2024

Overall Effectiveness: Outstanding

London East Teacher Training Alliance SCITT

Inspection dates: 22 to 25 January 2024

Overall Effectiveness: Outstanding

Key performance indicators

National attainment benchmarks

Pupils make excellent progress across our schools. When they start school in the Early Years, the vast majority are assessed as working well below the standards expected for their age. By the end of their Reception year, outcomes are typically in line with outcomes for all children in the UK and by the time they leave us at the end of Year 6, outcomes are high compared to national benchmarks.

LETTA Trust schools performed well compared to national figures in the summer term 2025. The LETTA Trust exceeded national figures in all areas except for the GLD and Y2 phonics, where the Trust's figures were broadly in line with the national picture.

KS2 expected	Reading	Writing	GPS	Maths	Combined
LETTA	90	85	88	90	81
National	74	72	72	73	61

KS2 high standard	Reading	Writing	Maths
LETTA	52	21	47
National	29	13	24

Times table check	Y4
LETTA	22
National	20

Phonics	Y1 phonics	Y2 phonics
LETTA	83	90
National	80	91

GLD	
LETTA	64
National	68

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Disadvantaged pupils including those with special educational needs and/or disabilities (SEND)

Over 40% pupils across our schools receive the Pupil Premium Grant, almost double the national average. A high proportion of pupils in our schools have an identified special educational need or disability. 8% pupils attending our schools have an EHCP. Primary areas of need include speech, language and communication needs, autism and social and emotional mental health needs. Staff are well-trained to meet the needs of pupils with SEND. They adapt the curriculum, provide bespoke interventions or specialist provision as required.

Disadvantaged pupils, including those with SEND, make excellent progress relative to their starting points and achieve well compared to other pupils nationally. Additional funding through the pupil premium is spent on quality first teaching and research-led interventions.

Attendance

Our pupils want to come to school. In 2024-2025, 12% pupils across the Trust had attendance that was above 99%. Generally, attendance figures improved across the year. By the end of the year, overall figures were above the local average and slightly below the national average.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the 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.

Protecting the success of the academy trust

Trustees actively promote the success of the Trust for the benefit of pupils, staff, and the wider community, in line with their duties under Section 172 of the Companies Act 2006. They focus on long-term sustainability, high standards, and positive impact for every LETTA learner.

Decisions are made to ensure the Trust remains financially sustainable while providing high-quality education. Financial and risk information is regularly reviewed, and school estates are developed strategically to maintain safe and inspiring learning environments. Staffing costs are managed within a 70-80% range to safeguard future sustainability, and annual health and safety audits ensure compliance across all schools.

LETTA is a people-centred Trust with a caring, friendly culture. Staff wellbeing and professional development are prioritised, with a coaching culture where all staff have regular 1-1 meetings. Feedback from staff surveys, including Investors in People assessments, informs improvements across the Trust.

LETTA also runs a highly successful SCITT, graded outstanding by Ofsted in 2024, which trains over 50 new teachers annually across Early Years, Primary, and Secondary routes, including SEND enhancement. Apprenticeship programmes include a Level 3 teaching assistant pathway and a team leadership apprenticeship.

Strong community partnerships support pupil achievement and family wellbeing. LETTA works closely with parents, local organisations, and community groups. The Connecting Communities project provides eligible families with internet access, devices, and IT training to reduce digital exclusion. This initiative is delivered with Poplar HARCA, Eastend Community Foundation, Tower Hamlets Council, and donors including the Lehman Brothers Foundation, Morgan Stanley volunteers, and Citi.

One of the Trust's strategic goals is to provide ethical governance and executive leadership focused on fulfilling the vision for every child. The Trust Board acts in line with its Articles of Association and is fully committed to its moral purpose, education, and the local community. Members of the Local Governing Boards work closely with Headteachers to understand their schools and ensure all pupils receive an exceptional education. Trustees, governors, and leaders follow the Nolan Principles of selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

All resources and opportunities are allocated fairly across the schools to ensure every pupil benefits from a high-quality, inclusive education.

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Financial Review

Most of the Trust's recurrent income is obtained from the DfE in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE from 1 September 2024 to 31 August 2025 and the associated expenditure is shown as restricted funds in the statement of financial activities (SOFA). Total income for the period was £18,450k (2024: £9,249k).

The trust held fund balances as at 31 August 2025 of £12,862k (2024: £12,258k). These funds included restricted fixed asset funds of £11,584k (2024: £11,755k), other restricted funds of £1,279k (2024: £502k) and unrestricted funds of £Nil (2024: £NIL). There is a pension reserve of £436k (2024: £Nil) relating to the LGPS.

The LGPS pension reserve fund is in surplus at 31 August 2025. In line with FRS 102 treatment, the surplus has not been recognised. The accounting surplus/deficit has no direct effect on the employer contribution rate paid by the school, which is determined using longer term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrator (the London borough of Tower Hamlets). 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. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and that of LGPS related to the period ended 31 March 2022.

The trust has an operational surplus (net income plus depreciation and amortisation) of £884k (2024: £145k). Overall, there has been a significant increase in funds over the latest accounting period, of £605k (2024: £104k decrease) due to the academization and transfer of assets from the three new schools into the Trust during the year. No adjustments were made in 2024 for the LGPS Scheme Actuary.

A summary of this is set out below:

	2025 £	2024 £
Operational surplus	883,509	145,011
Depreciation and amortisation	(278,756)	(249,152)
Pension fund adjustment	<u>Nil</u>	<u>Nil</u>
Total increase/(reduction) in funds	<u>604,753</u>	<u>(104,141)</u>

Reserves policy

Trustees set a budget balancing annual income with expenditure. The Trust has an approved Reserves Policy, and trustees review the reserve levels throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. As at 31 August 2025, the trust's uncommitted reserves totalled £1,279k (2024: £502k).

Investment Policy

The Trust has no investments other than cash balances. Currently, these are held within a school account at the bank.

Risk Management

Trustees review the risks to which the Trust is exposed and ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Risks could arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations and the financial position of the staff pension schemes. External incidents can also disrupt the activities of the schools. Trustees have introduced systems, including operational procedures such as vetting of new staff and visitors and internal financial controls in order to manage risk. Where significant financial risk remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls, and this is explained in more detail in the Governance Statement.

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Principal risks and uncertainties

Trustees review the risks to which the Trust is exposed and ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Risks could arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations and the financial position of the staff pension schemes. External incidents can also disrupt the activities of the schools. Trustees have introduced systems, including operational procedures such as vetting of new staff and visitors and internal financial controls in order to manage risk. Where significant financial risk remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls, and this is explained in more detail in the Governance Statement.

The Trust maintains a risk register identifying the major risks and actions and procedures to mitigate those risks. The main risks that the Trust is exposed to are summarised below. For each of these risks, the probability, impact and seriousness have been considered together with appropriate action and management plans:

- Reputational risks relate to being able to continue to attract children and families to our schools
- Operational risks include the capacity of staff and buildings to meet the needs of pupils, deliver the curriculum and contribute towards an excellent educational offer
- Safeguarding and child protection risks are those relating to the selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and pupil behaviour and wellbeing
- Financial risks that would affect the Trust's financial position include the introduction of a new national funding formula, cost control, cash management, fraud and the impact of inflation and potential falling pupil numbers
- Pension scheme risks are those associated with the LGPS defined benefit pension scheme and the current pension deficit

Cyber-Security

The Trust is aware of the cyber security risk across the sector and has put processes in place to mitigate these risks.

Financial and risk management objectives and policies

As a multi-academy trust, the level of financial risk is relatively low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure, and this is relatively stable at LETTA due to high recruitment and retention rates. The main risk arising from the Trust's financial activities is liquidity risk. The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. The Trust is also exposed to interest rate risk and credit risk as part of its normal activities. These are:

- Interest rate risk relates to the interest on cash deposits. With interest rates gradually going up, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets
- Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities, so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due

Fundraising

Donating money, services, time, or equipment, or actively raising funds, is a positive way for the public to support LETTA schools. At LETTA, fundraising is seen as a legitimate means of improving the school's ability to purchase goods, equipment or services, which can be used to achieve the aims of the Trust and its schools. LETTA schools share the cost of the services of an experienced part-time fundraiser.

The work of the fundraiser is managed by the CFO and monitored by the Trust Board Resources Committee. In all our fundraising activities, we are committed to acting fairly, transparently and ethically, and in line with the Code of Fundraising Practice.

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for 01 September 2024 to 31 August 2025

	01 September 2024 - 31 August 2025	01 September 2023 - 31 August 2024
Energy consumption used to calculate emissions (kWh)	1,864,399	829,344
Electricity (KWh)	444,120	323,763
Gas (KWh)	1,420,279	505,581
Electricity Renewables (kWh)	-	-
Oil (kWh)	-	-
LPG (kWh)	-	-
Transport Fuel (kWh)	-	-
Scope 1 emissions in metric tonnes Co2e	259.77	92.49
Gas consumption	259.77	92.49
Oil consumption	-	-
LPG consumption	-	-
Scope 2 emissions in metric tonnes co2e	91.96	67.04
Purchased electricity	91.96	67.04
Purchased electricity renewables	-	-
Scope 3 emissions in metric tonnes co2e	-	-
Business travel in employee-owned vehicles	-	-
Total gross emissions in metric tonnes Co2e	351.73	159.53
Total number of students within the trust	-	-
Intensity ratio - Tonnes CO2e per pupil	0.22	0.17

The data for the 2023-24 period includes two primary schools.

For the 2024-25 period, the data includes five primary schools. Note that one of these schools joined on July 1st, 2025, and therefore contributes only two months of data.

Quantification and reporting methodology

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

Intensity measurement

We have used the recommended intensity measurement ratio of total gross emissions in metric tonnes CO₂e per pupil.

Measures taken to improve energy efficiency

We have continued to roll out use of smart and HH meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

We have invested in LED lighting across the Trust estate with the aim of reducing energy consumption by over 30% supported by the use of smart lighting systems.

We procure our electricity from suppliers offering renewable energy sources in their energy mix.

We continue to work with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our Carbon Footprint.

To rationalise operating energy consumption the Trust will increase use of building management systems and train staff to reduce energy consumption, e.g switching off IT hardware and lights when not in use.

THE LETTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Plans for future periods

As set out in the Trust's Growth Plan, trustees aim to continue to expand the Trust steadily and judiciously until the point where schools achieve maximum benefit from the efficiencies and economies of scale that come from working as part of a larger organisation. In this way, the Trust will be able to continue to collectively deliver on its mission and provide an excellent education for all learners in our care.

Continuing to provide staff with access to the very best professional development is fundamental to our success. We are committed to system-wide school improvement and to making a full contribution to the development of a world-class school system more widely. We are also passionate about our civic leadership role and working together with other local organisations in the service of our local community.

Auditor

In so far as the trustees are aware:

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

The auditors, Craufurd Hale Audit Services Ltd, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and reappointment of the auditors will be deemed to be reappointed in due course.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 08 December 2025 and signed on its behalf by:



Peter Sherratt
Executive Chair

THE LETTA TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2025

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The LETTA Trust has an effective and appropriate system of controls, financial and otherwise. However, such systems are 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.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

Trust Board

At the beginning of the year, Lewis Teasdale, Head of SEND Services for a London local authority, joined the Trust Board. Attendance during the year at the 5 Trust Board meetings was as follows:

Trustee	Meetings attended	Out of a possible
Peter Sherratt (Chair of Trustees)	5	5
Ruth Brock (Vice-chair of Trustees)	5	5
Ramakrishnan Venkatakrishna (Chair of Resources Committee)	4	5
Stuart Poyser (Chair of Audit and Risk Committee)	3	5
Daniel Rose	3	5
Ndey Yassin Salla (resigned 17.09.2024)	N/A	N/A
Zoe Kirk	4	5
Belinda King	4	5
Lewis Teasdale (appointed 16.10.24)	3	4
Benjamin Phillips (appointed 14.08.25)	0	0

Trust Board Resources Committee

The Resources Committee is a committee of the Trust Board. Its purpose is to address matters of efficient and effective financial management, including advising the Trust Board on budget setting.

The committee examines the longer-term financial sustainability of the Trust, monitoring the budget and ensuring an appropriate set of policies and procedures is in place to provide assurance that public funds are being used correctly and good value for money is being achieved.

The committee also has oversight of HR, estates management, health and safety, and compliance within these areas. Attendance during the year at the 5 Resources Committee meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ramakrishnan Venkatakrishna (Chair of Resources Committee)	4	5
Daniel Rose	5	5
Zoe Kirk	4	5
Ruth Brock (Moved from RC to Chair Liaison on 19.05.2025)	4	4
Belinda King (Moved from ARC committee to RC 19.05.2025)	2	2

THE LETTA TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Trust Board Audit and Risk Committee

The Audit and Risk Committee is also a committee of the Trust Board. Its purpose is to quality-assure the Trust's accounting and auditing functions, strengthen the independence of the audit function, increase the credibility and objectivity of financial reporting, and facilitate good communication between the Trust and its external auditor.

Attendance during the year at the 4 Audit and Risk Committee meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Peter Sherratt (Chair of Trustees)	4	4
Mr Stuart Poyser (Chair of Audit and Risk Committee)	4	4
Ms Ndey Yassin Salla (Resigned on 16.09.2024)	N/A	0
Ms Belinda King (Moved from ARC to RC on 19.05.2025)	3	3
Lewis Teasdale (joined committee on 16.10.2024)	1	4

Conflicts of interest

The Trust manages conflicts of interest through the following processes:

- Maintaining an up-to-date and complete register of interests
- Following a thorough recruitment process for those in governance roles
- Providing induction and training for those new to governance roles at LETTA
- Monitoring conflicts of interest at each meeting

Governance reviews

Trustees take part in the NGA annual skills audit. This data helps shape the pattern of training undertaken by trustees each year.

Trustees commissioned an external governance review in the Autumn term 2023 to gain insight from an external body to support ongoing self-evaluation and improvement planning. Trustees use feedback from this review to shape continual improvement in the quality of governance at the Trust. This includes ensuring that the governance structure is suitable for each stage of the Trust's growth, and monitoring the Trust's equality and diversity strategy and its succession planning strategy for governance.

In 2024-2025, trustees introduced a Chair Liaison trustee role to ensure effective communication between the Local Governing boards and the Trust Board. The Chair Liaison trustee also facilitates networking, collaboration and training for members of Local Governing Boards. The Trust Board also strengthened governance of special educational needs and disabilities (SEND) through the appointment of a trustee with substantial experience and expertise in this area of work.

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring the Trust delivers good value in the use of public resources. The CEO understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The CEO considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Trust's CEO has delivered improved value for money during the year by:

- Developing systems for sharing and developing expertise across the Trust. Teachers are enabled to plan together and share resources for example
- Developing the scope of the Trust's school improvement services to support schools both within the Trust and beyond. This includes providing initial teacher and Early Career teachers training through the LETTA SCITT, delivering apprenticeship programmes, an early Years Foundation Degree, leadership development programmes and school improvement partner support

THE LETTA TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

- Sharing the cost of specialist teachers across schools, staff in leadership posts and premises staff
- Ensuring that contracts for services are consolidated and renegotiated regularly to save schools money
- Enhancing financial controls and procedures to ensure better value for money
- Maximising fundraising and application for specific grants to provide additional income for schools including for capital works
- Having a robust plan of planned preventative maintenance in place and avoid expensive, unexpected expenditure on school buildings.

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 ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 01 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 Trust Board has reviewed the key risks to which the Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. Risk assessment is an integral part of all discussions in Trust Board meetings.

Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 01 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board. The Trust has an up-to-date, approved Anti-Fraud Policy and Business Continuity Plan.

The risk and control framework

The LETTA Trust's system of internal control is a framework of procedures that include the segregation of duties and a system of delegation and accountability. It includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports, which are reviewed and agreed upon by trustees
- Scrutiny of budget reports 5 times annually by the Resources Committee members. These reports set out financial performance against forecasts, major purchase plans, capital works and expenditure programmes
- Scrutiny of management accounts every month by the Chair of Trustees and Chair of the Resources Committee, and an opportunity to discuss management accounts in each Trust Board meeting
- Clearly defined purchasing processes, delegation of authority, segregation of duties and limits of authorisation
- Ongoing identification and management of risks
- Scrutiny by an internal auditor of the Trust's financial systems and advice on improvements to financial and operational procedures

THE LETTA TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Trustees appoint an internal auditor annually to perform a range of checks on the Trust's financial systems and give advice on improvements that could be made to financial procedures. The internal auditor's reports are scrutinised by leaders and trustees. Checks carried out in 2024-2025 included:

- Payroll
- Purchases
- Accounting system
- MAT controls
- Census returns
- Governance requirements
- Conflicts of interest
- Assurance arrangements
- Hospitality and personal benefit
- Compliance with ESFA transparency requirements
- Other requirements from the ATH

On an annual basis, the auditor prepares a summary report to the Audit and Risk Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year-on-year progress.

Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. This process of review is informed by:

- The work of the internal auditor
- The work of the external auditor
- The financial management and governance self-assessment process or the school resource management self-assessment tool
- The work of executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework including the external financial consultant employed by the Trust.

The work of the Chief Finance Officer and the central operations team is overseen by the CEO. The CFO and CEO report regularly to the Trust Board Resources Committee who then report back at each Trust Board meeting. Each Trust Board meeting includes the opportunity to discuss matters relating to financial oversight of the Trust. The Chair of Trustees receives and scrutinises the Trust's monthly management accounts. The system of internal control is reviewed annually or before if required and the CEO ensures that there is continuous improvement of the system in place.

Based on the advice of the audit and risk committee and the Accounting Officer, the board of trustees is of the opinion that the Trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the board of trustees on 08 December 2025 and signed on its behalf by:



Jo Franklin
Accounting Officer



Peter Sherratt
Executive Chair

THE LETTA TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2025

As Accounting Officer of The LETTA Trust, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the Trust's funding agreement with the Department for Education (DfE), and the requirements of the Academy Trust Handbook 2024, including responsibilities for estates safety and management. I have also considered my responsibility to notify the Trust Board and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I and the board of trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and DfE.



Jo Franklin - Accounting Officer

23 December 2025

THE LETTA TRUST

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 in 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 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 08 December 2025 and signed on its behalf by:



Peter Sherratt
Executive Chair

THE LETTA TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE LETTA TRUST

FOR THE YEAR ENDED 31 AUGUST 2025

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

THE LETTA TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE LETTA TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report,

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- The Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Charities Act 2011, Safeguarding Vulnerable Groups Act 2006, the Academy Trust Handbook 2024, the Academies Accounts Direction 2024 to 2025, Companies Act 2006, FRS102, Charities SORP 2019, employment, environment and health and safety legislation.
- We understood how the Trust is complying with those legal and regulatory frameworks by making enquiries to the trustees and management. We corroborated our enquiries through our review of board minutes.
- The engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The assessment did not identify any issues in this area.
- We identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience;
- We focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, Charities Act 2011, the Academies Accounts Direction 2024 to 2025, data protection, anti-bribery and employment legislation;

THE LETTA TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE LETTA TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal fee expenditure; and
- Identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- Discussing amongst the engagement team regarding how and when fraud might occur in the financial statements and any potential indicators of fraud.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims.

We also obtained an understanding of the legal and regulatory framework that the academy trust operates in. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

THE LETTA TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE LETTA TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

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

Use of our report

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



Paul Fagan FCCA (Senior Statutory Auditor)

For and on behalf of Craufurd Hale Audit Services Limited, Statutory Auditor
Chartered Accountants
Ground Floor, Arena Court
Crown Lane
MAIDENHEAD
SL6 8QZ

23 December 2025

THE LETTA TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LETTA TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2025

In accordance with the terms of our engagement letter dated 18 June 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2024 to 2025, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Letta Trust during the period 1 September 2024 to 31 August 2025 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Letta Trust's accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2024 to 2025 issued by the ESFA. 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of income from various sources to ensure appropriately recognised
- Review of related party transactions to ensure ESFA reporting and approval was obtained where necessary
- Review of a sample of expenditure to ensure resources were expended towards the purposes they were intended for

THE LETTA TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LETTA TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Conclusion

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



Paul Fagan FCCA

Reporting Accountant

Craufurd Hale Audit Services Limited

Ground Floor, Arena Court

Crown Lane

MAIDENHEAD

SL6 8QZ

Dated: 23 December 2025

THE LETTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2025 £	Total 2024 £
Income and endowments from:						
Donations and capital grants	3	-	-	290,735	290,735	18,188
Donations - transfer from local authority on conversion	24	-	795,775	106,885	902,660	-
Charitable activities:						
- Funding for educational operations	4	-	15,728,289	-	15,728,289	8,250,161
Other trading activities	5	1,519,879	-	-	1,519,879	977,148
Investments	6	8,927	-	-	8,927	3,177
Total		<u>1,528,806</u>	<u>16,524,064</u>	<u>397,620</u>	<u>18,450,490</u>	<u>9,248,674</u>
Expenditure on:						
Raising funds	7	12,792	-	-	12,792	8,690
Charitable activities:						
- Educational operations	8	4,212	17,549,977	278,756	17,832,945	9,344,125
Total	7	<u>17,004</u>	<u>17,549,977</u>	<u>278,756</u>	<u>17,845,737</u>	<u>9,352,815</u>
Net income/(expenditure)		1,511,802	(1,025,913)	118,864	604,753	(104,141)
Transfers between funds	16	(1,511,802)	1,802,537	(290,735)	-	-
Reconciliation of funds						
Total funds brought forward		-	502,203	11,755,443	12,257,646	12,361,787
Total funds carried forward		-	1,278,827	11,583,572	12,862,399	12,257,646

THE LETTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

Comparative year information Year ended 31 August 2024	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2024
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	-	-	18,188	18,188
Charitable activities:					
- Funding for educational operations	4	-	8,250,161	-	8,250,161
Other trading activities	5	977,148	-	-	977,148
Investments	6	3,177	-	-	3,177
Total		<u>980,325</u>	<u>8,250,161</u>	<u>18,188</u>	<u>9,248,674</u>
Expenditure on:					
Raising funds	7	8,690	-	-	8,690
Charitable activities:					
- Educational operations	8	3,981	9,090,992	249,152	9,344,125
Total	7	<u>12,671</u>	<u>9,090,992</u>	<u>249,152</u>	<u>9,352,815</u>
Net income/(expenditure)		967,654	(840,831)	(230,964)	(104,141)
Transfers between funds	16	(967,654)	895,340	72,314	-
Net movement in funds		-	54,509	(158,650)	(104,141)
Reconciliation of funds					
Total funds brought forward		-	447,694	11,914,093	12,361,787
Total funds carried forward		-	502,203	11,755,443	12,257,646

THE LETTA TRUST

BALANCE SHEET

AS AT 31 AUGUST 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	12		11,583,572		11,755,443
Current assets					
Debtors	13	1,991,649		398,181	
Cash at bank and in hand		925,529		1,114,587	
		<u>2,917,178</u>		<u>1,512,768</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(1,638,351)		(1,010,565)	
		<u>1,278,827</u>		<u>502,203</u>	
Net current assets			1,278,827		502,203
Net assets excluding pension asset			12,862,399		12,257,646
Defined benefit pension scheme asset	18		-		-
			<u>12,862,399</u>		<u>12,257,646</u>
Total net assets			<u>12,862,399</u>		<u>12,257,646</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			11,583,572		11,755,443
- Restricted income funds			1,278,827		502,203
			<u>12,862,399</u>		<u>12,257,646</u>
Total restricted funds			12,862,399		12,257,646
Unrestricted income funds	16		-		-
			<u>12,862,399</u>		<u>12,257,646</u>
Total funds			<u>12,862,399</u>		<u>12,257,646</u>

The financial statements on pages 26 to 53 were approved by the trustees and authorised for issue on 08 December 2025 and are signed on their behalf by:



Peter Sherratt
Executive Chair

Company registration number 10726202 (England and Wales)

THE LETTA TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

		2025		2024	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(1,248,615)		294,481
Cash funds transferred on conversion	24		759,895		-
			<u>(488,720)</u>		<u>294,481</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		8,927		3,177	
Capital grants from DfE Group		290,735		18,188	
Purchase of tangible fixed assets		-		(90,500)	
		<u></u>	<u>299,662</u>	<u></u>	<u>(69,135)</u>
Net cash provided by/(used in) investing activities			<u>299,662</u>		<u>(69,135)</u>
Net (decrease)/increase in cash and cash equivalents in the reporting period			<u>(189,058)</u>		<u>225,346</u>
Cash and cash equivalents at beginning of the year			<u>1,114,587</u>		<u>889,241</u>
Cash and cash equivalents at end of the year			<u><u>925,529</u></u>		<u><u>1,114,587</u></u>

The cash funds transferred on conversion of £759,895 excludes Virginia Primary School on the basis that the funds had not yet been transferred as disclosed in note 24.

THE LETTA TRUST

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

1 Accounting policies

Statutory information

The LETTA Trust is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on Reference and Administrative Details page. The presentation currency of the financial statements is the Pound Sterling (£).

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

1.1 Basis of preparation

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

In assessing the going concern status of the Trust, the trustees review the reserves available, the liquidity position, estimates of incoming resources and outgoings as well any planned capital expenditures. Budgets are prepared on this basis which are reviewed by the board of trustees to assess the going concern status of the Trust.

1.3 Conversion to an academy trust

The transfer from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred into the academy trust from Hermitage Primary School, Columbia Primary School and Virginia Primary School, have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

No value with respect to leasehold land and buildings value was included in these financial statements as disclosed in note 12.

Other tangible fixed assets were valued using the depreciated replacement cost value at the date of transfer.

Debtors and creditors were valued based on the existing carrying amounts on the date of transfer as agreed with the local authority.

Further details of the transfers are set out in note 24.

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.4 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.5 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 recognised once there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Resources are recorded net of VAT, with the exception of business costs where VAT is irrecoverable. They are classified under headings that aggregate all costs relating to that activity.

Central services

All central services are paid from the Trust bank account/budget before each school's allocation is shared out.

1.6 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The Trust's premises that were transferred by the local authority at the time of conversion were included in the financial statements at amount based on a valuation provided by the local authority. Following transition to FRS102, this amount has been included in the financial statements as the deemed cost. Any subsequent additions are included at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold Land and Buildings	Building at 2% of cost and land over the period of the lease
Computer equipment	25% of cost
Fixtures, fittings & equipment	10-25% of cost

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

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

1.7 Liabilities

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

1.8 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Property, plant and equipment acquired under finance leases are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

1.11 Pensions benefits

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

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

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

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The 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, mortality assumptions and CPI rate. Any changes in these assumptions, which are disclosed in note 18 will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

2 Critical accounting estimates and areas of judgement (Continued)

Critical areas of judgement

A key judgement relates to the recognition of any surplus on the Local Government Pension Scheme (LGPS). Under FRS 102, a pension surplus can only be recognised to the extent it is recoverable through reduced future contributions or refunds. The Trustees have assessed the LGPS and concluded that any surplus is not recoverable. Accordingly, no pension asset has been recognised (£Nil), with the adjustment offset against the overall actuarial gain for the year.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Capital grants	-	290,735	290,735	18,188

Capital grants include 263,444 towards boiler works at Stebon Primary School (2024: £10,106 towards roof works at Stebon Primary School).

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
DfE/ESFA grants				
General annual grant (GAG)	-	10,762,680	10,762,680	5,644,673
Other DfE/ESFA grants:				
- UIFSM	-	179,906	179,906	86,286
- Pupil premium	-	877,024	877,024	517,519
- DfE/ESFA Teachers Pension Employer Contribution Grant	-	186,832	186,832	-
- DfE teaching grants	-	153,911	153,911	-
- Others	-	532,780	532,780	445,984
	-	12,693,133	12,693,133	6,694,462
Other government grants				
LA grants- SEN funding	-	1,697,514	1,697,514	714,294
LA grants- Early years	-	1,337,642	1,337,642	783,872
LA grants- Teachers pay grants	-	-	-	6,747
	-	3,035,156	3,035,156	1,504,913
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	-	-	50,786
Total funding	-	15,728,289	15,728,289	8,250,161

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Hire of facilities	74,849	-	74,849	43,001
Catering income	35,624	-	35,624	10,571
School meals	253,473	-	253,473	112,977
Other income	1,155,933	-	1,155,933	810,599
	<u>1,519,879</u>	<u>-</u>	<u>1,519,879</u>	<u>977,148</u>

Other trading income includes £430,317 (2024: £562,784) for salary reimbursements from Letta School Direct Limited.

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Short term deposits	8,927	-	8,927	3,177
	<u>8,927</u>	<u>-</u>	<u>8,927</u>	<u>3,177</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2025 £	Total 2024 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	12,792	12,792	8,690
Academy's educational operations					
- Direct costs	13,009,899	-	1,638,955	14,648,854	7,888,828
- Allocated support costs	-	2,462,637	721,454	3,184,091	1,455,297
	<u>13,009,899</u>	<u>2,462,637</u>	<u>2,373,201</u>	<u>17,845,737</u>	<u>9,352,815</u>

Net income/(expenditure) for the year includes:

	2025 £	2024 £
Operating lease rentals	248,141	248,141
Depreciation of tangible fixed assets	278,756	249,152
Fees payable to auditor for:		
- Audit	23,500	15,000
- Other services	3,000	2,450
	<u>553,407</u>	<u>514,743</u>

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Direct costs				
Educational operations	-	14,648,854	14,648,854	7,888,828
Support costs				
Educational operations	4,212	3,179,879	3,184,091	1,455,297
	<u>4,212</u>	<u>17,828,733</u>	<u>17,832,945</u>	<u>9,344,125</u>

	2025 £	2024 £
Analysis of support costs		
Support staff costs	3,782	-
Depreciation	76,572	47,701
Technology costs	251,070	120,460
Premises costs	2,386,065	984,016
Other support costs	241,208	261,493
Governance costs	225,394	41,627
	<u>3,184,091</u>	<u>1,455,297</u>

9 Staff

Staff costs

Staff costs during the year were:

	2025 £	2024 £
Wages and salaries	10,013,225	5,588,862
Social security costs	1,111,417	442,950
Pension costs	1,795,409	857,901
Apprenticeship levy	31,874	12,670
Staff costs - employees	<u>12,951,925</u>	<u>6,902,383</u>
ITT Bursary and other staff costs	57,974	60,746
Total staff expenditure	<u>13,009,899</u>	<u>6,963,129</u>

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

9 Staff

(Continued)

Staff numbers

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

	2025 Number	2024 Number
Teachers	86	48
Administration and support	228	130
Management	22	11
	<u>336</u>	<u>189</u>

Higher paid staff

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

	2025 Number	2024 Number
£60,001 - £70,000	17	9
£70,001 - £80,000	11	2
£80,001 - £90,000	5	1
£100,001- £110,000	1	-
£110,001- £120,000	-	1
£120,001- £130,000	1	1
£140,000-£150,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £ 1,807,192 (2024: £618,724).

10 Trustees' remuneration and expenses

There were no payments to trustees in respect of remuneration, other benefits or expenses for the year ended 31 August 2025.

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2025 was £19,769 (2024: £19,769). The cost of this insurance is included in the total insurance cost.

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

12 Tangible fixed assets

	Leasehold Land and Buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2024	13,034,229	832,091	1,416,691	15,283,011
Additions	-	106,885	-	106,885
At 31 August 2025	13,034,229	938,976	1,416,691	15,389,896
Depreciation				
At 1 September 2024	1,374,648	781,677	1,371,243	3,527,568
Charge for the year	202,184	34,297	42,275	278,756
At 31 August 2025	1,576,832	815,974	1,413,518	3,806,324
Net book value				
At 31 August 2025	11,457,397	123,002	3,173	11,583,572
At 31 August 2024	11,659,581	50,414	45,448	11,755,443

The long leasehold relates to the following:

- Stebon Primary School, Wallwood Street, London E14 7AD over a term of 125 years commencing on 1 July 2017. The trust's premises were transferred by the local authority at the time of conversion and were included in the financial statements at an amount based on a valuation provided by the local authority. Following transition to FRS102, this amount has been included in the financial statements as the deemed cost which was £12,349,830. Any subsequent additions are included at cost.

During the year the trust admitted three academies where the trust can occupy land and buildings under peppercorn lease arrangements, where the Trust pays a nominal rent. The leases were granted by the relevant local authorities to formalise use of the premises without commercial rent.

The Trust occupies premises under a long lease from the local authority at a peppercorn rent. The lease is for a term of 125 years and grants the Trust the right to use the land and buildings for the purpose of operating the academy.

The Trust does not control or own the underlying asset and does not bear the majority of the risks associated with ownership. Accordingly, the leased assets are not recognised on the Trust's balance sheet, and only any directly incurred costs related to maintenance or occupancy are included in operating expenses.

The three academies were as follows:

- 1). Hermitage Primary School, Vaughan Way, London E1W 2PT over a term of 125 years commencing on 1 September 2024
- 2). Columbia Primary School, Columbia Road, London E2 7RG over a term of 125 years commencing on 1 September 2024; and
- 3). Virginia Primary School, Virginia Road, London E2 7NQ over a term of over a term of 125 years commencing on 1 July 2025.

As disclosed in note 24, a total of £107,335 of other tangible fixed assets were also transferred into the academy trust. These assets were valued using depreciated replacement cost value at the date of transfer.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

13 Debtors

	2025 £	2024 £
Trade debtors	18,297	-
Amounts due on transfer	353,621	-
VAT recoverable	188,622	37,679
Prepayments and accrued income	1,431,109	360,502
	<u>1,991,649</u>	<u>398,181</u>

The amounts due on transfer relate to the net assets of Virginia Primary School as disclosed in note 24.

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	493,735	36,881
Other taxation and social security	301,529	131,785
Other creditors	271,306	171,764
Accruals and deferred income	571,781	460,135
Deferred income - Condition improvement fund	-	210,000
	<u>1,638,351</u>	<u>1,010,565</u>

15 Deferred income

	2025 £	2024 £
Deferred income is included within:		
Creditors due within one year	132,263	351,679
	<u>132,263</u>	<u>351,679</u>
Deferred income at 1 September 2024	351,679	114,022
Released from previous years	(351,679)	-
Resources deferred in the year	132,263	237,657
	<u>132,263</u>	<u>237,657</u>
Deferred income at 31 August 2025	<u>132,263</u>	<u>351,679</u>

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

16 Funds

	Balance at 1 September 2024 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2025 £
Restricted general funds					
General Annual Grant (GAG)	349,193	10,762,680	(12,026,651)	1,802,537	887,759
UIFSM	-	179,906	(179,906)	-	-
Pupil premium	-	877,024	(877,024)	-	-
Other DfE/ESFA grants	-	873,523	(873,523)	-	-
Other government grants	153,010	3,035,156	(3,188,166)	-	-
Inherited on transfer (note 24)	-	795,775	(404,707)	-	391,068
	<u>502,203</u>	<u>16,524,064</u>	<u>(17,549,977)</u>	<u>1,802,537</u>	<u>1,278,827</u>
Restricted fixed asset funds					
Inherited on transfer (note 24)	-	106,885	(26,721)	-	80,164
DfE group capital grants	11,683,129	290,735	(252,035)	(290,735)	11,431,094
Capital expenditure from GAG	72,314	-	-	-	72,314
	<u>11,755,443</u>	<u>397,620</u>	<u>(278,756)</u>	<u>(290,735)</u>	<u>11,583,572</u>
Total restricted funds	<u>12,257,646</u>	<u>16,921,684</u>	<u>(17,828,733)</u>	<u>1,511,802</u>	<u>12,862,399</u>
Unrestricted funds					
General funds	-	1,528,806	(17,004)	(1,511,802)	-
	<u>-</u>	<u>1,528,806</u>	<u>(17,004)</u>	<u>(1,511,802)</u>	<u>-</u>
Total funds	<u>12,257,646</u>	<u>18,450,490</u>	<u>(17,845,737)</u>	<u>-</u>	<u>12,862,399</u>

The trust has not disaggregated the costs throughout the year and all balances in the Trust are held centrally. So, no breakdown of fund balances, for individual academies, are provided.

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

Restricted general funds represent the grants received by the Trust to fund its operational activities and development. Under the funding agreement with the Secretary of State, the Trusts schools were not subject to a limit on the amount of GAG that they could carry forward at 31 August 2025.

Restricted fixed asset funds represent the grants and donations received by the Trust to fund capital expenditure. In addition, the inherited funds represent the assets gifted to the Trust on the conversion of the schools to a multi academy trust. Where a school has previously been a member of a separate academy, the value of the assets are included in the fund titled 'Transfer into Trust'.

Pension reserve

The pension reserve had a deficit of £440K in the year ended 31 August 2022. The reserve has increased to a surplus of £246K in the year ended 31 August 2023. In line with FRS 102 treatment, the surplus was not recognised.

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

16 Funds

(Continued)

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

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	447,694	5,644,673	(6,638,514)	895,340	349,193
UIFSM	-	86,286	(86,286)	-	-
Pupil premium	-	517,519	(517,519)	-	-
Catch-up premium	-	50,786	(50,786)	-	-
Other DfE/ESFA grants	-	445,984	(445,984)	-	-
Other government grants	-	1,504,913	(1,351,903)	-	153,010
	<u>447,694</u>	<u>8,250,161</u>	<u>(9,090,992)</u>	<u>895,340</u>	<u>502,203</u>
Restricted fixed asset funds					
DfE group capital grants	11,914,093	18,188	(249,152)	-	11,683,129
Capital expenditure from GAG	-	-	-	72,314	72,314
	<u>11,914,093</u>	<u>18,188</u>	<u>(249,152)</u>	<u>72,314</u>	<u>11,755,443</u>
Total restricted funds	<u>12,361,787</u>	<u>8,268,349</u>	<u>(9,340,144)</u>	<u>967,654</u>	<u>12,257,646</u>
Unrestricted funds					
General funds	-	980,325	(12,671)	(967,654)	-
	<u>-</u>	<u>980,325</u>	<u>(12,671)</u>	<u>(967,654)</u>	<u>-</u>
Total funds	<u>12,361,787</u>	<u>9,248,674</u>	<u>(9,352,815)</u>	<u>-</u>	<u>12,257,646</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2025 are represented by:					
Tangible fixed assets	-	-	11,583,572	-	11,583,572
Current assets	-	2,917,178	-	-	2,917,178
Current liabilities	-	(1,638,351)	-	-	(1,638,351)
Total net assets	<u>-</u>	<u>1,278,827</u>	<u>11,583,572</u>	<u>-</u>	<u>12,862,399</u>

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2024 are represented by:					
Tangible fixed assets	-	-	11,755,443	-	11,755,443
Current assets	-	1,512,768	-	-	1,512,768
Current liabilities	-	(1,010,565)	-	-	(1,010,565)
Total net assets	-	502,203	11,755,443	-	12,257,646

18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Tower Hamlets. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £100,149 were payable to the schemes at 31 August 2025 (2024: £87,522) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI.

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

18 Pension and similar obligations

(Continued)

The key elements of the valuation outcome are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £533,779 (2024: £485,365).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £831,000 (2024: £412,000), of which employer's contributions totalled £665,000 (2024: £326,000) and employees' contributions totalled £166,000 (2024: £86,000). The agreed contribution rates for future years are 22.9% for employers and between 5.5% and 12.5% for employees.

As described in note 24 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2025 £	2024 £
Employer's contributions	665,000	326,000
Employees' contributions	166,000	86,000
Total contributions	831,000	412,000

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

18 Pension and similar obligations (Continued)

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	6.10	5.00

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

	2025 Years	2024 Years
Retiring today		
- Males	17	17
- Females	24	24
Retiring in 20 years		
- Males	21	20
- Females	25	25

Sensitivity analysis

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

	2025 £'000	2024 £'000
Discount rate +0.1% / -0.1%	123	71
Mortality assumption +1/-1 year	189	103
CPI rate +0.1% / -0.1%	121	71

Defined benefit pension scheme net asset

	2025 £	2024 £
Scheme assets	6,076,000	3,146,000
Scheme obligations	(4,722,000)	(3,146,000)
Net asset	1,354,000	-
Restriction on scheme assets	(1,354,000)	-
Total liability recognised	-	-

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

18 Pension and similar obligations

(Continued)

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

	2025	2024
	Fair value	Fair value
	£	£
Equities	4,313,960	2,170,740
Corporate bonds	972,160	471,900
Property	607,600	346,060
Cash	182,280	157,300
	<u>6,076,000</u>	<u>3,146,000</u>
Total market value of assets	<u><u>6,076,000</u></u>	<u><u>3,146,000</u></u>

Amount recognised in the statement of financial activities

	2025	2024
	£	£
Current service cost	427,000	218,000
Net interest from net defined benefit asset	(38,000)	(16,000)
	<u>389,000</u>	<u>202,000</u>
Total amount recognised	<u><u>389,000</u></u>	<u><u>202,000</u></u>

Actual return on plan assets

	255,000	136,000
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Changes in the present value of defined benefit obligations

	2025	2024
	£	£
At 1 September 2024	2,572,000	2,175,000
Current service cost	427,000	218,000
Interest cost	264,000	120,000
Employee contributions	166,000	86,000
Actuarial (gain)/loss	(1,465,000)	575,000
Benefits paid	(19,000)	(28,000)
Effect of transfers	2,777,000	-
	<u>4,722,000</u>	<u>3,146,000</u>
At 31 August 2025	<u><u>4,722,000</u></u>	<u><u>3,146,000</u></u>

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

18 Pension and similar obligations

(Continued)

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

	2025 £	2024 £
At 1 September 2024	3,146,000	2,421,000
Interest income	255,000	136,000
Actuarial gain	143,000	205,000
Employer contributions	166,000	326,000
Employee contributions	665,000	86,000
Benefits paid	(19,000)	(28,000)
Effect of transfers	1,720,000	-
	<u>6,076,000</u>	<u>3,146,000</u>
At 31 August 2025	<u>6,076,000</u>	<u>3,146,000</u>

As at 31 August 2025, the closing position of the defined benefit obligation was a surplus of £1,354,000 (2024: £574,000). In line with FRS102 treatment, the surplus has not been recognised. Therefore, the derecognition value of £1,354,000 (2024: £574,000) is included within the gains/losses.

Restriction of pension scheme assets

	2025 £	2024 £
Present value of defined benefit obligations	(4,722,000)	(3,146,000)
Fair value of plan assets	6,076,000	3,146,000
	<u>1,354,000</u>	<u>-</u>
Restriction to level of asset ceiling	(1,354,000)	-
	<u>-</u>	<u>-</u>
Net asset recognised on the balance sheet	<u>-</u>	<u>-</u>

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

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

	Notes	2025 £	2024 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		604,753	(104,141)
Adjusted for:			
Net surplus on conversion to academy	24	(902,660)	-
Capital grants from DfE and other capital income		(290,735)	(18,188)
Investment income receivable	6	(8,927)	(3,177)
Depreciation of tangible fixed assets		278,756	249,152
(Increase)/decrease in debtors		(1,239,847)	130,484
Increase in creditors		310,045	40,351
Net cash (used in)/provided by operating activities		(1,248,615)	294,481

The increase in debtors figure of £1,239,847 and the increase in creditors figure of £310,045 take into account those debtors and creditors transferred into the academy trust as disclosed in note 24.

20 Analysis of changes in net funds

	1 September 2024 £	Cash flows £	31 August 2025 £
Cash	1,114,587	(189,058)	925,529

21 Long-term commitments

Operating leases

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

	2025 £	2024 £
Amounts due within one year	252,029	260,582
Amounts due in two and five years	992,565	892,147
Amounts due after five years	4,218,403	3,566,667
	5,462,997	4,719,396

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

21 Long-term commitments

(Continued)

Other financial commitments

During the year, the Trust admitted two academies which occupy premises constructed under Private Finance Initiative (PFI) arrangements and held under peppercorn lease agreements. Hermitage Primary School does not occupy premises under a PFI arrangement but is held under a peppercorn lease agreement.

Private Finance Initiative (PFI)

The PFI contracts were originally entered into between the relevant local authorities and private sector providers. Under the terms of the agreements, the contractors provide the school buildings together with facilities management and lifecycle services for periods of up to 25 years from practical completion date of 12 December 2002.

On conversion to academy status during the year, the Trust assumed responsibility for making unitary charge payments in respect of these PFI arrangements via side agreements with the local authorities and the PFI providers. The Trust does not control the PFI assets and does not bear the majority of the construction and availability risks. Accordingly, the PFI assets and associated liabilities are not recognised on the Trust's balance sheet.

PFI expenditure

During the year, the Trust incurred PFI expenditure in respect of the following academies:

Academy	£
Columbia Primary School	413,687
Virginia Primary School	100,979
Total PFI expenditure	514,666

Future commitments

At the balance sheet date, the Trust's share of the future minimum payments under the PFI contract were as follows:

	£
Within one year	724,290
Between one and five years	746,018
After 5 years	-
Total future commitments	1,470,308

These commitments relate solely to the academies listed above and are subject to inflationary increases in accordance with the contract.

Peppercorn lease

Columbia Primary School, Virginia Primary School and Hermitage Primary School occupy land and buildings under peppercorn lease arrangements, where the Trust pays a nominal rent. The leases were granted by the relevant local authorities to formalise use of the premises without commercial rent.

The Trust occupies premises under a long lease from the local authority at a peppercorn rent. The lease is for a term of 125 years and grants the Trust the right to use the land and buildings for the purpose of operating the academy.

The Trust does not control or own the underlying asset and does not bear the majority of the risks associated with ownership. Accordingly, the leased assets are not recognised on the Trust's balance sheet, and only any directly incurred costs related to maintenance or occupancy are included in operating expenses.

Under the terms of the lease:

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

21 Long-term commitments

(Continued)

- The Trust is responsible for repairs, maintenance, and insurance of the property.
- The Trust cannot make alterations, erect additional buildings, or otherwise modify the property without the prior consent of the landlord.

Although the Trust bears certain responsibilities in relation to the property, control of the asset and the majority of risks and rewards of ownership remain with the local authority. Accordingly, the leasehold interest is not recognised as a tangible fixed asset on the balance sheet.

Operating expenditure

Costs incurred by the Trust during the year relating to the leasehold property, including repairs, maintenance, and insurance, are recognised as expenditure in the Statement of Financial Activities.

Future commitments

The Trust has a long-term commitment to occupy the premises under the lease. While the lease requires only a nominal rent, the Trust may incur ongoing repair and maintenance obligations over the term of the lease.

Risk management and going concern

The Trustees recognise that PFI arrangements and peppercorn leases represent long-term commitments or obligations, although the financial exposure of peppercorn leases is minimal. On conversion, the affordability of PFI payments and other occupancy obligations was reviewed as part of the conversion due diligence process. The Trustees monitor these obligations as part of the Trust's medium-term financial planning and consider that the Trust has adequate resources to meet its obligations as they fall due. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

1) J Iver (Headteacher at Stebon Primary School), spouse of J Franklin, Accounting Officer and CEO, is employed by the academy. J Iver is paid within the normal pay scale for his role as Headteacher and receives no special treatment as a result of the relationship.

The trust has conflict of interest mitigation measures in place, including a fully independent performance review regarding this related party.

No other material related party transactions took place during the period of account.

2) A Franklin (Photography) brother of J Franklin, Accounting Officer and the CEO. A Franklin has previously been engaged by the academy for photography projects with year 6 pupils. A Franklin was paid £3,949 (2024: £3,881) to carry out a photography project with Year 6 pupils.

This is an independent decision by the school and made annually in accordance with the related party procedures. The trust has measures in place to ensure mitigation of any potential conflict of interest. This is reported to the online Related Party Disclosure to the Dfe. Only Stebon have used the services for 24/25.

3) Letta School Direct Ltd. (registration number 08428346) was incorporated on 04/03/2013 and prior to the incorporation of The Letta Trust on 01/07/2017. It is not part of the multi-academy trust.

LETTA School Direct Limited is a separately registered social enterprise that delivers school improvement activities on behalf of the Trust and other partner schools in the LETTA Training partnership. The company is limited by guarantee whose directors are also the members of the senior management team of The Letta Trust (J Iver and J Franklin).

During the year, The LETTA Trust are reimbursed for salary costs from Letta School Direct Limited. These salaries relate to staff delivering initial teacher training, apprenticeships and other professional development. The amount received was £430,317 (2024 - £479,849).

4) Poplar Partnership Ltd. (charity number 1145513), incorporated on 06/11/2011 and prior to the incorporation of The Letta Trust on 01/07/2017. It is not part of the multi-academy trust.

The CEO (J Franklin) and the Headteachers (F Durnian and J Iver) are also trustees on the board of the Poplar Partnership Ltd, which supports collaborative school projects in schools in East London. They were not in receipt of any remuneration or benefits from the entity during the year. J Franklin resigned from this role 18/07/2025.

During the year, The Letta Trust received no grants (Morgan Stanley) paid from Poplar Partnership and transferred to Letta (2024: £4,615).

The Letta Trust paid £39,133 (2024: £30,600) to The Poplar Partnership for teachers' bursaries during the year. There are no balances outstanding.

23 Members' liability

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

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

24 Transfer into the academy trust

On 1 September 2024 the Hermitage Primary school and Columbia Primary school were transferred into the academy trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Letta Trust from Tower Hamlets Local Authority for £nil consideration.

On 1 July 2025 the Virginia Primary school was transferred into the academy trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Letta Trust from the Tower Hamlet's Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds	Restricted funds:		Total 2025
	£	General	Fixed asset	£
Net assets transferred:		£	£	£
Other tangible fixed assets	-	-	106,885	106,885
Cash	-	1,205,486	-	1,205,486
Other debtors	-	40,876	-	40,876
Other creditors	-	(450,587)	-	(450,587)
	-	795,775	106,885	902,660
	-	795,775	106,885	902,660

	Unrestricted funds	Restricted funds:		Total 2025
	£	General	Fixed asset	£
Funds surplus/(deficit) transferred:		£	£	£
Fixed assets funds	-	-	106,885	106,885
LA budget funds	-	795,775	-	795,775
	-	795,775	106,885	902,660
	-	795,775	106,885	902,660

THE LETTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

24 Transfer into the academy trust

(Continued)

At the time of approving these financial statements, discussions were still ongoing with London Borough of Tower Hamlets with respect to the value of the net assets on transfer of Virginia Primary School to The Letta Trust. The above represents the best estimate by the trustees. The trustees have estimated the net assets (excluding other tangible fixed assets) at the date of conversion to be £353,621. This has been included as a debtor in these financial statements as disclosed in note 13.

The assets and liabilities transferred of each school into the academy trust are detailed below.

	Hermitage Primary School	Columbia Primary School	Virginia Primary School	TOTAL
Other tangible fixed assets	51,292	34,206	21,387	106,885
Cash	366,135	393,759	445,591	1,205,485
Other debtors			40,876	40,876
Other creditors	(166,368)	(151,372)	(132,846)	(450,586)
	<u>251,059</u>	<u>276,593</u>	<u>375,008</u>	<u>902,660</u>

With respect to other creditors for Hermitage Primary School and Columbia Primary School, these represent the costs paid by The Letta Trust on behalf of Hermitage Primary School and Columbia Primary School to help facilitate a smooth transfer of these two schools into the academy trust. The amount with respect to Virginia Primary School represents local government funding received in advance.