

Registration number: 11121514 (England & Wales)

# The Pennine Trust

(A Company Limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

# **The Pennine Trust**

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## **The Pennine Trust**

### **Reference and Administrative Details**

#### **Members**

Mrs M Burnham

Mr P Catterall

Mr H Devonport (resigned 31 March 2021)

Mr T Root

Mrs H Swinson (resigned 25 May 2021)

#### **Trustees (Directors)**

Mrs M Burnham

Mr H Devonport (resigned 31 March 2021)

Ms E Gauntlett

Mrs C Hitchen (resigned 31 March 2021)

Dr P Parkin (resigned 31 March 2021)

Mr A Pettinger

Mr P White

Mr C Tiernan (resigned 4 October 2021)

Mr S Whiteley (appointed 16 December 2020)

Mrs S Bari (appointed 8 November 2021)

Mr S Wilson (appointed 8 November 2021)

#### **Company Secretary**

Mr B Walker

#### **Senior Management Team**

Dr P Parkin, Chief Executive Officer (until 31 March 2021)

Mr J Tarbox, Chief Executive Officer (from 1 April 2021)

Mrs H Scholey, Chief Financial Officer (until 4 July 2021)

Ms C Ferguson, Chief Financial Officer (from 5 July 2021)

Mrs C Eulert, Headteacher

Mr D Hetherington, Headteacher (until 31 August 2021)

Mrs H Walsh (from 1 September 2021)

Mrs J Sharples, Headteacher (until 31 August 2021)

Ms G Canty (from 1 September 2021)

Mrs K Richards, Headteacher

Mr D Bailey (from 1 September 2021)

## **The Pennine Trust**

### **Reference and Administrative Details (continued)**

#### **Principal and Registered Office**

Suite 5  
Bridgewater House  
Surrey Road  
Nelson  
BB9 7TZ

#### **Company Registration Number**

11121514 (England & Wales)

#### **Auditors**

Beever and Struthers  
Suite 9b  
The Beehive Lions Drive  
Shadsworth Business Park  
Blackburn  
BB1 2QS

#### **Bankers**

Lloyds TSB  
7 Manchester Road  
Burnley  
BB11 1HT

#### **Solicitors**

First North Law  
County Hall  
Northallerton  
North Yorkshire  
DL7 8AD

## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2021**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Multi-Academy Trust (MAT) operates academies for pupils aged 4-16, serving the catchment area in the borough of Pendle. It has a combined pupil capacity of 1,810. The numbers on roll are 1,795 pupils as reported in the school census in January 2021.

#### **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 academy trust. The trustees of The Pennine Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Pennine Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details page 1.

##### ***Members' liability***

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

##### ***Trustees' indemnities***

Professional indemnity insurance is in place to protect members, trustees and officers from claims arising from negligent acts, errors or omissions occurring with regards to trust business.

##### ***Method of recruitment and appointment or election of Trustees***

The members of the trust are responsible for the appointment of the first six trustees thereafter trustees may co-opt other trustees onto the board. The recruitment of trustees is solely dependent on the skill gaps that have been identified and upon the candidate's expertise, experience and skills. The number of trustees shall be a minimum of three but shall not be subject to any maximum, as referenced in the Articles of Association and are appointed for a term of four years.

##### ***Policies and procedures adopted for the induction and training of Trustees***

New trustees receive an induction pack outlining the roles and responsibilities of being a trustee which includes relevant policies and procedures.

Trustees received the following training throughout the year ending 31st August 2021:

- New Ofsted Framework
- Safeguarding & Prevent

Appropriate skills gap analysis is undertaken annually which is then used to form a training programme for the next academic year.

## The Pennine Trust

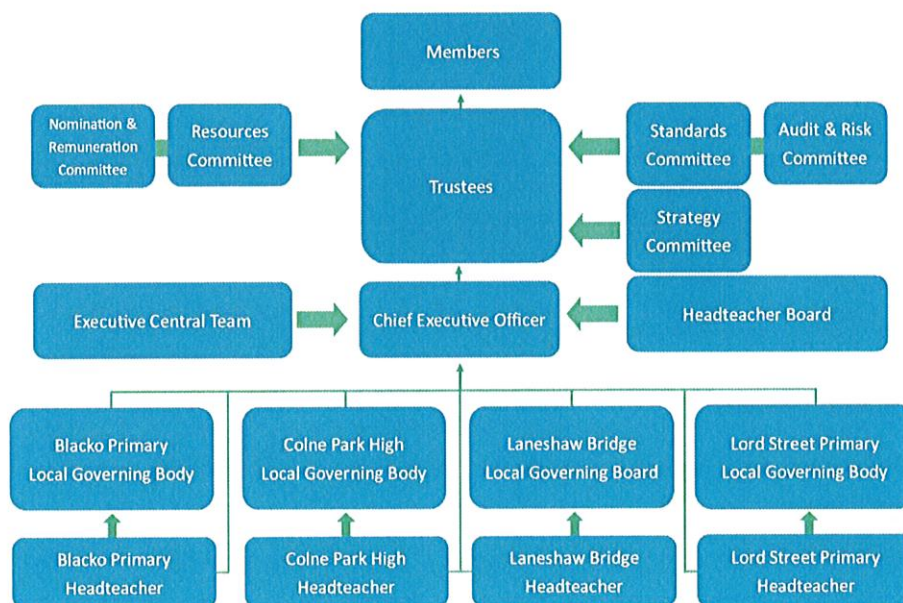
### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### *Organisational structure*

The organisational structure is set out in the Memorandum and Articles of The Pennine Trust. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels. The trustees have overall responsibility for the strategic direction and growth of the trust, approving the annual improvement plan and budget, monitoring the trust by reviewing financial and performance data, making staff appointments to the Senior Leadership Team and approving the annual report and financial statements. They are also responsible for all matters relating to finance and personnel and for setting the trust's general policies.

The trustees are responsible for ensuring the Local Governing Boards fulfil their statutory obligations in a manner which allow the Multi-Academy Trust to fulfil its aims, ensuring procedures are in place to ensure regularity, propriety and value for money, setting general policies, budget planning and monitoring and major decision making about the direction of the trust, capital expenditure and senior staff appointments. The CEO is the Accounting Officer and is supported by the Central Team. The Central Team is responsible for implementing the policies laid down by the trustees and reporting back to them. The trustees delegate day to day operation of the academies to the headteachers in each school who are supported by school leadership.

The trustees have clear terms of reference and have four sub-committees that meet termly: Audit & Risk, Resources, Nomination and Remuneration and Standards. The trustees have Local Governing Bodies (LGB) in each academy. The LGBs also have clear terms of reference and work from the trust's Scheme of Delegation. Each committee and LGB will meet at least on a termly basis. Reports from the sub-committees and LGBs will be received, scrutinised and ratified by the trustees. A Trust Strategy Committee, consisting of trustees, Trust Executive Team, headteachers and Chairs of LGB's was also formed. Trustees will also make regular visits to all four of the academies within the trust.



**The Pennine Trust**  
**Trustees' Report for the Year Ended 31 August 2021 (continued)**

Roles and responsibilities of members, trustees, Chief Executive Officer, Local Governing Boards and headteachers are clearly defined within the Trust's Scheme of Delegation.

**Committee Organisation**

**Audit & Risk Committee**

Mr P White (Committee Chair)  
 Ms E Gauntlett  
 Mrs M Burnham

**Resources Committee**

Mr C Tiernan (Committee Chair)  
 Mr A Pettinger  
 Mr P White  
 Mr S Whiteley

**Nomination & Remuneration Committee**

Mr C Tiernan (Committee Chair)  
 Mrs M Burnham  
 Ms E Gauntlett

**Standards Committee**

Ms E Gauntlett (Committee Chair)  
 Mr C Tiernan  
 Mrs M Burnham

***Arrangements for setting pay and remuneration of key management personnel***

The Nomination and Remunerations Committee set the pay for the Chief Executive Officer and the Senior Leadership Team. The Chief Executive Officer annually provides a report which reviews all other pay increases.

***Trade union facility time***

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force in April 2017, which put in place provisions in the Trade Union Act 2016 requiring relevant public-sector employers to publish specified information related to facility time provided to trade union officials.

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

## The Pennine Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Percentage of pay bill spent on facility time

|                                                                                                                                         |     |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----|
| Provide the total cost of facility time                                                                                                 | 0   |
| Provide the total pay bill                                                                                                              | n/a |
| Provide the percentage of the total pay bill spent on facility time, calculated as (total cost of facility time ÷ total pay bill) x 100 | 0   |

#### Paid trade union activities

|                                                                                                                                                                                                                                                                    |   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:<br><br>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 | 0 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|

#### *Related Parties and other Connected Charities and Organisations*

There have been no related parties, other connected charities or organisations to report.

#### Objectives and activities

##### *Objects and aims*

The justification for our trust is that by working in partnership we will improve the current educational outcomes, social mobility and wellbeing for all young people in our area. There are three core values at the heart of our trust:

We will **innovate** to ensure provision matches the needs of our pupils, providing a knowledge-rich curriculum and enriching experiences which stimulate our pupils and raise aspirations.

We are fully **inclusive**, developing school cultures where no child is ever left behind and where pupils, staff, families and those in the wider community are valued and supported.

We seek to **inspire** all members of our community to realise their full potential and achieve the highest standards, tackling any potential obstacles to progress with tenacity and an indomitable attitude.

The trust aims to provide as many opportunities as possible for every child to not only achieve their best academically, but also to offer a broad and balanced range of enrichment opportunities to become a well-rounded, confident citizen that has the skills and qualities required to carry them into their adult lives.

Operating as a trust increases our potential to achieve these aims through:

- Provision of a seamless educational journey from ages 4-16 for pupils in trust primary schools who go on to Park High School.
- Removing barriers to sharing best teaching practice, learning and development between schools.
- Using innovative research to drive the ambition to provide a world class education for all.
- Improving the chances of being successful for grant funding for school improvement.
- Recruiting, developing and retaining the best staff, including leaders, through joint training and development initiatives.
- Promoting additional contact between pupils of trust and local schools.
- Delivering financial efficiencies by improving buying power, allowing more funds for learning.

#### *The Pennine Trust Curriculum Intent*

The trust has a curriculum that provides all pupils, regardless of their aptitude, interest or background, the knowledge, skills and character development to feel success in learning and ambition for their future.

## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Curriculum Aims:**

- 1 - Develop young people with active and creative minds, engendering a sense of compassion and understanding of others and the courage to act on their beliefs, enabling them to make a lasting contribution to their local communities
- 2 - Ensure the holistic development of a pupil's character to instil confidence, personal skills and the drive to fulfil their dreams and potential in any social context.
- 3 - Provide a challenging and inspiring academic core curriculum for all pupils to study to ensure no one is disadvantaged or restricted in their future education opportunities or career prospects.
- 4 - Structure and progressively develop learning around common fundamental concepts rather than focusing on contexts and application.
- 5 - Facilitate higher order thinking of pupils using cognitive resources linked to fundamental concepts (core knowledge) that have been located in their long-term memory.
- 6 - Integrate learning experiences which facilitate the rapid closure of gaps in both academic progress and personal development.
- 7 - Embrace a cross-phase approach to curriculum design to ensure continuity in provision through the primary and secondary phases, leading to a shared understanding of our pedagogies in each phase and clear links in the progression of learning fundamental concepts.
- 8 - Offer distinctive academic and technical learning pathways from KS4 onwards which are commensurate with the unusually high number of advanced engineering career opportunities in the geographical area of our schools.
- 9 - Grow pupil's love of learning and an appreciation of the beauty of using new ideas and skills to explain and shape our world.

#### ***Public benefit***

In setting the objectives, and planning the activities, the trustees have considered the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education. The key public benefit delivered by The Pennine Trust is the development of high-quality education provided within its schools, to the public benefit of all children local to these schools.

## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

The trust is committed to delivering the above benefits, whilst at the same time retaining the identities and best aspects of all four schools. Each school has kept its own name, headteacher and local governing board, and will continue to focus on delivering quality teaching within the trust's local community.

The trust will operate on the principle of earned autonomy. A trust dashboard of key performance indicators provides trustees with an ongoing health check. The level of autonomy afforded to each school is in line with its health according to these performance indicators.

This academic year has seen significant changes in leadership across the trust. These have included the appointment of a new Chair of Trustees, new Chief Executive Officer and new Chief Finance Officer. Two of the trust's primary schools have also recruited new headteachers. Such significant change in leadership has also led to a reappraisal of strategic goals as well as medium term priorities.

The immediate priorities can be summarised as focusing on core provision for our pupils – focussing on the culture across the trust and the quality of the curriculum and its implementation, including wider curriculum provision and high-quality training for staff at all levels. In addition we are strengthening the organisational and support systems across the trust to increase efficiency and ensure school leaders and staff have the resources needed to be highly effective.

Further to the above, governance has been reviewed, with a focus on recruitment, increasing strategic leadership and input from trustees and enhancing the role of local governors in monitoring key aspects of school provision.

The nine key priorities for the 2021-22 academic year are outlined below:

Priority 1 – Common approach to and collaborative design of a sequential curriculum that builds knowledge and understanding over time.

Priority 2 – Effective implementation and quality assurance of the curriculum.

Priority 3 – Effective Covid recovery and catch-up action/intervention to address gaps in children's learning and support their wellbeing.

Priority 4 – Trust wide approach to staff development, wellbeing and culture which equips all staff to fulfil their roles effectively and defines us as an employer of choice

Priority 5 – Grow the trust by taking on an academy by September 2022

Priority 6 – Ensure identified priorities for improving behaviour and attendance in each school are realised.

Priority 7 – Develop a through PSHE curriculum and an extensive wider curriculum offer (including extensive student leadership opportunities) to enrich our pupils' education.

Priority 8 – Develop an effective digital strategy for the trust and commence delivery of it.

Priority 9 – Work with NHS and other key service providers to lay the foundations for development of the trust as a Hub for health and welfare.

## The Pennine Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### *Key performance indicators*

Key Stage 2 SATs and GCSE examinations were cancelled in 2021 due to COVID 19. Schools did not report on public examination results, since grades were assessed by centres, with some external moderation of specific subjects.

The table below shows some headline performance measures for Park High School, though these results are not in the public domain and should not be compared with outcomes for other schools. Analysis of results from schools nationally from organisations such as FFT, indicate that these outcomes are broadly in line with the national averages for all schools in England. The only aspects where outcomes were significantly below national levels are related to entries for The English Baccalaureate. Curriculum changes have ensured that, this year, numbers of pupils following this suite of qualifications will more than double.

#### **KS4 Attainment**

|                                           | <b>Park High School</b> | <b>National</b> |
|-------------------------------------------|-------------------------|-----------------|
| English Baccalaureate Average Point Score | 4.23                    | 4.45            |
| Average Attainment 8 score                | 49.0                    | 50.9            |
| % Achieving Grade 4+ in English & Maths   | 74%                     | 75%             |
| % Achieving Grade 5+ in English & Maths   | 51.5%                   | 51.9%           |
| % Pupils Entering English Baccalaureate   | 28.7%                   | 38.7%           |

#### *Plans for future periods*

As the trust tackles the impact of the pandemic, following 18 months of significant disruption to learning, and the recently appointed executive and school leaders establish themselves in post, the Leadership Board and Trust Strategy Committee are reviewing the trust's overall strategic vision and goals. This review will be complete by January 2022.

#### *Going concern*

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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.

## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### *Financial review*

During the year ended 31st August 2021 the Pennine Trust has received income of: £11,543k (2020: £11,021k)

The principal sources of funding for the trust are grants from the Education and Skills Funding Agency (ESFA) and the Local Authority. Most of the trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year the trust received a number of grants relating to the impact of Covid. These include Covid Catch Up and Mass Testing grants which have been used to support pupils affected by the disruption caused by the pandemic and test pupils in the secondary school with a view to minimising the spread.

The pandemic continued to impact normal operations within the schools throughout the year ended 31st August 2021 with less extracurricular activities possible due to restrictions, further remote learning for some pupils and disrupted services e.g. catering. Savings made in these areas have been carried forward to next year when it is hoped that it will be possible to reintroduce enrichment programmes and get back to normal.

The trust also receives grants for fixed assets from the DfE. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. In addition to the grants received, the trust recognised fixed asset related donated income of £144k in the current year in respect of donated laptops. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2021, total expenditure was £10,954k (2020: £10,318k) resulting in net income of £589k (2020: £704k) leading to reserves carried forward of £10,452k (2020: £10,453k). This includes £1,085k (2020: £795k) restricted funds carried forward to be utilised in future years, £457k (2020: £314k) unrestricted funds to be used to meet the trust's charitable objectives and £13,195k (2020: £12,656k) restricted fixed asset funds representing tangibles fixed assets and capital funding awarded to date offset by depreciation charges.

Non-teaching staff are members of the Local Government Pension Scheme (LGPS). The deficit as at 31st August 2021 is £4,284k (2020: £3,312k).

The trust monitors cash flow and prepares financial forecasts to anticipate and manage financial risk and meet financial objectives.

## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Strategic Report**

##### ***Reserves policy***

The trustees review the reserve levels of the trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trust needs to hold reserves to ensure that it has sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, falling student numbers or adverse changes to funding methodologies. Consideration is also given to the need to meet any significant investment. Areas currently identified include development of the buildings and investment in school improvement.

Reserves in excess of the reserve policy will be reviewed by the trustees with a view to identifying how best to allocate. This may include releasing the funds into the revenue budget in furtherance of the trust's objectives, assigning funds to appropriate designated reserves or investing the funds to generate further income to allow expansion of the trust's work.

The trustees have determined that the appropriate level of general reserves should be a minimum of 8% and a maximum of 16% of the General Annual Grant (GAG) income. The total restricted and unrestricted general reserves (excluding the pension deficit) as at 31st August 2021 are £1,542k. This is in line with the reserves policy.

##### ***Investment policy***

All investments are agreed by the trustees, which have regard to the Charity Commission guidance in relation to charity investment policy. The trust does not currently hold any investments other than cash, which is held for its normal operations. The trustees have adopted a low-risk strategy to its cash holdings. Surplus cash is held in an instant access account to ensure that there is always sufficient cash to meet short and medium-term requirements.

In the longer term, if sufficient cash balances are held, the trust will seek to maximise its return by investing surplus cash in fixed term deposits with banks approved by the trustees.

## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Strategic Report**

##### *Principal risks and uncertainties*

The trust has undertaken work to develop and embed the system of internal control, including financial, operational and risk management which has been designed to protect the trust's assets and reputation.

A full review of the risks faced by The Pennine Trust has been carried out and systems and processes implemented to mitigate those risks. The trust has identified the major risks it faces and has documented these within its risk register; this is reviewed termly by the trustees. The trustees are also kept up to date between these meetings of any issues that may impact upon the management of risk.

The main risk areas identified include:

- Financial
- Human Resources
- Infrastructure
- Governance
- Reputational

In addition, specific risks relating to Covid have been identified and will remain on the risk register whilst the risk remains.

The Audit & Risk Committee has an ongoing responsibility for the monitoring of risks and has engaged Hallidays as its Internal Auditors to ensure maintained compliance. An internal audit plan was agreed and undertaken in 2020/21. Further details around the focus of this work is included within the Governance Statement.

##### **Fundraising**

The trust has nominated a senior leader who is responsible for ensuring that charitable giving by pupils, staff and families is appropriate and only allows fundraising activities if:

- The charity is registered with the UK's Charity Commission.
- The charity and the cause demonstrate no political, religious or cultural discrimination.
- The Charity's values are consistent with fundamental British values of democracy, rule of law, individual liberty and mutual respect, and tolerance of those with different faiths and beliefs.
- There is no compulsion for pupils, staff and families to participate in any fundraising activities.
- If the monies raised are to be split across a number of charities the basis of this split must be notified in advance and during the fundraising activity.
- Pupils and staff organising fundraising are adequately inducted on the appropriate procedures.
- Learning is not disrupted by fundraising.
- All charitable giving is entered on to the Charitable Giving Record and is reviewed and approved by the nominated senior leader.
- Evidence is sought to ensure charitable funds have been appropriately spent.

## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Funds held as Custodian Trustee on behalf of others**

The Pennine Trust holds no funds on behalf of others.

#### **Auditor**

Insofar 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.

Beever and Struthers are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2021 and signed on the Board's behalf by:



.....  
Mrs Marie Burnham  
Chair of Trustees

## The Pennine Trust

### Governance Statement for Year Ended 31<sup>st</sup> August 2021

#### Statement on governance and internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at The Pennine Trust for the period 1st September 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements.

#### Scope of responsibility

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

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

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The *Members* have formally met once during the year. Attendance during the year at meetings of the Members was as follows:

| Member         | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Mr H Devonport | 1                 | 1                 |
| Mrs M Burnham  | 1                 | 1                 |
| Mr P Catterall | 1                 | 1                 |
| Mr T Root      | 0                 | 1                 |
| Mrs H Swinson  | 0                 | 1                 |

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

The *Board of Trustees* have formally met three times during the year (13th October 2020, 20th January 2021 and 21st April 2021.) The trust has maintained adequate oversight of its finances through:

- Delegating oversight to the Resources Committee who have met 4 times in the 2020-21 academic year; and
- Circulating monthly financial management reports to all trustees.

## The Pennine Trust

### Governance Statement for Year Ended 31<sup>st</sup> August 2021 (continued)

| Trustee        | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Mr H Devonport | 1                 | 2                 |
| Ms E Gauntlett | 3                 | 3                 |
| Dr P Parkin    | 2                 | 2                 |
| Mr A Pettinger | 3                 | 3                 |
| Mr S Whiteley  | 2                 | 2                 |
| Mr P White     | 2                 | 3                 |
| Mrs M Burnham  | 3                 | 3                 |
| Mrs C Hitchen  | 2                 | 2                 |
| Mr C Tiernan   | 3                 | 3                 |

Where Trustees have tendered apologies during the year this has been due to work commitments.

The *Audit & Risk Committee* is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the arrangements for regulatory compliance, financial probity and management of risk. The appointment of internal auditors was a decision made by the Audit Committee. Subsequently, Hallidays were appointed as the Trust's Internal Auditors.

Attendance at the meetings in the year (14<sup>th</sup> October 2020, 2<sup>nd</sup> December 2020, 3<sup>rd</sup> February 2021, and 1<sup>st</sup> July 2021) was as follows:

| Trustee        | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Mrs M Burnham  | 3                 | 4                 |
| Ms E Gauntlett | 4                 | 4                 |
| Mr H Devonport | 3                 | 3                 |
| Mr P White     | 4                 | 4                 |

The *Standards Committee* is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board by undertaking detailed monitoring of the impact of teaching and learning strategies within Trust schools.

Attendance at meetings in the year (4<sup>th</sup> November 2020, 24<sup>th</sup> February 2021 and 15<sup>th</sup> July 2021) was as follows:

| Trustee                | Meetings attended | Out of a possible |
|------------------------|-------------------|-------------------|
| Mr H Devonport         | 2                 | 2                 |
| Ms M Burnham           | 3                 | 3                 |
| Ms E Gauntlett (Chair) | 3                 | 3                 |
| Ms C Hitchen           | 2                 | 2                 |
| Dr P Parkin            | 2                 | 2                 |
| Mr C Tiernan           | 3                 | 3                 |

## The Pennine Trust

### Governance Statement for Year Ended 31<sup>st</sup> August 2021 (continued)

The *Resources Committee* is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to reports regarding the management of the trust's business resources, including proper planning, monitoring and probity.

Attendance at the meetings in the year (21<sup>st</sup> October 2020, 10<sup>th</sup> November 2020, 17<sup>th</sup> March 2021 and 7<sup>th</sup> July 2021) was as follows: -

| Trustee              | Meetings attended | Out of a possible |
|----------------------|-------------------|-------------------|
| Mr P White           | 2                 | 4                 |
| Mr A Pettinger       | 4                 | 4                 |
| Mrs M Burnham        | 4                 | 4                 |
| Mr H Devonport       | 1                 | 1                 |
| Dr P Parkin          | 3                 | 3                 |
| Mr C Tiernan (Chair) | 4                 | 4                 |
| Mr S Whiteley        | 1                 | 1                 |

The *Nomination and Remuneration Committee* is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the oversight of Governance for the Trust.

Attendance at meetings in the year (8<sup>th</sup> December 2020, 24<sup>th</sup> March 2021 and 23<sup>rd</sup> June 2021) was as follows:

| Trustee        | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Ms M Burnham   | 3                 | 3                 |
| Mr H Devonport | 2                 | 2                 |
| Ms E Gauntlett | 1                 | 1                 |
| Dr P Parkin    | 2                 | 2                 |
| Mr C Tiernan   | 2                 | 3                 |

#### Review of value for money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by: -

## **The Pennine Trust**

### **Governance Statement for Year Ended 31<sup>st</sup> August 2021 (continued)**

- **Improving educational standards:**

- Refining the education model to be applied across all trust schools aimed at maximising pupil performance.
- Reviewing the Quality Assurance framework so that it is focused on areas of greatest risk. This has ensured that resources are carefully targeted on addressing underperformance and maximising improvement.
- Delivering high quality Continuing Professional Development (CPD) to individual and groups of schools focusing on common areas of improvement and interest aimed at improving the quality of leadership and teaching in the school group.

- **Robust governance and oversight - Finances:**

- Clear guidance within the Trust Finance Manual to ensure appropriate segregation of duties, uniformity and consistency across all schools within the trust
- Suitably qualified finance staff and regular meetings with all schools within the trust
- Hallidays have been commissioned as the Internal Auditors for the trust. The Internal Audit reports have highlighted the strong practices in place at the schools and any recommendations from the internal audit reports have been actioned
- The Local Governing Body meeting framework has been redesigned to refocus and prioritise the content that governors are reviewing at their meetings. The trust now operates a streamlined meeting structure and ensures that all governors are involved in every aspect of the meeting. Initial feedback from the updated framework has been positive and trustees believe this will provide further assurance to the work that is completed at Board level.
- Members of the trust meet with the external auditors annually to review and scrutinise the annual accounts and our external auditors' management report and to approve the annual accounts.

- **Better Purchasing:**

- The trust ensures a continuous focus on value for money and clearly understands the importance of the efficient and effective use of resources. The schools promote fair competition through quotations and tenders, in accordance with financial regulations, to ensure that goods and services are secured in the most economic and effective way.
- Where possible, the trust has secured single supplier contracts, through competitive tender, for areas where a single supplier is appropriate for our schools e.g. insurance, payroll, internal audit, MIS System and data collection programmes.
- As per the Trust's Finance Manual the budget holders review and approve purchase order request and regularly challenge these for efficiency and effectiveness.

- **Maximising income generation:**

- The trust is mindful of the need to generate additional funds to maximise income generation. With the current COVID restrictions it has been impossible to utilise trust premises to generate additional funds, however the intention is to revisit when restrictions are relaxed.

- **Reviewing controls and managing risks:**

- Critical Incident and Business Continuity Plans and Risk Registers have been devised at both trust and school level. Trustees and Governors approve and monitor the above at their respective meetings.
- Headteachers and Business Managers review budget monitoring reports, considering expenditure against each budget cost centre monthly and address any significant variances against budget. Once complete, the monthly budget monitoring reports are submitted to the Board of Trustees, Central Team and Local Governing Bodies.
- The Board of Trustees review and approve the Finance Manual and scheme of delegation annually.

## **The Pennine Trust**

### **Governance Statement for Year Ended 31<sup>st</sup> August 2021 (continued)**

#### **The purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at The Pennine Trust for the period 1st September 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that have been in place for the period 1st September 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### **The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and agreed by the Board of Trustees;

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Hallidays as their internal auditors.

The internal auditors role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. An Internal Audit Plan for the year was agreed and undertaken in 2020/21.

This focused upon the following areas: -

- Finance Procedures Manual
- Payroll and Pension
- Fixed Assets
- Governance

On an annual basis the internal auditor reports back to the Board of Trustees, through the Audit & Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The reviews that have been undertaken have provided recommendations for where the Trust could strengthen its systems and internal controls, from this a full action plan has been developed in discussion with the Audit & Risk Committee. Further reviews will continue into the 2021/22 academic year to assist in identifying other areas in which the trust are able to implement an improved control environment.

## The Pennine Trust

### Governance Statement for Year Ended 31<sup>st</sup> August 2021 (continued)

#### Review of Effectiveness

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on its behalf by:



.....  
Mrs Marie Burnham  
Chair of Trustees



.....  
Mr John Tarbox  
Accounting Officer

## **The Pennine Trust**

### **Statement on Regularity, Propriety and Compliance**

#### **For the Year Ended 31 August 2021**

As Accounting Officer of The Pennine Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



Mr John Tarbox  
Accounting Officer

## **The Pennine Trust**

### **Statement of Trustees' Responsibilities**

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 Education and Skills Funding Agency, 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 and 2021;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on its behalf by:



.....  
Mrs Marie Burnham  
Chair of Trustees

## **The Pennine Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Pennine Trust**

#### **Opinion**

We have audited the financial statements of The Pennine Trust "the academy trust" for the year ended 31 August 2021, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2020 and 2021 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's affairs as at 31 August 2021 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2020 and 2021 issued by the Education and Skills Funding Agency.

#### **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'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 (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the other information. 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.

## **The Pennine Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Pennine Trust (continued)**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which included the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report included within the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where 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 set out on page 21, 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

## **The Pennine Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Pennine Trust (continued)**

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

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the academy through discussions with trustees and other management, and from our knowledge and experience of the academy sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, the Charities Act 2011, and the Academies Accounts Direction 2020 to 2021 and Academies Financial Handbook 2020, both issued by the Education and Skills Funding Agency.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy'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.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures on material balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- investigated the rationale behind significant or unusual transactions.

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 the directors and other management and the inspection of regulatory and legal correspondence, if any.

## **The Pennine Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Pennine Trust (continued)**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and the academy trust's members as a body for our audit work, for this report, or for the opinions we have formed.

.....  
Mark Bradley BA FCA (Senior Statutory Auditor)  
For and on behalf of Beever and Struthers, Statutory Auditor

Suite 9b  
The Beehive Lions Drive  
Shadsworth Business Park  
Blackburn  
BB1 2QS

Date:.....

## **The Pennine Trust**

### **Independent Reporting Accountant's Report on Regularity to The Pennine Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 14th August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 and 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pennine Trust during the period 1 September 2020 to 31 August 2021 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 Pennine Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Pennine Trust and the 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 Pennine Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Board of Trustees accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Board of Trustees funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academies Financial Handbook extant from 1 September 2020, 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 Academies Accounts Direction 2020 and 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2020 and 2021 issued by 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 that the activities are in keeping with the Academy Trust's framework and charitable objectives; and
- Testing undertaken on a sample basis to review whether the Academy Trust's expenditure is in accordance with the Funding Agreement; and
- Other testing in accordance with the guidance issued in the Academies Accounts Direction 2020 to 2021.

## **The Pennine Trust**

### **Independent Reporting Accountant's Report on Regularity to The Pennine Trust and the Education and Skills Funding Agency (continued)**

#### **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 year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....  
Mark Bradley BA FCA  
For and on behalf of Beever and Struthers, Chartered Accountants

Suite 9b  
The Beehive Lions Drive  
Shadsworth Business Park  
Blackburn  
BB1 2QS

Date:.....

# The Pennine Trust

## Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

|                                                            | Note | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | 2020/21<br>Total<br>£ | 2019/20<br>Total<br>£ |
|------------------------------------------------------------|------|----------------------------|-------------------------------------|-----------------------------------------|-----------------------|-----------------------|
| <b>Income and endowments from:</b>                         |      |                            |                                     |                                         |                       |                       |
| Donations and capital grants                               | 2    | -                          | 8,021                               | 865,253                                 | 873,274               | 1,154,296             |
| <i>Charitable activities:</i>                              | 3    |                            |                                     |                                         |                       |                       |
| Funding for the Academy trust's educational operations     | 3    | 152,231                    | 10,517,093                          | -                                       | 10,669,324            | 9,863,512             |
| Other trading activities                                   | 4    | 100                        | -                                   | -                                       | 100                   | 2,085                 |
| Investments                                                | 5    | -                          | -                                   | -                                       | -                     | 1,379                 |
| <b>Total</b>                                               |      | <b>152,331</b>             | <b>10,525,114</b>                   | <b>865,253</b>                          | <b>11,542,698</b>     | <b>11,021,272</b>     |
| <b>Expenditure on:</b>                                     |      |                            |                                     |                                         |                       |                       |
| <i>Charitable activities:</i>                              |      |                            |                                     |                                         |                       |                       |
| Academy trust educational operations                       | 7    | 144,746                    | 10,313,958                          | 494,819                                 | 10,953,523            | 10,317,574            |
| Net income                                                 |      | 7,585                      | 211,156                             | 370,434                                 | 589,175               | 703,698               |
| Transfers between funds                                    | 16   | 135,380                    | (303,550)                           | 168,170                                 | -                     | -                     |
| <b>Other recognised gains and losses</b>                   |      |                            |                                     |                                         |                       |                       |
| Actuarial (loss) / gain on defined benefit pension schemes | 23   | -                          | (590,000)                           | -                                       | (590,000)             | 525,000               |
| <b>Net movement in funds/(deficit)</b>                     |      | <b>142,965</b>             | <b>(682,394)</b>                    | <b>538,604</b>                          | <b>(825)</b>          | <b>1,228,698</b>      |
| <b>Reconciliation of funds</b>                             |      |                            |                                     |                                         |                       |                       |
| Total funds/(deficit) brought forward at 1 September 2020  |      | 313,670                    | (2,516,859)                         | 12,656,067                              | 10,452,878            | 9,224,180             |
| Total funds/(deficit) carried forward at 31 August 2021    |      | 456,635                    | (3,199,253)                         | 13,194,671                              | 10,452,053            | 10,452,878            |

# The Pennine Trust

(Registration number: 11121514 (England & Wales))

## Balance Sheet as at 31 August 2021

|                                                         | Note | 2021<br>£          | 2020<br>£          |
|---------------------------------------------------------|------|--------------------|--------------------|
| <b>Fixed assets</b>                                     |      |                    |                    |
| Tangible assets                                         | 12   | 12,663,800         | 11,741,224         |
| <b>Current assets</b>                                   |      |                    |                    |
| Debtors                                                 | 13   | 874,137            | 1,195,944          |
| Cash at bank and in hand                                |      | 2,107,848          | 1,513,165          |
|                                                         |      | <u>2,981,985</u>   | <u>2,709,109</u>   |
| <b>Liabilities</b>                                      |      |                    |                    |
| Creditors: Amounts falling due within one year          | 14   | <u>(826,747)</u>   | <u>(685,455)</u>   |
| <b>Net current assets</b>                               |      | <u>2,155,238</u>   | <u>2,023,654</u>   |
| <b>Total assets less current liabilities</b>            |      | <u>14,819,038</u>  | <u>13,764,878</u>  |
| Creditors: Amounts falling due after more than one year | 15   | <u>(82,985)</u>    | -                  |
| <b>Net assets excluding pension liability</b>           |      | 14,736,053         | 13,764,878         |
| Defined benefit pension scheme liability                | 23   | <u>(4,284,000)</u> | <u>(3,312,000)</u> |
| <b>Total net assets including pension liability</b>     |      | <u>10,452,053</u>  | <u>10,452,878</u>  |
| <b>Funds of the Academy:</b>                            |      |                    |                    |
| <b>Restricted funds</b>                                 |      |                    |                    |
| Restricted general fund                                 | 16   | 1,084,747          | 795,141            |
| Restricted fixed asset fund                             | 16   | 13,194,671         | 12,656,067         |
| Restricted pension fund                                 | 16   | <u>(4,284,000)</u> | <u>(3,312,000)</u> |
|                                                         |      | 9,995,418          | 10,139,208         |
| <b>Unrestricted funds</b>                               |      |                    |                    |
| Unrestricted general fund                               | 16   | <u>456,635</u>     | <u>313,670</u>     |
| <b>Total funds</b>                                      |      | <u>10,452,053</u>  | <u>10,452,878</u>  |

The financial statements on pages 28 to 50 were approved by the trustees, and authorised for issue on 14 December 2021 and signed on their behalf by:



Mrs Marie Burnham  
Chair of Trustees

**The Pennine Trust**

**Statement of Cash Flows for the Year Ended 31 August 2021**

|                                                        | Note | 2021<br>£ | 2020<br>£ |
|--------------------------------------------------------|------|-----------|-----------|
| <b>Cash flows from operating activities</b>            |      |           |           |
| Net cash provided by/(used in) operating activities    | 20   | 869,152   | (265,193) |
| <b>Cash flows from investing activities</b>            | 21   | (274,469) | 821,006   |
| <b>Change in cash and cash equivalents in the year</b> |      | 594,683   | 555,813   |
| Cash and cash equivalents at 1 September               |      | 1,513,165 | 957,352   |
| Cash and cash equivalents at 31 August                 | 26   | 2,107,848 | 1,513,165 |

## **The Pennine Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **1 Accounting policies**

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.

##### **Basis of preparation**

The financial statements of the 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 accounts 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 2020 and 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### **Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

##### **Income**

All incoming resources are recognised when the 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 year 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 spent on capital projects in line with the terms and conditions of the grant. 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.

## **The Pennine Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### ***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'.

##### ***Expenditure***

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

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***

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

##### ***Tangible fixed assets***

Assets costing £1,000 (IT equipment £500) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 1 Accounting policies (continued)

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

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

| <b>Asset class</b>               | <b>Depreciation method and rate</b> |
|----------------------------------|-------------------------------------|
| Leasehold improvements           | 10% straight line                   |
| Leasehold land and buildings     | over life of the lease (125 years)  |
| Fixtures, fittings and equipment | 20% straight line                   |
| ICT equipment                    | 33% straight line                   |
| Motor Vehicles                   | 25% straight line                   |

#### **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 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.

#### **Provisions**

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased assets**

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

#### **Financial Instruments**

The trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 as detailed note 13. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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 instrument.

## **The Pennine Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### **Taxation**

The 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 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.

##### **Pension 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.

The TPS is an unfunded scheme and contributions are calculated so as 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

##### **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 Education and Skills Agency/Department for Education.

Restricted pension funds comprise the deficit arising in respect of the Local Government Pension Scheme arising from the annual actuarial valuation.

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 1 Accounting policies (continued)

##### Critical accounting estimates and assumptions

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.

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

#### 2 Donations and capital grants

|                      | Restricted funds<br>£ | Restricted fixed<br>asset funds<br>£ | 2020/21<br>Total<br>£ | 2019/20<br>Total<br>£ |
|----------------------|-----------------------|--------------------------------------|-----------------------|-----------------------|
| Capital grants       | -                     | 721,163                              | 721,163               | 1,138,482             |
| Other donations      | 8,021                 | -                                    | 8,021                 | 15,814                |
| Donated fixed assets | -                     | 144,090                              | 144,090               | -                     |
|                      | 8,021                 | 865,253                              | 873,274               | 1,154,296             |

#### 3 Funding for the Academy Trust's educational operations

|                                                              | Unrestricted<br>funds<br>£ | Restricted funds<br>£ | 2020/21<br>Total<br>£ | 2019/20<br>Total<br>£ |
|--------------------------------------------------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| <b>DfE/ESFA revenue grants</b>                               |                            |                       |                       |                       |
| General Annual Grant/ DfE Group Grants                       | -                          | 10,043,414            | 10,043,414            | 9,091,141             |
| <b>Other government grants</b>                               |                            |                       |                       |                       |
| Local Authority Grants                                       | -                          | 263,317               | 263,317               | 161,380               |
| Other income from the academy trust's educational operations | 152,231                    | 210,362               | 362,593               | 610,991               |
|                                                              | 152,231                    | 473,679               | 625,910               | 772,371               |
| Total grants                                                 | 152,231                    | 10,517,093            | 10,669,324            | 9,863,512             |

# **The Pennine Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

### **4 Other trading activities**

|                    | Unrestricted<br>funds<br>£ | 2020/21<br>Total<br>£ | 2019/20<br>Total<br>£ |
|--------------------|----------------------------|-----------------------|-----------------------|
| Hire of facilities | 100                        | 100                   | 2,085                 |

### **5 Investment income**

|                     | 2020/21<br>Total<br>£ | 2019/20<br>Total<br>£ |
|---------------------|-----------------------|-----------------------|
| Short term deposits | -                     | 1,379                 |

### **6 Expenditure**

|                                                 | Non Pay Expenditure |                  |                  | 2020/21<br>Total<br>£ | 2019/20<br>Total<br>£ |
|-------------------------------------------------|---------------------|------------------|------------------|-----------------------|-----------------------|
|                                                 | Staff costs<br>£    | Premises<br>£    | Other costs<br>£ |                       |                       |
| <b>Academy's<br/>educational<br/>operations</b> |                     |                  |                  |                       |                       |
| Direct costs                                    | 7,639,163           | 494,819          | 453,981          | 8,587,963             | 7,972,409             |
| Allocated support<br>costs                      | 1,233,446           | 662,004          | 470,110          | 2,365,560             | 2,345,165             |
|                                                 | <u>8,872,609</u>    | <u>1,156,823</u> | <u>924,091</u>   | <u>10,953,523</u>     | <u>10,317,574</u>     |

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

|                                         | 2020/21<br>£ | 2019/20<br>£ |
|-----------------------------------------|--------------|--------------|
| Operating lease rentals                 | 6,791        | 4,370        |
| Depreciation                            | 471,856      | 312,939      |
| Fees payable to auditor - audit         | 16,750       | 16,000       |
| (Gain)/loss on disposal of fixed assets | 22,963       | 5,135        |

#### 7 Charitable activities

|                                        | 2020/21<br>£ | 2019/20<br>£ |
|----------------------------------------|--------------|--------------|
| Direct costs - educational operations  | 8,587,963    | 7,972,409    |
| Support costs - educational operations | 2,365,560    | 2,345,165    |
|                                        | 10,953,523   | 10,317,574   |

|                                  | Educational<br>operations<br>£ | 2020/21<br>Total<br>£ | 2019/20<br>Total<br>£ |
|----------------------------------|--------------------------------|-----------------------|-----------------------|
| <b>Analysis of support costs</b> |                                |                       |                       |
| Support staff costs              | 1,233,446                      | 1,233,446             | 1,017,544             |
| Technology costs                 | 9,080                          | 9,080                 | 16,469                |
| Premises costs                   | 662,004                        | 662,004               | 725,078               |
| Other support costs              | 461,030                        | 461,030               | 586,074               |
| Total support costs              | 2,365,560                      | 2,365,560             | 2,345,165             |

#### 8 Staff

Staff costs

|                                                    | 2020/21<br>£ | 2019/20<br>£ |
|----------------------------------------------------|--------------|--------------|
| <b>Staff costs during the year were:</b>           |              |              |
| Wages and salaries                                 | 6,277,826    | 5,746,369    |
| Social security costs                              | 602,198      | 544,902      |
| Operating costs of defined benefit pension schemes | 1,798,622    | 1,626,067    |
|                                                    | 8,678,646    | 7,917,338    |
| Supply staff costs                                 | 160,963      | 128,736      |
| Staff restructuring costs                          | 33,000       | 5,995        |
|                                                    | 8,872,609    | 8,052,069    |

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 8 Staff (continued)

|                                            | 2021<br>£ | 2020<br>£ |
|--------------------------------------------|-----------|-----------|
| <b>Staff restructuring costs comprise:</b> |           |           |
| Severance payments                         | 33,000    | 5,995     |

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £33,000 (2020: £5,995). Collectively two payments were made, one payment of £25,000 and one payment of £8,000.

#### Staff numbers

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

|                              | 2020/21<br>No | 2019/20<br>No |
|------------------------------|---------------|---------------|
| <b>Charitable Activities</b> |               |               |
| Teachers                     | 97            | 95            |
| Administration               | 18            | 21            |
| Management                   | 23            | 22            |
| Teachers support staff       | 85            | 93            |
| Premises support staff       | 20            | 13            |
|                              | 243           | 244           |

#### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

|                     | 2021<br>No | 2020<br>No |
|---------------------|------------|------------|
| £60,001 - £70,000   | 4          | 4          |
| £70,001 - £80,000   | 2          | 3          |
| £80,001 - £90,000   | 1          | -          |
| £100,001 - £110,000 | 1          | 1          |
| £110,001 - £120,000 | 1          | -          |

The numbers for 2021 include both of the Chief Executive Officers who served during the year.

#### 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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £586,283 (2020: £253,894). The increase in cost reflects a change in the staff roles included within key management personnel.

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 9 Central services

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

- Financial Services
- Human Resources
- Facilities & Estates
- Governance
- Business Support

The academy trust charges for these services based on a percentage of their GAG. The actual amounts charged during the year were as follows:

|                                | 2021/20<br>£   | 2020/19<br>£   |
|--------------------------------|----------------|----------------|
| Park High School               | 293,254        | 234,996        |
| Lord St Primary School         | 84,255         | 68,508         |
| Laneshaw Bridge Primary School | 41,823         | 34,968         |
| Blacko Primary School          | 23,034         | 20,604         |
|                                | <u>442,366</u> | <u>359,076</u> |

#### 10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the trust. The CEO only received remuneration in respect of services he provided undertaking the role of CEO under his contracts of employment, and not in respect of his role as trustee. The value of trustees' remuneration and other benefits was as follows:

Dr P Parkin (CEO and Trustee):

Remuneration: £65,000 - £70,000 (2020 - £105,000 - £110,000)

Employer's pension contributions: £15,000 - £20,000 (2020 - £10,000 - £15,000)

Dr P Parkin resigned from the Trust on 31 March 2021, the successor CEO has not been appointed to the Board of Trustees as permitted by the Articles.

Other related party transactions involving the trustees are set out in note 24.

#### 11 Trustees' and officers' insurance

The 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. The scheme protects trustees and officers from claims arising from negligent acts, errors and omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim, it is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

# The Pennine Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 12 Tangible fixed assets

|                         | Leasehold land<br>and buildings<br>£ | Building<br>Improvements<br>£ | Office and<br>Educational<br>Equipment<br>£ | Furniture,<br>Fixtures and<br>Equipment<br>£ | Motor vehicles<br>£ | Assets Under<br>Construction<br>£ | Computer<br>Equipment<br>£ | Total<br>£ |
|-------------------------|--------------------------------------|-------------------------------|---------------------------------------------|----------------------------------------------|---------------------|-----------------------------------|----------------------------|------------|
| <b>Cost</b>             |                                      |                               |                                             |                                              |                     |                                   |                            |            |
| At 1 September 2020     | 11,190,000                           | 138,472                       | 101,211                                     | 138,923                                      | 17,995              | 207,516                           | 520,339                    | 12,314,456 |
| Additions               | -                                    | 1,082,789                     | 21,993                                      | 3,400                                        | -                   | 120,207                           | 189,005                    | 1,417,394  |
| Disposals               | -                                    | (5,000)                       | (8,165)                                     | (15,565)                                     | -                   | -                                 | (48,536)                   | (77,266)   |
| Transfers               | -                                    | 154,475                       | -                                           | -                                            | -                   | (154,475)                         | -                          | -          |
| At 31 August 2021       | 11,190,000                           | 1,370,736                     | 115,039                                     | 126,758                                      | 17,995              | 173,248                           | 660,808                    | 13,654,584 |
| <b>Depreciation</b>     |                                      |                               |                                             |                                              |                     |                                   |                            |            |
| At 1 September 2020     | 179,040                              | 6,374                         | 39,573                                      | 53,965                                       | 5,969               | -                                 | 288,311                    | 573,232    |
| Charge for the year     | 89,520                               | 123,190                       | 20,879                                      | 32,035                                       | 3,510               | -                                 | 202,721                    | 471,855    |
| Eliminated on disposals | -                                    | (1,289)                       | (5,551)                                     | (9,065)                                      | -                   | -                                 | (38,398)                   | (54,303)   |
| At 31 August 2021       | 268,560                              | 128,275                       | 54,901                                      | 76,935                                       | 9,479               | -                                 | 452,634                    | 990,784    |
| <b>Net book value</b>   |                                      |                               |                                             |                                              |                     |                                   |                            |            |
| At 31 August 2021       | 10,921,440                           | 1,242,461                     | 60,138                                      | 49,823                                       | 8,516               | 173,248                           | 208,174                    | 12,663,800 |
| At 31 August 2020       | 11,010,960                           | 132,098                       | 61,638                                      | 84,958                                       | 12,026              | 207,516                           | 232,028                    | 11,741,224 |

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 13 Debtors

|                 | 2021<br>£      | 2020<br>£        |
|-----------------|----------------|------------------|
| Trade debtors   | 3,943          | 2,010            |
| VAT recoverable | 54,809         | 57,668           |
| Other debtors   | 557,779        | 835,452          |
| Prepayments     | 257,606        | 300,814          |
|                 | <u>874,137</u> | <u>1,195,944</u> |

#### 14 Creditors: amounts falling due within one year

|                                    | 2021<br>£      | 2020<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 285,893        | 197,682        |
| Other taxation and social security | 192,509        | 165,674        |
| Other creditors                    | 136,562        | 27,989         |
| Accruals                           | 150,074        | 223,826        |
| Deferred income                    | 61,709         | 70,284         |
|                                    | <u>826,747</u> | <u>685,455</u> |

#### Deferred income

|                                        | 2021<br>£       | 2020<br>£       |
|----------------------------------------|-----------------|-----------------|
| Deferred income at 1 September 2020    | 70,284          | 75,212          |
| Resources deferred in the period       | 61,709          | 70,284          |
| Amounts released from previous periods | <u>(70,284)</u> | <u>(75,212)</u> |
| Deferred income at 31 August 2021      | <u>61,709</u>   | <u>70,284</u>   |

#### 15 Creditors: amounts falling due after more than one year

|       | 2021<br>£     | 2020<br>£ |
|-------|---------------|-----------|
| Loans | 82,985        | -         |
|       | <u>82,985</u> | <u>-</u>  |

Loans of £82,985 include funding from Salix and CIF.

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 16 Funds

|                                     | Balance at 1<br>September<br>2020<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains, losses<br>and transfers<br>£ | Balance at 31<br>August 2021<br>£ |
|-------------------------------------|----------------------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| <b>Restricted general funds</b>     |                                        |                            |                            |                                     |                                   |
| General Annual Grant (GAG)          | 730,888                                | 8,671,636                  | (8,107,312)                | (303,550)                           | 991,662                           |
| Pupil Premium                       | 29,726                                 | 534,083                    | (505,251)                  | -                                   | 58,558                            |
| Other Government Grants and income  | 34,527                                 | 1,319,395                  | (1,319,395)                | -                                   | 34,527                            |
|                                     | <u>795,141</u>                         | <u>10,525,114</u>          | <u>(9,931,958)</u>         | <u>(303,550)</u>                    | <u>1,084,747</u>                  |
| <b>Restricted fixed asset funds</b> |                                        |                            |                            |                                     |                                   |
| Fixed Asset Fund                    | 12,656,067                             | 865,253                    | (494,819)                  | 168,170                             | 13,194,671                        |
| <b>Restricted pension funds</b>     |                                        |                            |                            |                                     |                                   |
| Pension Reserve                     | (3,312,000)                            | -                          | (382,000)                  | (590,000)                           | (4,284,000)                       |
| Total restricted funds              | 10,139,208                             | 11,390,367                 | (10,808,777)               | (725,380)                           | 9,995,418                         |
| <b>Unrestricted funds</b>           |                                        |                            |                            |                                     |                                   |
| Unrestricted general funds          | 313,670                                | 152,331                    | (144,746)                  | 135,380                             | 456,635                           |
| Total funds                         | <u>10,452,878</u>                      | <u>11,542,698</u>          | <u>(10,953,523)</u>        | <u>(590,000)</u>                    | <u>10,452,053</u>                 |

Gains, losses and transfers includes a transfer of £135,380 from GAG restricted general funds to unrestricted general funds in relation to a correction of expenditure allocation in the prior year.

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

|                                    | Balance at 1<br>September<br>2019<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains, losses<br>and transfers<br>£ | Balance at 31<br>August 2020<br>£ |
|------------------------------------|----------------------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| <b>Restricted general funds</b>    |                                        |                            |                            |                                     |                                   |
| General Annual Grant (GAG)         | 502,222                                | 7,979,479                  | (7,648,353)                | (102,460)                           | 730,888                           |
| Pupil Premium                      | 46,917                                 | 491,576                    | (508,767)                  | -                                   | 29,726                            |
| Other Government Grants and income | -                                      | 1,013,899                  | (979,372)                  | -                                   | 34,527                            |
|                                    | <u>549,139</u>                         | <u>9,484,954</u>           | <u>(9,136,492)</u>         | <u>(102,460)</u>                    | <u>795,141</u>                    |

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 16 Funds (continued)

|                                     | Balance at 1<br>September<br>2019<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains, losses<br>and transfers<br>£ | Balance at 31<br>August 2020<br>£ |
|-------------------------------------|----------------------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| <b>Restricted fixed asset funds</b> |                                        |                            |                            |                                     |                                   |
| Fixed Asset Fund                    | -                                      | 1,138,482                  | (318,074)                  | 102,460                             | 12,656,067                        |
| <b>Restricted pension funds</b>     |                                        |                            |                            |                                     |                                   |
| Pension Reserve                     | (3,465,000)                            | -                          | (372,000)                  | 525,000                             | (3,312,000)                       |
| <b>Total restricted funds</b>       | 8,817,338                              | 10,623,436                 | (9,826,566)                | 525,000                             | 10,139,208                        |
| <b>Unrestricted funds</b>           |                                        |                            |                            |                                     |                                   |
| Unrestricted general funds          | 406,842                                | 397,836                    | (491,008)                  | -                                   | 313,670                           |
| <b>Total funds</b>                  | 9,224,180                              | 11,021,272                 | (10,317,574)               | 525,000                             | 10,452,878                        |

#### Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

|                                               | 2021<br>£   | 2020<br>£   |
|-----------------------------------------------|-------------|-------------|
| Park High School                              | 861,220     | 486,614     |
| Lord St Primary School                        | 334,972     | 291,670     |
| Blacko Primary School                         | 92,985      | 121,798     |
| Laneshaw Bridge Primary School                | 208,161     | 152,203     |
| Central services                              | 44,044      | 56,526      |
| Total before fixed assets and pension reserve | 1,541,382   | 1,108,811   |
| Fixed asset fund                              | 13,194,671  | 12,656,067  |
| Pension Reserve                               | (4,284,000) | (3,312,000) |
| Total                                         | 10,452,053  | 10,452,878  |

# **The Pennine Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

### **16 Funds (continued)**

#### **Analysis of academies by cost**

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

|                                   | <b>Teaching and<br/>Educational<br/>Costs<br/>£</b> | <b>Other Support<br/>Staff Costs<br/>£</b> | <b>Educational<br/>Supplies<br/>£</b> | <b>Other Costs<br/>(excluding<br/>Depreciation)<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|-----------------------------------|-----------------------------------------------------|--------------------------------------------|---------------------------------------|-----------------------------------------------------------|-----------------------------|
| Park High School                  | 4,611,093                                           | 608,827                                    | 236,993                               | 575,418                                                   | 6,032,331                   |
| Lord St Primary<br>School         | 1,440,245                                           | 207,844                                    | 102,836                               | 258,003                                                   | 2,008,928                   |
| Blacko Primary<br>School          | 387,992                                             | 93,120                                     | 38,578                                | 73,879                                                    | 593,569                     |
| Laneshaw Bridge<br>Primary School | 653,238                                             | 123,264                                    | 37,754                                | 135,242                                                   | 949,498                     |
| Central Services                  | 546,592                                             | 200,391                                    | 14,866                                | 112,526                                                   | 874,375                     |
| Academy Trust                     | <u>7,639,160</u>                                    | <u>1,233,446</u>                           | <u>431,027</u>                        | <u>1,155,068</u>                                          | <u>10,458,701</u>           |

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

|                                   | <b>Teaching and<br/>Educational<br/>Support Staff<br/>Costs<br/>£</b> | <b>Other Support<br/>Staff Costs<br/>£</b> | <b>Educational<br/>Supplies<br/>£</b> | <b>Other Costs<br/>(excluding<br/>Depreciation)<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|-----------------------------------|-----------------------------------------------------------------------|--------------------------------------------|---------------------------------------|-----------------------------------------------------------|-----------------------------|
| Park High School                  | 4,203,030                                                             | 537,214                                    | 371,732                               | 913,066                                                   | 6,025,042                   |
| Lord St Primary<br>School         | 1,298,253                                                             | 157,914                                    | 133,691                               | 321,293                                                   | 1,911,151                   |
| Blacko Primary<br>School          | 344,842                                                               | 76,719                                     | 52,690                                | 106,603                                                   | 580,854                     |
| Laneshaw Bridge<br>Primary School | 690,020                                                               | 108,243                                    | 54,088                                | 178,657                                                   | 1,031,008                   |
| Central Services                  | 557,380                                                               | 137,454                                    | 72,560                                | 105,116                                                   | 872,510                     |
| Academy Trust                     | <u>7,093,525</u>                                                      | <u>1,017,544</u>                           | <u>684,761</u>                        | <u>1,624,735</u>                                          | <u>10,420,565</u>           |

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

|                          | Unrestricted<br>funds<br>£ | Restricted<br>general funds<br>£ | Restricted fixed<br>asset funds<br>£ | Total funds<br>£ |
|--------------------------|----------------------------|----------------------------------|--------------------------------------|------------------|
| Tangible fixed assets    | -                          | -                                | 12,663,800                           | 12,663,800       |
| Current assets           | 456,635                    | 1,994,479                        | 530,871                              | 2,981,985        |
| Current liabilities      | -                          | (826,747)                        | -                                    | (826,747)        |
| Non-current liabilities  | -                          | (82,985)                         | -                                    | (82,985)         |
| Pension scheme liability | -                          | (4,284,000)                      | -                                    | (4,284,000)      |
| Total net assets         | 456,635                    | (3,199,253)                      | 13,194,671                           | 10,452,053       |

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

|                          | Unrestricted<br>funds<br>£ | Restricted<br>general funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total funds<br>£ |
|--------------------------|----------------------------|----------------------------------|-----------------------------------------|------------------|
| Tangible fixed assets    | -                          | -                                | 11,741,224                              | 11,741,224       |
| Current assets           | 313,670                    | 1,480,596                        | 914,843                                 | 2,709,109        |
| Current liabilities      | -                          | (685,455)                        | -                                       | (685,455)        |
| Pension scheme liability | -                          | (3,312,000)                      | -                                       | (3,312,000)      |
| Total net assets         | 313,670                    | (2,516,859)                      | 12,656,067                              | 10,452,878       |

#### 18 Capital commitments

|                                                              | 2021<br>£ | 2020<br>£ |
|--------------------------------------------------------------|-----------|-----------|
| Contracted for, but not provided in the financial statements | 633,602   | 889,562   |

#### 19 Commitments under operating leases

##### *Operating leases*

At 31 August 2021 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

|                                        | 2021<br>£ | 2020<br>£ |
|----------------------------------------|-----------|-----------|
| Amounts due within one year            | 18,099    | 4,370     |
| Amounts due between one and five years | 54,862    | 728       |
|                                        | 72,961    | 5,098     |

The increase is due to the Central Trust Team moving into leased office space during the year.

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

|                                                                | 2020/21<br>£   | 2019/20<br>£     |
|----------------------------------------------------------------|----------------|------------------|
| Net income                                                     | 589,175        | 1,228,699        |
| Depreciation                                                   | 471,855        | 312,939          |
| Capital grants from DfE and other capital income               | (721,163)      | (1,138,482)      |
| Interest receivable                                            | -              | (1,379)          |
| Defined benefit pension scheme cost less contributions payable | 327,000        | 314,000          |
| Defined benefit pension scheme finance cost                    | 55,000         | 58,000           |
| (Increase)/decrease in debtors                                 | 44,135         | (646,441)        |
| Increase/(decrease) in creditors                               | 80,187         | (397,664)        |
| Loss on disposal of tangible fixed assets                      | 22,963         | 5,135            |
| Net cash (used in)/provided by Operating Activities            | <u>869,152</u> | <u>(265,193)</u> |

#### 21 Cash flows from investing activities

|                                                     | 2020/21<br>£     | 2019/20<br>£     |
|-----------------------------------------------------|------------------|------------------|
| Dividends, interest and rents from investments      | -                | 1,379            |
| Purchase of tangible fixed assets                   | (1,273,304)      | (318,855)        |
| Capital funding received from sponsors and others   | <u>998,835</u>   | <u>1,138,482</u> |
| Net cash (used in)/provided by investing activities | <u>(274,469)</u> | <u>821,006</u>   |

#### 22 Members' liability

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

#### 23 Pension and similar obligations

The 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 . Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £162,622 were payable to the schemes at 31<sup>st</sup> August 2021 (2020: £37,012 in respect of the LGPS).

## **The Pennine Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **23 Pension and similar obligations (continued)**

##### **Teachers' Pension Scheme**

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

The TPS is an unfunded scheme to which both the member and employer make 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 specify 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,019,922 (2020: £931,609).

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 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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £497,000 (2020 - £411,000), of which employer's contributions totalled £393,000 (2020 - £318,000) and employees' contributions totalled £104,000 (2020 - £93,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 23 Pension and similar obligations (continued)

##### Principal actuarial assumptions

|                                                    | 2021 | 2020 |
|----------------------------------------------------|------|------|
|                                                    | %    | %    |
| Rate of increase in salaries                       | 4.30 | 3.80 |
| Rate of increase for pensions in payment/inflation | 2.90 | 2.40 |
| Discount rate for scheme liabilities               | 1.70 | 2.30 |
| Inflation assumptions (CPI)                        | 2.80 | 1.80 |

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

|                              | 2021  | 2020  |
|------------------------------|-------|-------|
| <b>Retiring today</b>        |       |       |
| Males retiring today         | 23.90 | 22.30 |
| Females retiring today       | 26.90 | 25.00 |
| <b>Retiring in 20 years</b>  |       |       |
| Males retiring in 20 years   | 22.40 | 23.80 |
| Females retiring in 20 years | 25.10 | 26.80 |

##### Sensitivity analysis

|                                        | 2021     | 2020     |
|----------------------------------------|----------|----------|
|                                        | £        | £        |
| Discount rate +0.1%                    | -191,000 | -147,000 |
| Discount rate -0.1%                    | 196,000  | 151,000  |
| Mortality assumption – 1 year increase | 252,000  | 175,000  |
| Mortality assumption – 1 year decrease | -244,000 | -170,000 |
| CPI rate +0.1%                         | 196,000  | 150,000  |
| CPI rate -0.1%                         | -191,000 | -146,000 |

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

|                              | 2021      | 2020      |
|------------------------------|-----------|-----------|
|                              | £         | £         |
| Equities                     | 1,937,000 | 1,340,000 |
| Other bonds                  | 203,000   | 203,000   |
| Property                     | 384,000   | 400,000   |
| Cash and other liquid assets | 81,000    | 53,000    |
| Other                        | 1,231,000 | 944,000   |
| Total market value of assets | 3,836,000 | 2,940,000 |

The actual return on scheme assets was £443,000 (2020 - (£19,000)).

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 23 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

|                                     | 2020/21<br>£   | 2019/20<br>£   |
|-------------------------------------|----------------|----------------|
| Current service cost                | 709,000        | 611,000        |
| Past service cost                   | -              | 12,000         |
| Interest cost                       | 55,000         | 58,000         |
| Admin expenses                      | 11,000         | 9,000          |
| Total amount recognized in the SOFA | <u>775,000</u> | <u>690,000</u> |

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

|                        | 2020/21<br>£     | 2019/20<br>£     |
|------------------------|------------------|------------------|
| At start of period     | 6,252,000        | 5,608,000        |
| Current service cost   | 709,000          | 611,000          |
| Interest cost          | 112,000          | 100,000          |
| Employee contributions | 104,000          | 93,000           |
| Actuarial (gain)/loss  | 976,000          | (133,000)        |
| Benefits paid          | (33,000)         | (39,000)         |
| Past service cost      | -                | 12,000           |
| At 31 August           | <u>8,120,000</u> | <u>6,252,000</u> |

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

|                                   | 2020/21<br>£     | 2019/20<br>£     |
|-----------------------------------|------------------|------------------|
| At start of period                | 2,940,000        | 2,143,000        |
| Interest income                   | 57,000           | 42,000           |
| Actuarial gain/(loss)             | 386,000          | 392,000          |
| Employer contributions            | 393,000          | 318,000          |
| Employee contributions            | 104,000          | 93,000           |
| Benefits paid                     | (33,000)         | (39,000)         |
| Effect of non-routine settlements | (11,000)         | (9,000)          |
| At 31 August                      | <u>3,836,000</u> | <u>2,940,000</u> |

#### 24 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Expenditure of £1,200 was incurred in the year from 5 Little Boys Photography in relation to photographs to be taken for publishing on the school website. Governor K Clark of Park High School has an interest in this organisation.

# **The Pennine Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

### **25 Analysis of changes in net debt**

|                                            | At 1<br>September<br>2020<br>£ | Cash<br>Flows<br>£ | At 31 August<br>2021<br>£ |
|--------------------------------------------|--------------------------------|--------------------|---------------------------|
| Cash                                       | 1,513,165                      | 594,683            | 2,107,848                 |
| Loans falling due within one year          | -                              | (17,336)           | (17,336)                  |
| Loans falling due after more than one year | -                              | (82,985)           | (82,985)                  |
| <b>Total</b>                               | <b>1,513,165</b>               | <b>494,362</b>     | <b>2,007,527</b>          |

### **26 Analysis of cash and cash equivalents**

|                                        | 2021<br>£        | 2020<br>£        |
|----------------------------------------|------------------|------------------|
| Cash at bank and in hand               | 2,107,848        | 1,513,165        |
| <b>Total cash and cash equivalents</b> | <b>2,107,848</b> | <b>1,513,165</b> |