

Registration number: 11121514 (England & Wales)

# The Pennine Trust

(A Company Limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

## **The Pennine Trust**

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# **The Pennine Trust**

## **Reference and Administrative Details**

### **Members**

Mrs M Burnham

Mr P Catterall

Mr T Root

### **Trustees (Directors)**

Mrs M Burnham

Ms E Gauntlett

Mr A Pettinger

Mr P White

Mr S Whiteley

Mrs S Bari (resigned 14/10/2022)

Mr S Wilson

### **Company Secretary**

Mr B Walker

### **Senior Management Team**

Mr J Tarbox, Chief Executive Officer

Mrs L Finnegan, Deputy Chief Executive Officer (appointed 01/01/2022)

Ms C Ferguson, Chief Financial Officer

Mrs C Eulert, Headteacher

Mrs H Walsh, Headteacher

Ms G Canty, Headteacher

Mrs K Richards, Headteacher

## **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 2022**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust operates four 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 1,783 pupils as reported in the school census in January 2022.

#### **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 on 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 skills 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 they 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 2022:

- New Ofsted Framework
- Safeguarding & Prevent

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

# The Pennine Trust

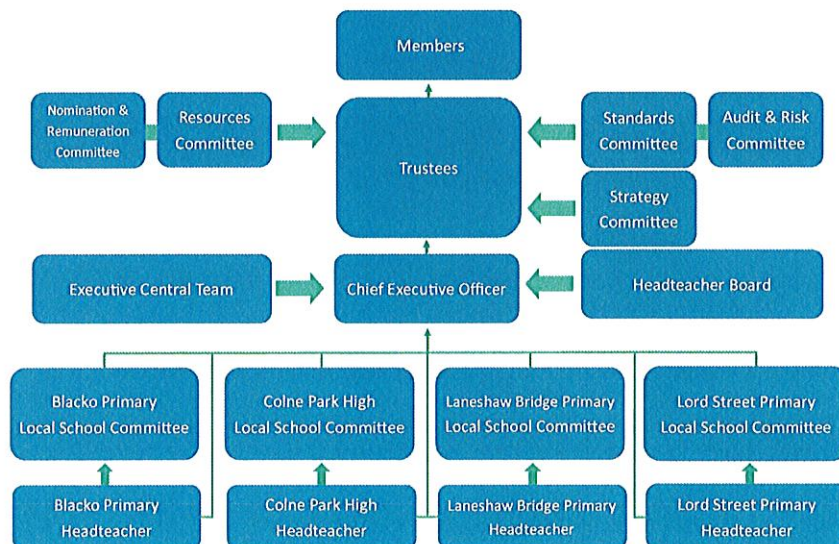
## Trustees' Report for the Year Ended 31 August 2022 (continued)

### 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 School Committees (LSC) fulfil their statutory obligations in a manner which allows the 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 School Committees in each academy. The LSCs also have clear terms of reference and work from the trust's Scheme of Delegation. Each committee and LSC will meet at least on a termly basis. Reports from the sub-committees and LSCs will be received, scrutinised and ratified by the trustees. A Trust Strategy Committee, consisting of trustees, Trust Executive Team, headteachers and Chairs of LSC's has also been formed. Trustees are encouraged to make regular visits to all four academies within the trust.



**The Pennine Trust**  
**Trustees' Report for the Year Ended 31 August 2022 (continued)**

Roles and responsibilities of members, trustees, Chief Executive Officer, Local School Committees 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  
 Mr S Wilson  
 Mr S Whiteley

**Resources Committee**

Mrs M Burnham (Committee Chair)  
 Mr A Pettinger  
 Mrs S Bari (resigned 14/10/2022)  
 Mr S Whiteley

**Nomination & Remuneration Committee**

Mr A Pettinger (Committee Chair)  
 Mrs M Burnham  
 Mr P White

**Standards Committee**

Ms E Gauntlett (Committee Chair)  
 Mr S Wilson  
 Mrs M Burnham  
 Mrs S Bari (resigned 14/10/2022)

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

The Nomination and Remuneration Committee set the pay for the Chief Executive Officer. 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
0	0

**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 2022 (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:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0
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#### 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

Through a child-centred approach and exceptional educational experiences we will inspire excellence from all, develop independence, build confidence and ensure readiness for tomorrow.

##### Mission

Creating opportunity. Inspiring excellence. Shaping tomorrow

##### Values

These values and their behaviours are what we nurture in our schools and which bring about the culture and environment we desire across the Trust. The culture will enable us to realise our mission statement – establishing a climate which provides outstanding opportunities for our young people and where we inspire them to want to learn and do their best.

Value	Defined as (single sentence)	Associated behaviours
Ambition	We are determined to achieve our goals and believe everyone can succeed	Try our best and take pride in what we do
		Curious and eager to learn
		Persevere with even the hardest tasks
Respect	We are considerate of other people and the environment	Polite and use good manners
		Honest and act with integrity
		Take responsibility for our own actions
Collaboration	We work as a team to achieve our goals and for the good of our community	Include everyone and value individuality
		Listen to other people's views
		Support each other to solve problems



## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

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 Colne 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**

Our curriculum intent is driven by our values of ambition, respect, and collaboration. We have the drive to provide each and every young person with the best chance to succeed in life, no matter who they are or where they come from.

Through a child-centred approach and exceptional educational experiences we will inspire excellence from all, develop independence, build confidence, and ensure readiness for tomorrow.

We offer a broad, balanced, and rich curriculum from EYFS through to Key Stage 4 which teaches the essential concepts and knowledge as outlined in the Early Years Framework and the National Curriculum 2014. We have designed our curriculum in a way that provides a foundation for achieving success, reaching deep understanding and being creative. The more children know, the more they can learn. We aim to ensure our pupils enjoy learning and feel prepared for a life that is empowering and positively encourages self-determination, reflecting our value of Ambition.

Our intent is to ensure foundational concepts are mastered and the metacognitive skills for learning are in place before linking new subject content. We seek to support critical thinking with secure understanding of subject knowledge, and we plan for our curriculum to explicitly make connections. This enables pupils to draw out the relevance of key concepts to develop understanding and support the transfer of learning.

We recognise that a curriculum must have depth and breadth to offer opportunities for pupils to broaden their horizons; enabling them to flourish within the community and make positive choices which will impact on future generations.

Our ambition extends to providing all pupils with a core academic curriculum. This includes specialist modern foreign language provision by specialist staff from an early age and ensuring entitlement to the EBacc subjects is strong across all key stages, with strong encouragement to pupils to complete the EBacc at Key Stage 4.

The careful sequencing of content both within each year group and progressively across key stages is the essence of our cohesive curriculum. This approach aims to ensure that knowledge acquisition is built upon secure foundations resulting in deep conceptual understanding and knowledge that is remembered.

Key elements of the curriculum are regularly revisited through interleaving and includes a specific focus on explicit instruction and retrieval strategies. Subjects are taught discretely, and authentic connections are planned to ensure pupils connect schema.

## **The Pennine Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **School Improvement and Support**

As a trust with both secondary and primary schools, our mechanism for school support is underpinned by our value of Collaboration. For the subjects of Mathematics, English, Science, DT, Humanities, MFL and Personal Development we implement cross phase planning and professional development to ensure a smooth transition from Early Years to Post 16. Our reflective approach to curriculum design is integral to our professional development and promotion of life-long learning.

To ensure we continuously develop our curriculum offer and its effectiveness, we have mapped out a programme of collaborative professional development underpinned by the core principles of direct instructional teaching which encompass: building on prior knowledge; the explicit break down of complex material into small steps to avoid overloading working memory; the encouragement of the retention of learning through repetition, practice and retrieval; an explicit awareness of misconceptions; planned lessons which make good use of modelling, scaffolds and carefully paced explanations; teaching which is adapted in a responsive way to support all learners and maintaining high expectations.

#### **Personal Development**

Personal development is an integral part of the curriculum in all Key Stages and is underpinned by our third value of Respect whereby we recognise the importance of a positive and respectful school culture. We believe that a whole trust holistic approach to personal development is the best way to remove barriers to learning, prepare pupils for their adult lives and to teach them to understand how to engage within an ever-changing global society. Cultural development is embedded in all our schools since our pupils are encouraged to understand and appreciate the cultural influences and values that have shaped their world locally, nationally, and globally. Personal development lessons are fully integrated and sequenced within our curriculum model but in addition we seek to offer our pupils rich experiential learning opportunities which include national and international trips for primary and secondary pupils; the Pennine Champions Award for primary pupils; trust wide sports events, debating, mathematical challenges and musical events and mandarin teaching throughout Key Stage 2 and 3.

#### **Ambition for all**

Our curriculum is fully inclusive, and we recognise that pupils with SEND have the greatest need for excellent teaching and are entitled to a provision that supports achievement for all. We create a positive environment in all our schools for all pupils without exception. Using the graduated approach, we employ high quality formative, summative and diagnostic assessments to develop a holistic understanding of pupil needs; our intervention programmes are bespoke, and evidence-informed and our support staff are highly skilled and expertly deployed.

#### **Assessment and Quality Assurance**

Fundamental to the effectiveness of our curriculum is our approach to assessment. We utilise a responsive approach to assessment strategies which focus on moving the learning forward and the activation of learners as owners of their own learning; We recognise that effective feedback should be specific, accurate and timely and provide clear guidance on how to improve. Pupils are explicitly taught metacognitive strategies through dialogic talk as well as how to monitor, plan and evaluate their learning. The information provided by assessments is essential for planning and adaptive teaching.

We have developed a collaborative approach to quality assurance which supports teachers to reflect and refine the sequencing of the core knowledge and foundational concepts for their subjects, evaluate the effectiveness of the principles of direct instructional teaching whilst securing the skills to know when knowledge is secure before pupils move on.

#### **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 2022 (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 school committee, and will continue to focus on delivering quality teaching within the trust's local community.

The trust will operate on the principle of aligned autonomy. Our values of ambition, respect and collaboration underpin the whole organisation, and there is alignment on our culture and approach to issues such as behaviour and attendance. There is a trust wide philosophy about what constitutes effective teaching and learning and the strands and methodology for school improvement. A CPD offer extends across the trust and the trust CPD platform captures training and resources to enable staff to access bespoke guidance as and when it is needed. In our primaries in particular, a collaborative approach to curriculum design and common schemes and strategies for phonics and maths, ensures teachers work together to improve provision and adopt the most effective practice.

A trust dashboard of key performance indicators provides trustees and local school committees with an ongoing health check. These are reviewed by headteachers and executive leaders each half term, providing a top level review of all key data, quality assurance and stakeholder feedback, so that any emerging problems or difficulties can be monitored and addressed before they have a significant adverse impact.

Schools and headteachers have autonomy to allocate financial resources as they see fit, within the parameters of achieving trust development priorities and maintaining a balanced budget. Below deputy headteacher level, they have autonomy over issues such as recruitment pastoral systems and provision, day timings and structure and many aspects of the curriculum.

The academic year 2021-22 saw significant changes in leadership across the trust. Over the course of the last 12 months, the trust has reappraised its values, mission and vision, so that the executive leaders have a shared approach and commitment to the direction of travel and immediate priorities.

These priorities can be summarised as a relentless focus on culture in our organisation, and in particular embedding our values and corresponding behaviours through systems and routines which constantly reinforce them. In 2022-23 there is a particular focus on embedding routines and systems which will develop excellent behaviour in all of our schools and secure high levels of attendance.

In addition to these core priorities, other development objectives centre around embedding and refining some of the systems introduced in the last 12 months, particularly around assessment and quality assurance as well as HR systems and policies and development of integrated IT systems.

The eleven development objectives for the 2022-23 academic year are outlined below:

Objective 1 – Embed our vision and values and develop a strong culture across the trust through rigorous reinforcement and through systems for recruitment, induction and performance management.

Objective 2 –Trust Wide Behaviour and Culture.

Objective 3 – Develop a strong system for school support, particularly developing the mindset and building a cohesive team to ensure sustainable development and enable trust growth.

Objective 4 – Review and refine staffing structures across the Trust to meet our goals in line with our mission/vision and deploy our resources efficiently.

Objective 5 – Produce and implement all remaining HR policies in consultation with the JCNC.

## The Pennine Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

Objective 6 – Develop effective assessment in all subjects and for all phases (including for 'slower graspers') to inform teaching support pupils to learn more and remember more.

Objective 7 – Embed a systematic and rigorous approach to QA, to support accountability and ensure pupils' experience does not vary significantly according to school, class etc.

Objective 8 – Develop a trust-wide approach to raising attendance and reducing persistent absence to pre-pandemic levels.

Objective 9 – Conduct a trust-wide review of workload and implement a coherent package of measures to support wellbeing.

Objective 10 – Develop an effective digital strategy for the Trust and commence delivery of it.

Objective 11 – Marketing and Public Relations.

#### Key performance indicators

##### Academic outcomes

Pupils sat Key Stage 2 SATs and GCSE examinations in 2022 for the first time in 3 years. School data from these examinations and tests is not in the public domain this year, as it is a year of transition from the (higher) teacher or centre assessed grades of the last 2 years. At time of writing, we are still awaiting the national context for both GCSE results and KS2 SATs.

##### Headlines from KS2 SATs

Attainment and progress were above or in line with national levels meeting the expected standard in all primaries for Reading and Writing. For maths, the picture was more mixed, with the percentage of pupils meeting the expected standard well above national levels at Blacko, broadly in line at Laneshaw Bridge, but below at Lord St.

##### Headlines from GCSEs

The proportion of pupils attaining a strong pass (grade 5 or above) in maths and English increased significantly from 2019 levels, though the proportion gaining a standard pass (grade 4 or above) were broadly in line with 2019 levels. This pattern was repeated for numbers of pupils gaining 5 or more GCSEs or Equivalents including English & maths. As has been evident nationally, and particularly in the north of England, the disadvantage gap widened for most key indicators, and most noticeably for the proportion of pupils gaining a standard pass in English and maths.

##### Behaviour and attendance

There were no suspensions in any of the primary schools in 2021-22. This represents a notable improvement from previous years. Suspension data at Park High was broadly in line with the national picture. The trust has joined the Behaviour Hub programme for 2022-23, making this a priority for development, as stated above.

Attendance figures in all schools were either above the national average or in line with it. Nonetheless, the impact of the pandemic was significant, so this issue is another key priority for 2022-23.

## The Pennine Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

#### Key performance indicators (continued)

##### External reviews

All schools have Ofsted grades of either 'good' or 'outstanding'. Park High School was the only school to be inspected this year. This Section 5 inspection took place in the spring term; the school was judged to be good in all areas, with the very positive report identifying only one significant area for development.

The trust commissioned independent reviews of safeguarding in all 4 schools over the course of the last academic year. In all cases, safeguarding was assessed as effective. The recommendations for further improvement have been addressed subsequently.

##### Stakeholder Engagement

Feedback via surveys and focus groups from pupils, staff and parents/carers indicates strong approval ratings for key indicators in all 4 schools: whether schools are ambitious for all, safe to attend, enjoyable to attend and somewhere pupils behave well.

##### Plans for future periods

The trust has a number of priorities for the years ahead.

The overwhelming priority is to provide organisational health and sustainability by ensuring all key strategic areas are addressed. These areas are those as defined by Professor Toby Greany in *Sustainable improvement in multi-school groups* (December 2018):

- Vision, values, strategy and culture
- People, learning, capacity
- Assessment, curriculum and pedagogy
- Quality Assurance and accountability
- Developing as a sustainable learning organisation

The trust's key priority will always be delivery of outstanding provision in all its forms for pupils in our schools, constantly monitoring and reviewing existing systems and approaches and striving to improve outcomes for all of our pupils.

The trust has the ambition and expertise as well as the leadership capacity, for school to school support and organisational growth. It has followed the guidance around the 2022 White Paper and is prepared for growth in a variety of forms.

##### 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 2022 (continued)

#### Financial review

During the year ended 31st August 2022 the Pennine Trust has received income of £12,422k (2021: £11,543k)

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 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year the trust continued to receive Recovery Premium and Mass Testing grants relating to the impact of Covid. The trust also received the new School Led Tutoring grant (introduced to assist with the cost of providing additional staff to support pupils affected by the disruption caused by the pandemic) and a Supplementary Grant designed to contribute to the current extreme levels of rising costs.

With the return to normal operations the trustees approved a number of capital investments across the schools, using the savings made during the pandemic held within reserves. Some of these projects are still in progress at year end and therefore the transfer from reserves for the remaining costs will take place in the next financial year.

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 £53k 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 2022, total expenditure was £11,372k (2021: £10,954k) resulting in net income of £1,051k (2021: £589k) leading to reserves carried forward (after actuarial gain on the Local Government Pension Scheme) of £15,787k (2021: £10,452k). This includes £1,521k (2021: £1,085k) restricted funds carried forward to be utilised in future years, £473k (2021: £457k) unrestricted funds to be used to meet the trust's charitable objectives and £14,353k (2021: £13,195k) 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 2022 is £560k (2021: £4,284k).

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 2022 (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, extreme cost pressures or adverse changes to funding methodologies. Consideration is also given to the need to meet any significant investment and the trustees have approved a number of projects designed to improve the learning environments which are in progress at year end.

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 12% of the General Annual Grant (GAG) income. The total restricted and unrestricted general reserves (excluding the pension deficit) as at 31st August 2022 are £1,994k. This is above the reserves policy however when the premises development projects reflected in capital commitments are completed, reserves will be in line with the 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 2022 (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

The Audit & Risk Committee has an ongoing responsibility for the monitoring of risks and identified cyber security as an area of focus for internal audit activity during the year. A report was completed and an action plan implemented to address the issues raised. In addition Hallidays completed an agreed plan of works to ensure compliance to the trust financial handbook.

##### **Fundraising**

The academy trust does not undertake formal fundraising. All fundraising undertaken during the year was monitored by the trustees.

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

The Pennine Trust holds no funds on behalf of others.



## The Pennine Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

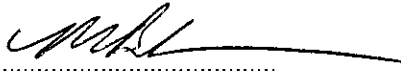
#### Auditor

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.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2022 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 2022

#### 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:

<b>Member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs M Burnham	1	1
Mr P Catterall	1	1
Mr T Root	1	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** has formally met four times during the year (13<sup>th</sup> October 2021, 14<sup>th</sup> December 2021, 29<sup>th</sup> March 2022 and 13<sup>th</sup> July 2022.) The trust has maintained adequate oversight of its finances through:

- Delegating oversight to the Resources Committee who have met 4 times in the 2021-22 academic year; and
- Circulating monthly financial management reports to all trustees.

## The Pennine Trust

### Governance Statement for Year Ended 31<sup>st</sup> August 2022 (continued)

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ms E Gauntlett	4	4
Mr A Pettinger	3	4
Mr S Whiteley	3	4
Mr P White	4	4
Mrs M Burnham	3	4
Mrs S Bari	3	3
Mr S Wilson	2	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 committee directs the internal audit activity and monitors activity plans arising from the audits.

Attendance at the meetings in the year (10th November 2021, 1<sup>st</sup> December 2021, 2<sup>nd</sup> March 2022 and 16<sup>th</sup> June 2022) was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P White	4	4
Mr S Whiteley	2	3
Ms E Gauntlett	2	4
Mr S Wilson	3	3
Mrs M Burnham	3	3

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 (4th October 2021, 12<sup>th</sup> January 2022 and 25<sup>th</sup> May 2022) was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs M Burnham	3	3
Ms E Gauntlett (Chair)	3	3
Mr S Wilson	1	2
Mrs S Bari	2	2
Mr P White	1	1

## The Pennine Trust

### Governance Statement for Year Ended 31<sup>st</sup> August 2022 (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 (6<sup>th</sup> December 2021, 16<sup>th</sup> March 2022 and 4<sup>th</sup> July 2022) was as follows: -

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P White	1	1
Mr A Pettinger	2	3
Mrs M Burnham (Chair)	3	3
Mr S Whiteley	3	3
Mrs S Bari	2	3

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 (17<sup>th</sup> November 2021 and 8<sup>th</sup> June 2022) was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs M Burnham	2	2
Mr A Pettinger (Chair)	2	2
Mr P White	2	2

#### Conflicts of interest

The trust manages conflicts of interests by holding a register of business interests (completed twice annually). Information added onto the register is scrutinised by the Head of Governance, who, if required, verifies company details with those held on Companies House records. Conflicts of interest are a standing agenda item at each meeting and trustees and local committee members are reminded of the need to declare such interests at the relevant points. Should a declaration be made, the governance professional will follow guidance from the trust's governance and accountability handbook to manage such an eventuality.

#### Governance Reviews

The Trust has conducted several reviews in relation to governance. One of the reviews conducted involved trustees and governors completing a self-assessed skills audit. The other was a governance impact assessment which focussed trustees and governors on their impact during the academic year. Both of the aforementioned reviews on governance have allowed the trust to build a picture of each of the committees and form a development plan to ensure each strand's efficacy.

## **The Pennine Trust**

### **Governance Statement for Year Ended 31<sup>st</sup> August 2022 (continued)**

#### **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: -

#### **Improving educational standards:**

- Refining the education model to be applied across all trust schools and 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

#### **Better purchasing – ongoing review and challenge of all costs:-**

- Continuous focus on value for money when purchasing goods and services through quotations and tenders in line with the financial scheme of delegation
- Routine challenge of spend requests – do we need it, is there a more cost effective way of providing
- Cross trust purchasing to maximise discounts and identify the best procurement deal

#### **Maximising income generation:-**

- Working with partners to submit applications to the Condition Improvement Fund to improve school premises across the trust
- Resource allocated to identify funding opportunities and prepare and submit bids

## The Pennine Trust

### Governance Statement for Year Ended 31<sup>st</sup> August 2022 (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 2021 to 31st August 2022 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 2021 to 31st August 2022 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 a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the resources 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;
- 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 2021/22.

This focused upon the following areas: -

- Finance Procedures Manual
- Payroll
- Purchases

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 are undertaken provide recommendations for where the trust could strengthen its systems and internal controls and from this a full action plan is developed in discussion with the Audit & Risk Committee. Further reviews will continue into the 2022/23 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 2022 (continued)


#### Review of Effectiveness

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

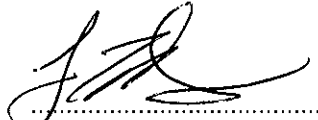
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and 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 and Risk Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2022 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 2022**

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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and 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 2021 to 2022;
- 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 2022 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 2022, 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 2021 to 2022 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 2022 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 2021 to 2022 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 includes 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 23, 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 2021 to 2022 and Academy Trust Handbook 2021, 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: 15th December 2022  
.....

## **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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 2021 to 2022 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 2021 to 2022.

## 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 2021 to 31 August 2022 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: 15th December 2022  
.....

## The Pennine Trust

### Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	4,049	1,257,139	1,261,188	873,274
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	195,684	10,959,829	-	11,155,513	10,669,324
Other trading activities	4	5,095	-	-	5,095	100
Investments	5	427	-	-	427	-
<b>Total</b>		<b>201,206</b>	<b>10,963,878</b>	<b>1,257,139</b>	<b>12,422,223</b>	<b>11,542,698</b>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	6/7	185,129	10,735,065	451,481	11,371,675	10,953,523
Net income		16,077	228,813	805,658	1,050,548	589,175
Transfers between funds	16	-	(352,673)	352,673	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain / (loss) on defined benefit pension schemes	23	-	4,284,000	-	4,284,000	(590,000)
<b>Net movement in funds</b>		<b>16,077</b>	<b>4,160,140</b>	<b>1,158,331</b>	<b>5,334,548</b>	<b>(825)</b>
<b>Reconciliation of funds</b>						
Total funds / (deficit) brought forward at 1 September 2021		456,635	(3,199,253)	13,194,671	10,452,053	10,452,878
Total funds carried forward at 31 August 2022		472,712	960,887	14,353,002	15,786,601	10,452,053

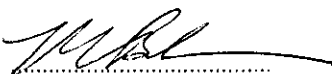


## The Pennine Trust

(Registration number: 11121514 (England & Wales))  
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	13,292,135	12,663,800
<b>Current assets</b>			
Debtors	13	1,620,278	874,137
Cash at bank and in hand	25	2,684,003	2,107,848
		<u>4,304,281</u>	<u>2,981,985</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	14	<u>(1,101,053)</u>	<u>(826,747)</u>
<b>Net current assets</b>		<u>3,203,228</u>	<u>2,155,238</u>
<b>Total assets less current liabilities</b>		<u>16,495,363</u>	<u>14,819,038</u>
Creditors: Amounts falling due after more than one year	15	<u>(148,762)</u>	<u>(82,985)</u>
<b>Net assets excluding pension liability</b>		16,346,601	14,736,053
Defined benefit pension scheme liability	23	<u>(560,000)</u>	<u>(4,284,000)</u>
<b>Total net assets</b>		<u>15,786,601</u>	<u>10,452,053</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	16	1,520,887	1,084,747
Restricted fixed asset fund	16	14,353,002	13,194,671
Restricted pension fund	16	<u>(560,000)</u>	<u>(4,284,000)</u>
		15,313,889	9,995,418
<b>Unrestricted funds</b>			
Unrestricted general fund	16	<u>472,712</u>	<u>456,635</u>
<b>Total funds</b>		<u>15,786,601</u>	<u>10,452,053</u>

The financial statements on pages 30 to 52 were approved by the trustees, and authorised for issue on 14 December 2022 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 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	770,349	869,152
<b>Cash flows from investing activities</b>	21	<u>(194,194)</u>	<u>(274,469)</u>
<b>Change in cash and cash equivalents in the year</b>		576,155	594,683
Cash and cash equivalents at 1 September		<u>2,107,848</u>	<u>1,513,165</u>
Cash and cash equivalents at 31 August	25	<u>2,684,003</u>	<u>2,107,848</u>

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 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 2022 (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 fixed assets

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

##### 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 2022 (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 2022 (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 2022 (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 2022. 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 £	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
Capital grants	-	1,204,474	1,204,474	721,163
Other donations	4,049	-	4,049	8,021
Donated fixed assets	-	52,665	52,665	144,090
	<u>4,049</u>	<u>1,257,139</u>	<u>1,261,188</u>	<u>873,274</u>

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

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
<b>DfE/ESFA revenue grants</b>				
General Annual Grant/ DfE Group Grants	-	10,334,662	10,334,662	10,043,414
<b>Other government grants</b>				
Local Authority Grants	-	300,118	300,118	263,317
Other income from the academy trust's educational operations	195,684	325,049	520,733	362,593
	<u>195,684</u>	<u>625,167</u>	<u>820,851</u>	<u>625,910</u>
Total grants	<u>195,684</u>	<u>10,959,829</u>	<u>11,155,513</u>	<u>10,669,324</u>

**The Pennine Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

**4 Other trading activities**

	Unrestricted funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	5,095	5,095	100

**5 Investment income**

	2021/22 Total £	2020/21 Total £
Short term deposits	427	-

**6 Expenditure**

	Non Pay Expenditure			2021/22 Total £	2020/21 Total £
	Staff costs £	Premises £	Other costs £		
<b>Academy's educational operations</b>					
Direct costs	7,684,438	364,037	674,108	8,722,583	8,587,963
Allocated support costs	1,384,418	508,150	756,524	2,649,092	2,365,560
	9,068,856	872,187	1,430,632	11,371,675	10,953,523



## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021/22 £	2020/21 £
Operating lease rentals	25,623	6,791
Depreciation	451,281	471,856
Fees payable to auditor - audit	15,700	16,750
Loss on disposal of fixed assets	200	22,963
	200	22,963

#### 7 Charitable activities

	2021/22 £	2020/21 £
Direct costs - educational operations	8,722,583	8,587,963
Support costs - educational operations	2,649,092	2,365,560
	11,371,675	10,953,523

	Educational operations £	2021/22 Total £	2020/21 Total £
<b>Analysis of support costs</b>			
Support staff costs	1,384,418	1,384,418	1,233,446
Technology costs	115,391	115,391	9,080
Premises costs	508,149	508,149	662,004
Other support costs	641,133	641,133	461,030
Total support costs	2,649,091	2,649,091	2,365,560

#### 8 Staff

Staff costs

	2021/22 £	2020/21 £
<b>Staff costs during the year were:</b>		
Wages and salaries	6,219,371	6,277,826
Social security costs	633,890	602,198
Operating costs of defined benefit pension schemes	1,963,800	1,798,622
	8,817,061	8,678,646
Supply staff costs	251,795	160,963
Staff restructuring costs	-	33,000
	9,068,856	8,872,609

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 8 Staff (continued)

	2022 £	2021 £
<b>Staff restructuring costs comprise:</b>		
Severance payments	-	33,000

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2021: £33,000).

#### Staff numbers

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

	2021/22 No	2020/21 No
<b>Charitable Activities</b>		
Teachers	89	97
Administration and support	109	123
Management	27	23
	225	243

#### Higher paid staff

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

	2022 No	2021 No
£60,001 - £70,000	6	4
£70,001 - £80,000	4	2
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	0	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 £638,859 (2021: £586,283).

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (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:

	2021/22	2020/21
	£	£
Park High School	309,200	293,254
Lord St Primary School	87,092	84,255
Laneshaw Bridge Primary School	43,681	41,823
Blacko Primary School	24,673	23,034
	<u>464,646</u>	<u>442,366</u>

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

No trustees have been paid remuneration or received other benefits from employment with the trust. The CEO has not been appointed to the Board of Trustees as permitted in the articles.

There are no other related party transactions involving the trustees.

#### 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 2022 (continued)**

**12 Tangible fixed assets**

	Leasehold land and buildings	Building Improvements	Office and Educational Equipment	Furniture, Fixtures and Equipment	Motor vehicles	Assets Under Construction	Computer Equipment	Total
	£	£	£	£	£	£	£	£
<b>Cost</b>								
At 1 September 2021	11,190,000	1,370,736	115,039	126,758	17,995	173,248	660,808	13,654,584
Additions	-	361,838	25,889	17,995	-	554,404	119,690	1,079,816
Disposals	-	-	-	(125)	-	-	(12,002)	(12,127)
Transfers	-	173,248	-	-	-	(173,248)	-	-
At 31 August 2022	11,190,000	1,905,822	140,928	144,628	17,995	554,404	768,496	14,722,273
<b>Depreciation</b>								
At 1 September 2021	268,560	128,275	54,901	76,935	9,479	-	452,634	990,784
Charge for the year	89,520	180,485	27,072	27,590	4,499	-	122,115	451,281
Eliminated on disposals	-	-	-	(69)	-	-	(11,858)	(11,927)
At 31 August 2022	358,080	308,760	81,973	104,456	13,978	-	562,891	1,430,138
<b>Net book value</b>								
At 31 August 2022	10,831,920	1,597,062	58,955	40,172	4,017	554,404	205,605	13,292,135
At 31 August 2021	10,921,440	1,242,461	60,138	49,823	8,516	173,248	208,174	12,663,800

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 13 Debtors

	2022	2021
	£	£
Trade debtors	1,404	3,943
VAT recoverable	125,973	54,809
Other debtors	17,284	-
Prepayments and accrued income	1,475,617	815,385
	1,620,278	874,137

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

	2022	2021
	£	£
Trade creditors	280,811	285,893
Other taxation and social security	145,698	148,988
Other creditors	220,026	180,083
Accruals	358,565	150,074
Deferred income	95,953	61,709
	1,101,053	826,747

	2022	2021
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2020	61,709	70,284
Resources deferred in the period	95,593	61,709
Amounts released from previous periods	(61,709)	(70,284)
Deferred income at 31 August 2021	95,953	61,709

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

	2022	2021
	£	£
Loans	148,762	82,985
	148,762	82,985

Loans of £148,762 represent funding from Salix and CIF.

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 16 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	991,662	9,292,922	(8,530,838)	(352,673)	1,401,073
Pupil Premium	58,558	571,433	(629,991)	-	-
Other Government Grants and income	34,527	1,099,523	(1,014,236)	-	119,814
	<u>1,084,747</u>	<u>10,963,878</u>	<u>(10,175,065)</u>	<u>(352,673)</u>	<u>1,520,887</u>
<b>Restricted fixed asset funds</b>					
Fixed Asset Fund	13,194,671	1,257,139	(451,481)	352,673	14,353,002
<b>Restricted pension funds</b>					
Pension Reserve	(4,284,000)	-	(560,000)	4,284,000	(560,000)
Total restricted funds	9,995,418	12,221,017	(11,186,546)	4,284,000	15,313,889
<b>Unrestricted funds</b>					
Unrestricted general funds	456,635	201,206	(185,129)	-	472,712
Total funds	<u>10,452,053</u>	<u>12,422,223</u>	<u>(11,371,675)</u>	<u>4,284,000</u>	<u>15,786,601</u>

The transfer between the restricted general and restricted fixed asset funds represents fixed asset additions funded from general reserves.

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

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<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>

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 16 Funds (continued)

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<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)
<b>Total restricted funds</b>	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
<b>Total funds</b>	10,452,878	11,542,698	(10,953,523)	(590,000)	10,452,053

#### Analysis of academies by fund balance

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Colne Park High School	1,097,902	861,220
Lord St Primary School	595,329	334,972
Blacko Primary School	84,807	92,985
Laneshaw Bridge Primary School	205,173	208,161
Central services	10,388	44,044
Total before fixed assets and pension reserve	1,993,599	1,541,382
Fixed asset fund	14,353,002	13,194,671
Pension Reserve	(560,000)	(4,284,000)
Total	15,786,601	10,452,053

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 16 Funds (continued)

##### Analysis of academies by cost

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

	Teaching and Educational Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2022 £
Park High School	4,735,681	500,243	477,719	530,758	6,244,401
Lord St Primary School	1,334,316	209,878	125,189	227,375	1,896,758
Blacko Primary School	368,111	62,318	47,396	89,172	566,997
Laneshaw Bridge Primary School	716,327	129,808	66,273	167,381	1,079,789
Central Services	530,003	482,171	35,346	84,729	1,132,249
Academy Trust	<u>7,684,438</u>	<u>1,384,418</u>	<u>751,923</u>	<u>1,099,415</u>	<u>10,920,193</u>

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2021 £
Park High School	4,611,0930	608,827	236,993	575,418	6,032,331
Lord St Primary School	1,440,245	207,844	102,836	258,003	2,008,928
Blacko Primary School	387,992	93,120	38,578	73,879	593,569
Laneshaw Bridge 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>



## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	13,292,135	13,292,135
Current assets	472,712	2,770,702	1,060,867	4,304,281
Current liabilities	-	(1,101,053)	-	(1,101,053)
Non-current liabilities	-	(148,762)	-	(148,762)
Pension scheme liability	-	(560,000)	-	(560,000)
<b>Total net assets</b>	<b>472,712</b>	<b>960,887</b>	<b>14,353,002</b>	<b>15,786,601</b>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
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)
<b>Total net assets</b>	<b>456,635</b>	<b>(3,199,253)</b>	<b>13,194,671</b>	<b>10,452,053</b>

#### 18 Capital commitments

	2022 £	2021 £
Contracted for, but not provided in the financial statements	1,517,893	633,602

#### 19 Commitments under operating leases

##### *Operating leases*

At 31 August 2022 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	22,476	18,099
Amounts due between one and five years	42,236	54,862
	<u>64,712</u>	<u>72,961</u>

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

	2021/22	2020/21
	£	£
Net income	1,050,548	589,175
Depreciation	451,281	471,855
Capital grants from DfE and other capital income	(1,204,474)	(721,163)
Defined benefit pension scheme cost less contributions payable	489,000	327,000
Defined benefit pension scheme finance cost	71,000	55,000
(Increase)/decrease in debtors	(49,701)	44,135
(Decrease)/increase in creditors	(37,505)	80,187
Loss on disposal of tangible fixed assets	200	22,963
Net cash provided by Operating Activities	770,349	869,152

#### 21 Cash flows from investing activities

	2021/22	2020/21
	£	£
Purchase of tangible fixed assets	(702,228)	(1,273,304)
Capital funding received from sponsors and others	508,034	998,835
Net cash provided by/(used in) investing activities	(194,194)	(274,469)

#### 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 Lancashire County Pension Fund. 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 £197,827 were payable to the schemes at 31<sup>st</sup> August 2022 (2021: £162,622).

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (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 2024.

The employer's pension costs paid to TPS in the period amounted to £972,976 (2021: £1,019,922).

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 2022 was £460,000 (2021: £497,000), of which employer's contributions totalled £350,000 (2021: £393,000) and employees' contributions totalled £110,000 (2021: £104,000). The agreed contribution rates for future years range between 17.4 and 19.6 per cent for employers and 5.5 and 8.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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 2022 (continued)

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

##### Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.30	4.30
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	4.30	1.70
Inflation assumptions (CPI)	2.80	2.80

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

	2022	2021
<b>Retiring today</b>		
Males retiring today	22.30	22.40
Females retiring today	25.00	25.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.70	23.90
Females retiring in 20 years	26.80	26.90

##### Sensitivity analysis

	2022	2021
	£	£
Discount rate +0.1%	-122,000	-191,000
Discount rate -0.1%	125,000	196,000
Mortality assumption – 1 year increase	102,000	252,000
Mortality assumption – 1 year decrease	-100,000	-244,000
CPI rate +0.1%	124,000	196,000
CPI rate -0.1%	-121,000	-191,000

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

	2022	2021
	£	£
Equities	2,179,000	1,937,000
Other bonds	203,000	203,000
Property	503,000	384,000
Cash and other liquid assets	74,000	81,000
Other	1,658,000	1,231,000
<b>Total market value of assets</b>	<b>4,617,000</b>	<b>3,836,000</b>

The actual return on scheme assets was £308,000 (2021 - £443,000).

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

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

	2021/22	2020/21
	£	£
Current service cost	881,000	709,000
Interest cost	71,000	55,000
Admin expenses	11,000	11,000
Total amount recognised in the SOFA	<u>963,000</u>	<u>775,000</u>

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

	2021/22	2020/21
	£	£
At start of period	8,120,000	6,252,000
Current service cost	881,000	709,000
Interest cost	140,000	112,000
Employee contributions	121,000	104,000
Actuarial (gain)/loss	(4,045,000)	976,000
Benefits paid	<u>(40,000)</u>	<u>(33,000)</u>
At 31 August	<u>5,177,000</u>	<u>8,120,000</u>

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

	2021/22	2020/21
	£	£
At start of period	3,836,000	2,940,000
Interest income	69,000	57,000
Actuarial gain/(loss)	239,000	386,000
Employer contributions	403,000	393,000
Employee contributions	121,000	104,000
Benefits paid	(40,000)	(33,000)
Administration expenses	<u>(11,000)</u>	<u>(11,000)</u>
At 31 August	<u>4,617,000</u>	<u>3,836,000</u>

## The Pennine Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

**24 Analysis of changes in net debt**

	At 1 September 2021 £	Cash Flows £	At 31 August 2022 £
Cash	2,107,848	576,155	2,684,003
Loans falling due within one year	(17,336)	(4,853)	(22,189)
Loans falling due after more than one year	(82,985)	(65,777)	(148,762)
Total	2,007,527	505,525	2,513,052

**25 Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	2,684,003	2,107,848
Total cash and cash equivalents	2,684,003	2,107,848