

Company registration number 11121514 (England and Wales)

THE PENNINE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE PENNINE TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 15
Statement on regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the accounts	18 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 50

THE PENNINE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

K Buchanan
M Burnham
P Catterall
Reverend A Oehring
T Root

Trustees

M Burnham (Chair of Trustees)
E C Gauntlett
A T Pettinger
P White
J S Whiteley
S Wilson (Resigned 18 September 2024)
C N Clayton
K Whitehead

Senior management team

- Chief Executive Officer	J Tarbox
- Chief Financial Officer (Appointed 13/10/23 Resigned 01/01/24)	H Scholey
- Chief Financial Officer (Appointed 02/01/24)	A O'Reilly
- Headteacher Colne Park High School	C Eulert
- Headteacher Lord Street Primary School	H Walsh
- Headteacher Laneshaw Bridge Primary School	G Canty
- Headteacher Blacko Primary School	K Richards

Company secretary

A B Walker

Company registration number

11121514 (England and Wales)

Principal and registered office

Suite 5
Bridgewater House
Nelson
Lancashire
BB9 7TZ
United Kingdom

Academies operated

Colne Park High School
Lord Street Primary School
Laneshaw Bridge Primary School
Blacko Primary School

Location

Colne, Lancashire
Colne, Lancashire
Colne, Lancashire
Nelson, Lancashire

Headteacher

C Eulert
H Walsh
G Canty
K Richards

Independent auditor

Mitchell Charlesworth (Audit) Limited
24 Nicholas Street
Chester
CH1 2AU

THE PENNINE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
7 Manchester Road
Burnley
BB11 1HT

Solicitors

First North Law
County Hall
North Allerton
North Yorkshire
DL7 8AD

THE PENNINE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. 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 a catchment area in the borough of Pendle. It has a pupil capacity of 1,810 and had a roll of 1,716 in the school census dated January 2024.

Structure, governance and management

Constitution

The academy 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 charitable company operates as The Pennine Trust, of which the academies within are:

- Colne Park High School
- Lord Street Primary School
- Laneshaw Bridge Primary School
- Blacko Primary School

The trustees of The Pennine Trust are also the directors of the charitable company for the purposes of company law. 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 the 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 the trustees may co-opt other trustees onto the board. The recruitment of trustees is solely dependent of 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.

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 (CONTINUED)

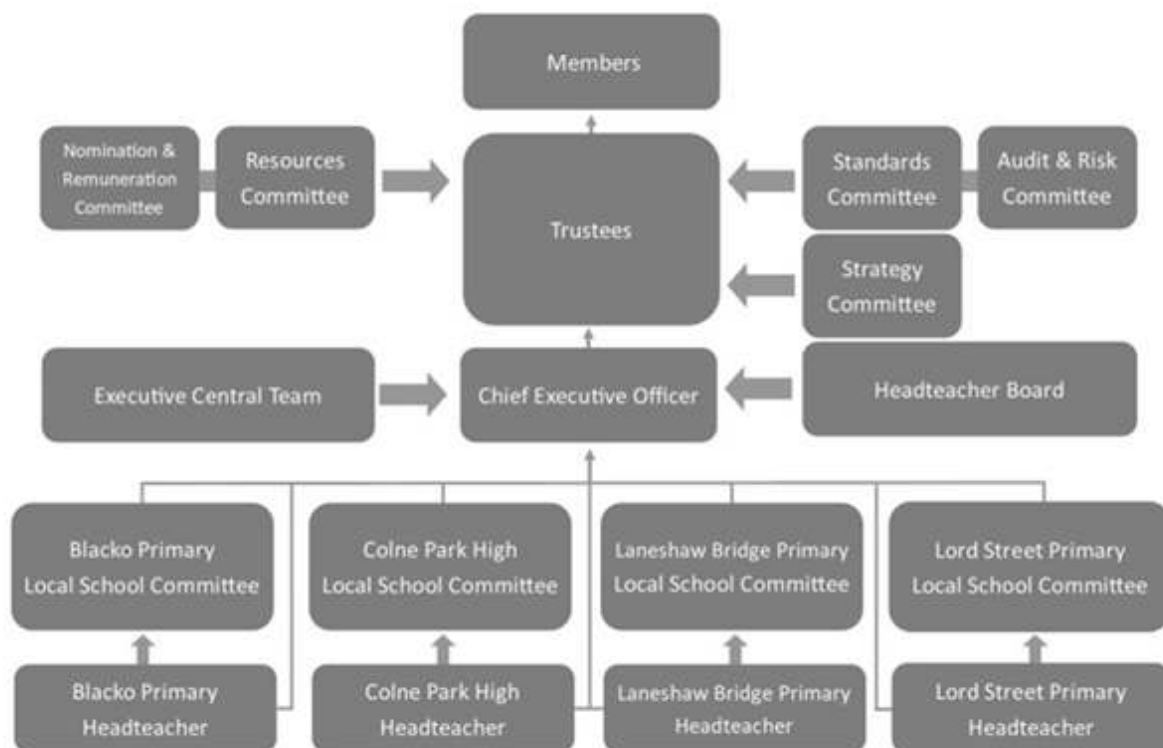
FOR THE YEAR ENDED 31 AUGUST 2024

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, 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 Remunerations 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. 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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Roles and responsibilities of members, trustees, Chief Executive Officer, Local School Committees and headteachers are clearly defined within the trust's Scheme of Delegation.

Committees Organisation

Audit & Risk Committee

P White (Committee Chair)
E Gauntlett
S Wilson (Resigned 18/09/24)
S Whiteley
C Clayton

Resources Committee

M Burnham (Committee Chair)
S Whiteley
C Clayton
K Whitehead

Nomination & Remuneration Committee

A Pettinger (Committee Chair)
M Burnham
P White
K Whitehead

Standards Committee

E Gauntlett (Committee Chair)
A Pettinger
S Wilson (Resigned 18/09/24)
M Burnham

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 provides an annual report which reviews all other pay increases.

Trade Union Facility Time

There are no relevant trade union officials.

Related parties and other connected charities and organisations

There have been no related parties, other connected charities or organisations to report, other than those disclosed in note 25 in these accounts.

Objectives and activities

Objects and aims

The Pennine Trust has a clear mission of: Creating opportunity. Inspiring excellence. Shaping tomorrow. This sums up our determination to provide a high quality, all-round education for every pupil and to foster ambition in all members of our community. We want our young people to fulfil their potential so that they have the opportunities to open the doors to opportunity and can shape their own futures.

To fulfil this mission, we have very clear expectations of how all members of our community will behave. This is summed up in our values, and associated behaviours, which define the culture we are building across the trust.

THE PENNINE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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

In addition to these values and behaviours, we are working towards our vision of an organisation where, through a child-centred approach and exceptional educational experiences we will inspire excellence from all, develop independence, build confidence and ensure readiness for tomorrow.

Objectives, strategies and activities

The trust values and behaviours are now embedded in all schools and are codified by our routines and systems. There is clear alignment across the trust with the values, which are part of everyday dialogue in the classroom and on corridors.

The BehaviourHub programme has supported implementation of new behaviour systems and approaches to ensure a consistent and robust approach across the trust. This work is ongoing and in the secondary phase there is still work to do, so that suspensions and exclusions are reduced further, whilst appropriate expectations and standards are maintained.

In pursuing growth our strategy has been to seek schools with similar values, to ensure ongoing alignment and purpose. The level of alignment and shared culture between all 3 organisations looking to merge is strong.

Another area of focus has been our people strategy, with a focus on the three areas of recruitment, development and retention. Key trust systems for recruitment have been overhauled and the introduction of Instructional Coaching has been a major investment in resources, not least time.

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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 operates 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. 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 termly, 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.

Key performance indicators

Attendance:

Pupil attendance has improved significantly in two of our schools but remains below desirable levels and national averages in two schools. That said, attendance levels are in line with those for other schools in both phases within the locality, so the trust is pursuing a more community wide approach in 2024-25 to develop a strategy to overcome specific local barriers to increased attendance.

Primary phase academic outcomes:

Headline academic performance indicators are strong in the primary phase for both disadvantaged pupils and their non-disadvantaged peers. Pupils with SEND also make good progress relative to their starting points. The tables below summarise performance for all pupils in each school in Year 6 SATs and the phonics screening test undertaken at the end of year 1.

SATs - Provisional data for 2024

School	Blacko		Laneshaw Bridge		Lord St		National
	Expected	Greater depth	Expected	Greater depth	Expected	Greater depth	
% pupils at each standard							
Reading	100	29	93	46	74	21	74
Writing	93	57	79	11	77	8	72
Maths	93	42	89	21	72	8	73
SPAG	93	57	93	36	70	20	72
Combined	93	29	79	7	62	3	61

THE PENNINE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

% of children passing the screening test at the end of year 1

Year	School			National average
	Blacko	Laneshaw Bridge	Lord St	
2024	73	87	88	
2023	100	87	86	79

Secondary phase academic outcomes:

The trust continues to provide a curriculum in which relatively high numbers of pupils follow and achieve the English Baccalaureate (EBacc) suite of qualifications. Attainment in 2023-24 in this phase in English and maths was broadly in line with national and county averages.

Performance Indicator	School	National (2023)	Lancashire (2023)
% pupils entered for EBacc	64	39	31
% pupils achieving EBacc at grade 4+	29	24	18
EBacc average point score	3.79	4.05	3.88
% achieving English & maths grades 9-4	63	65	64
% achieving English & maths grades 9-5	43	45	43

Wider curriculum provision:

The trust continues to offer a broad range of enrichment activities both within the school day and outside of school hours, including residential visits in all phases in both Britain and overseas. In 2023-24, pupils in year 6 had residential experiences in London and Paris, whilst all year 9 pupils were able to complete the Duke of Edinburgh Bronze Award. Locally, there was a regular offer of extra-curricular sport, music/performance/art along with other specific subject-related enrichment.

Ofsted inspections:

In 2023-24, only one of the four trusts schools was inspected. Laneshaw Bridge was graded outstanding in all areas and for overall provision. This means all four schools have been inspected since the start of 2022, with 100% of schools graded good or better.

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, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the trust's income is obtained from the DfE in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year and the associated expenditure are shown as restricted funds in the statements of financial activities. The principal accounting policies adopted during the year are detailed in the notes to the financial statements.

During the year ending 31 August 2024, total expenditure of £13,133,000 (2023: £11,962,000) exceeded the grant funding from the DfE together with other incoming resources. The excess of expenditure over income (excluding actuarial losses on the defined benefit pension scheme) was £207,000 (2023: £924,000 surplus).

As at the 31 August 2024, the net book value of fixed assets were £14,644,000 (2023: £14,532,000), including the value of the land and building. The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

THE PENNINE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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, some of 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 as at 31st August 2024 are £2,335,000 (2023: £2,152,000). This is above the reserves policy, however, funds have been designated for extensive premises development projects. Once completed, reserves will be in line with the policy.

The trust has overall reserves of £16,941,000 (2023: £17,297,000), included within is restricted general reserves (excluding pension & fixed asset reserves) of £1,545,000 (2023: £1,666,000) and unrestricted reserves of £790,000 (2023: £486,000). The total free reserves (excluding pension & fixed asset reserves) amounts to £2,335,000 (2023: £2,152,000).

Investment policy

During the period the trust updated its investment policy to improve investment income. The policy aims to provide sufficient cash for day-to-day operations, whilst taking advantage of opportunities to maximise investment income with minimal risk. Since April 2024, the trust actively manages cash reserves, placing funds on short term deposits using the Insignis Cash Management platform.

Principal risks and uncertainties

The Audit and Risk Committee has an ongoing responsibility for monitoring risks. The trust has an embedded system of internal control, including financial, operational, and risk management which has been designed to safeguard the trust's assets and reputation.

The trust has identified and documented the major risks it faces within its risk register. Trustees review the risk register termly and are kept up to date between meetings on any emerging risks that are significant. Systems and processes are in place to mitigate those risks identified on the risk register.

The principal risks faced by the trust are:

- Pupil recruitment risk

Risk: Recruitment of pupils into reception or year 7 is significantly lower than anticipated resulting in a loss of funding.

Mitigations: The trust is aware of local demographic changes and plans accordingly. The trust supports schools to effectively market to local communities.

Along with those shown under financial risk.

THE PENNINE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial and risk management objectives and policies

- Staff costs risk
Risk: National pay awards for teachers and support staff are significantly higher than anticipated.
Mitigations: The trust is actively involved with national organisations and professional networks to inform planning assumptions. The trust makes use of integrated curriculum and financial planning to inform budget setting and resource allocation.
- Defined benefit pension scheme risk
Risk: The trust's share of any deficit on the Local Government Pension Scheme (LGPS) has been significantly higher than anticipated.
Mitigations: The trust makes monthly cash contributions to the LGPS deficit as determined by the most recent triennial valuation.

Fundraising

The trust does not use any external fundraisers. The schools within the trust undertake a variety of fundraising activities to support several charities and the trust itself. All fundraising undertaken during the year was monitored by the trustees.

Streamlined energy and carbon reporting

As the trust has not consumed more than 40,000 kWh of energy in this reporting period nor is it classed as a large company as determined by sections 465 and 466 of the Companies Act 2006, it is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

The trust identified growth as a key priority for the 2023-24 academic year and sought to establish partnerships with other schools and trusts to enable meaningful collaboration. Strong relationships have been developed with 2 local secondary schools, so that trustees and governors in all establishments have conducted due diligence with a view to formation of a new trust merging all 3 organisations into a new single trust. An application has been submitted to the DfE, though the calling of a July general election in late May 2024, means this application has been held in abeyance since the summer.

In addition to the above, the trust continues to prioritise key aspects of school provision. The following focus areas are applicable to all or several schools within the trust:

- Following graduation from the BehaviourHub Programme in April, continue to embed all learning habits, routines and systems related to behaviour.
- Embed Instructional Coaching as a vehicle to support bespoke staff development.
- Continued focus on raising levels of pupil attendance, particularly for our most disadvantaged pupils.
- Specific focus on further development of the writing curriculum in the primary phase.

Funds held as custodian trustee on behalf of others

The trust does not hold any funds as custodian trustee on behalf of others.

THE PENNINE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Auditor

In so far as the trustees are aware:

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

Mitchell Charlesworth (Audit) Limited was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ^{20/12/2024}..... and signed on its behalf by:

Marie Burnham

.....

M Burnham

Chair of Trustees

THE PENNINE TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M Burnham (Chair of Trustees)	6	6
E C Gauntlett	6	6
A T Pettinger	5	6
P White	2	6
J S Whiteley	5	6
S Wilson (Resigned 18 September 2024)	6	6
C N Clayton	6	6
K Whitehead	4	6

There are no major changes to the board other than the resignation of S Wilson.

Conflicts of interest

The trust manages conflicts of interest 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 engaged the Confederation of School Trusts (CST) to undertake an external review of governance. The external review of governance involved a structured and detailed evaluation process to assess the effectiveness of the trust's governance arrangements. The review commended the trust for the commitment and skill of trustees, highlighting the positive culture of openness and willingness among all members to engage in scrutiny and continuous improvement.

The resource committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the board by undertaking monitoring of the impact of teaching and learning strategies within trusts schools.

THE PENNINE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
M Burnham (Chair of Trustees)	3	3
S Wilson (Resigned 18 September 2024)	2	3
C N Clayton	2	3
K Whitehead	3	3

The audit and 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 arrangement 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 meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
E C Gauntlett	4	4
P White	2	4
J S Whiteley	3	4
S Wilson (Resigned 18 September 2024)	3	3
C N Clayton	3	4

Review of value for money

As accounting officer, the CEO 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Options appraisal

The Trust has clear systems for purchasing, with a hierarchy for purchasing decisions including trustee authorisation. Purchases of goods and services valued at over £5,000 require three quotes, although in practice quotes for goods and services are obtained at much lower values to ensure value for money.

- Investment policies

The chief financial officer has introduced a new investment policy to allow the trust to take advantage of opportunities to increase investment income with minimal risk. The trust actively manages its cash balances, to provide sufficient cash for day-to-day operations, and increase income by making short-term deposits.

- Integrated Curriculum and Financial Planning (ICFP)

The chief financial officer has refined the trust's use of ICFP and embedded it into the budget setting process. This allows the trust to actively plan for efficiency in its allocation of staff resources.

THE PENNINE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 in The Pennine Trust for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal 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 resource 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; and
- identification and management of risks.

The board of trustees have used a variety of different experts to review distinct parts of the trust's operations. This option was chosen because it allowed the trust to focus on particular areas based on the trust's risk register.

An external review of governance (ERG) was commissioned, undertaken by the Confederation of School Trusts (CST). The reviewers role was to produce a detailed evaluation to assess the effectiveness of the trust's governance arrangements. It comprised:

- initial discussion with key governance leaders;
- a comprehensive document review;
- a self-analysis questionnaire for trustees, key members of the executive team, and all local school committee members;
- one-to-one meetings were also conducted with key governance leaders and members of the executive team; and
- direct observations of governance meetings, including committees and a full trust board meeting.

The main recommendation was to strengthen the consistency of governance support and challenge across individual schools. While governance at the trust level is strong, efforts should be made to ensure that local school committees (LSCs) are more actively engaging in their roles. This includes providing training and support to LSC members to enhance their ability to offer meaningful scrutiny and challenge. The report was produced on a one-off basis.

The trust also undertook due diligence processes in the year comprising a wide ranging and rigorous examination of the trust's educational and support operations from which trustees were able to take assurance. This was undertaken by Gail Khan Associates.

Additionally, trustees made risk based directions for ad hoc reviews in specific areas. These included educational visits and trips and a review of the Academy Trust Handbook 'musts'.

THE PENNINE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Review of effectiveness

As accounting officer, the CEO 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 trustees/review of governance;
- 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 work of the external auditor; and
- correspondence from ESFA, eg financial notice to improve/notice to improve (FNtI/NtI) and 'minded to' letters.

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 plans to ensure continuous improvement of the systems are in place.

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the board of trustees on ^{20/12/2024}..... and signed on its behalf by:

Marie Burnham

M Burnham
Chair of Trustees

J Tarbox

J Tarbox
Accounting Officer

THE PENNINE TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

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, including for estates safety and management, 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 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of 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 2023.

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 J Tarbox
Accounting Officer

20/12/2024
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THE PENNINE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees (who are also the directors of The Pennine Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 20/12/2024 and signed on its behalf by:

Marie Burnham

M Burnham
Chair of Trustees

THE PENNINE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PENNINE TRUST

FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the accounts of The Pennine Trust for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024.

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 accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

THE PENNINE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PENNINE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

Extent to which the audit was considered capable of detecting, irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the schools' own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the board of governors of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the schools' documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

THE PENNINE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PENNINE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the trust's Statement of Financial Activities, (ii) revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academy Trust Handbook and Accounts Direction 2023-24 issued by the Education and Skills Funding Agency.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.

Audit response to risks identified

As a result of performing the above, we identified the presentation of the trust's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls we carried out testing of the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates were indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

THE PENNINE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PENNINE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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

Use of our report

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



Robert Hall (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth (Audit) Limited

20/12/2024

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Accountants
Statutory Auditor

24 Nicholas Street
Chester
CH1 2AU

THE PENNINE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

In accordance with the terms of our engagement letter dated 29 April 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, 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 2023 to 31 August 2024 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Pennine Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Pennine Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Pennine Trust's funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.


THE PENNINE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Mitchell Charlesworth (Audit) Limited

Dated: 20/12/2024

THE PENNINE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from:						
Donations and capital grants	3	-	15	42	57	868
Charitable activities:						
- Funding for educational operations	4	527	12,306	-	12,833	12,013
Other trading activities	5	9	-	-	9	5
Investments	6	27	-	-	27	-
Total		<u>563</u>	<u>12,321</u>	<u>42</u>	<u>12,926</u>	<u>12,886</u>
Expenditure on:						
Raising funds	7	-	4	-	4	-
Charitable activities:						
- Educational operations	9	259	12,217	653	13,129	11,962
Total	7	<u>259</u>	<u>12,221</u>	<u>653</u>	<u>13,133</u>	<u>11,962</u>
Net income/(expenditure)		304	100	(611)	(207)	924
Transfers between funds	18	-	(70)	70	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	44	-	44	587
Adjustment for restriction on pension assets	20	-	(194)	-	(194)	-
Net movement in funds		<u>304</u>	<u>(120)</u>	<u>(541)</u>	<u>(357)</u>	<u>1,511</u>
Reconciliation of funds						
Total funds brought forward		<u>486</u>	<u>1,665</u>	<u>15,147</u>	<u>17,298</u>	<u>15,786</u>
Total funds carried forward		<u>790</u>	<u>1,545</u>	<u>14,606</u>	<u>16,941</u>	<u>17,297</u>

THE PENNINE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted	Restricted funds:		Total
		funds £'000	General £'000	Fixed asset £'000	2023 £'000
Income and endowments from:					
Donations and capital grants	3	-	5	863	868
Charitable activities:					
- Funding for educational operations	4	253	11,760	-	12,013
Other trading activities	5	5	-	-	5
Total		<u>258</u>	<u>11,765</u>	<u>863</u>	<u>12,886</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	245	11,133	584	11,962
Total	7	<u>245</u>	<u>11,133</u>	<u>584</u>	<u>11,962</u>
Net income		13	632	279	924
Transfers between funds	18	-	(514)	514	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	587	-	587
Net movement in funds		13	705	793	1,511
Reconciliation of funds					
Total funds brought forward		473	961	14,352	15,786
Total funds carried forward		<u>486</u>	<u>1,666</u>	<u>15,145</u>	<u>17,297</u>

THE PENNINE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		14,644		14,532
Current assets					
Debtors	14	532		923	
Cash at bank and in hand		2,880		2,982	
		<u>3,412</u>		<u>3,905</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,027)		(1,025)	
		<u></u>		<u></u>	
Net current assets			<u>2,385</u>		<u>2,880</u>
Total assets less current liabilities			17,029		17,412
Creditors: amounts falling due after more than one year	16		(88)		(115)
			<u></u>		<u></u>
Net assets excluding pension asset			16,941		17,297
Defined benefit pension scheme asset	20		-		-
			<u></u>		<u></u>
Total net assets			<u>16,941</u>		<u>17,297</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			14,606		15,145
- Restricted income funds			1,545		1,666
			<u></u>		<u></u>
Total restricted funds			16,151		16,811
Unrestricted income funds	18		790		486
			<u></u>		<u></u>
Total funds			<u>16,941</u>		<u>17,297</u>

The accounts on pages 24 to 50 were approved by the trustees and authorised for issue on and are signed on their behalf by:

Marie Burnham

M Burnham

Chair of Trustees

Company registration number 11121514 (England and Wales)

THE PENNINE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	21		624		629
Cash flows from investing activities					
Dividends, interest and rents from investments		27		-	
Capital grants from DfE Group		42		1,211	
Purchase of tangible fixed assets		(768)		(1,542)	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(699)		(331)
Cash flows from financing activities					
Repayment of long term loan		(27)		-	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(27)		-
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents in the reporting period			(102)		298
Cash and cash equivalents at beginning of the year			2,982		2,684
			<u> </u>		<u> </u>
Cash and cash equivalents at end of the year			2,880		2,982
			<u> </u>		<u> </u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £'000.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 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 are 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.

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

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

Leasehold land and buildings	Over the life of the lease (125 years)
Building improvements	10% straight line
Assets under construction	No depreciation until brought into use
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

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

1.6 Liabilities

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

1.7 Provisions

Provisions are recognised when the academy 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.

1.8 Leased assets

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

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension asset/liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions asset/liability at 31 August 2024. 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 asset/liability.

FRS 102 section 28.22 allows an entity to recognise a surplus within the Local Government Pension Scheme "only to the extent it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan". The actuarial report as at 31 August 2024 indicates a defined benefit asset position, which has been capped at nil value. This is on the basis that it is uncertain that a surplus following any triennial review would result in reduced contributions for the employer, and is unlikely to result in a repayment.

Critical areas of judgement

The trustees have considered the classification of depreciation between direct and support costs. The depreciation charge has been allocated based on the proportion of teaching and support staff.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Capital grants	-	42	42	863
Other donations	-	15	15	5
	-----	-----	-----	-----
	-	57	57	868
	=====	=====	=====	=====

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	10,037	10,037	9,592
Other DfE/ESFA grants:				
- Pupil premium	-	622	622	612
- Others	-	945	945	809
	-	11,604	11,604	11,013
Other government grants				
Local authority grants	-	513	513	340
Special educational projects	-	99	99	-
	-	612	612	340
Other incoming resources	527	90	617	660
Total funding	527	12,306	12,833	12,013

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Hire of facilities	2	-	2	5
Catering income	6	-	6	-
Music tuition	1	-	1	-
	9	-	9	5

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Short term deposits	27	-	27	-

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2024 £'000	2023 £'000
Expenditure on raising funds					
- Direct costs	-	-	4	4	-
Academy's educational operations					
- Direct costs	8,369	490	875	9,734	9,850
- Allocated support costs	1,473	946	977	3,396	2,112
	<u>9,842</u>	<u>1,436</u>	<u>1,856</u>	<u>13,134</u>	<u>11,962</u>
Net income/(expenditure) for the year includes:				2024	2023
				£'000	£'000
Operating lease rentals				56	25
Depreciation of tangible fixed assets				654	584
Fees payable to auditor for:					
- Audit				9	19
- Other services				6	-
Net interest on defined benefit pension liability				(18)	15
				<u>(18)</u>	<u>15</u>

8 Central services

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

- Financial Services
- Human Resources
- Facilities & Estates
- ICT Support
- Governance
- Mandarin Teaching
- Business Support

The academy trust charges for these services based on 7.5% of their GAG and the Teachers Pay grant and the Mainstream Schools Additional Grant. In addition, a number of licences previously budgeted in each school are now procured and charged centrally and included within the charge.

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

8	Central services	(Continued)			
	The amounts charged during the year were as follows:			2024	2023
				£'000	£'000
	Colne Park High School			528	523
	Lord Street Primary School			135	143
	Laneshaw Bridge Primary School			66	73
	Blacko Primary School			39	41
				<u>768</u>	<u>780</u>
				<u><u>768</u></u>	<u><u>780</u></u>
9	Charitable activities				
		Unrestricted	Restricted	Total	Total
		funds	funds	2024	2023
		£'000	£'000	£'000	£'000
	Direct costs				
	Educational operations	259	9,475	9,734	9,850
	Support costs				
	Educational operations	-	3,396	3,396	2,112
		<u>259</u>	<u>12,871</u>	<u>13,130</u>	<u>11,962</u>
		<u><u>259</u></u>	<u><u>12,871</u></u>	<u><u>13,130</u></u>	<u><u>11,962</u></u>
				2024	2023
				£'000	£'000
	Analysis of support costs				
	Support staff costs			1,545	1,163
	Depreciation			164	114
	Technology costs			127	91
	Premises costs			782	538
	Legal costs			1	2
	Other support costs			761	185
	Governance costs			16	19
				<u>3,396</u>	<u>2,112</u>
				<u><u>3,396</u></u>	<u><u>2,112</u></u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2024	2023
	£'000	£'000
Wages and salaries	7,076	6,651
Social security costs	717	678
Pension costs	1,530	1,512
	<hr/>	<hr/>
Staff costs - employees	9,323	8,841
Agency staff costs	519	274
Staff restructuring costs	-	9
	<hr/>	<hr/>
	9,842	9,124
Staff development and other staff costs	241	-
	<hr/>	<hr/>
Total staff expenditure	10,083	9,124
	<hr/> <hr/>	<hr/> <hr/>
Staff restructuring costs comprise:		
Severance payments	-	9
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2024	2023
	Number	Number
Teachers	86	81
Administration and support	118	107
Management	20	25
	<hr/>	<hr/>
	224	213
	<hr/> <hr/>	<hr/> <hr/>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Staff

(Continued)

Higher paid staff

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

	2024 Number	2023 Number
£60,001 - £70,000	5	7
£70,001 - £80,000	5	3
£80,001 - £90,000	2	1
£90,000 - £100,000	-	1
£101,000 - £110,000	1	1
£111,000 - £120,000	1	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £703,387 (2023: £741,405).

11 Trustees' remuneration and expenses

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

12 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 claim 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 costs of the RPA scheme.

THE PENNINE TRUST

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

13 Tangible fixed assets	Leasehold land and buildings	improvements	Building improvements	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 September 2023	11,190	3,933	121	947	330	24	16,545	
Additions	-	41	656	71	-	-	768	
At 31 August 2024	11,190	3,974	777	1,018	330	24	17,313	
Depreciation								
At 1 September 2023	448	604	-	706	236	19	2,013	
Charge for the year	90	392	-	148	24	2	656	
At 31 August 2024	538	996	-	854	260	21	2,669	
Net book value								
At 31 August 2024	10,652	2,978	777	164	70	3	14,644	
At 31 August 2023	10,742	3,329	121	241	94	5	14,532	

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Debtors

	2024 £'000	2023 £'000
Trade debtors	51	-
VAT recoverable	85	66
Prepayments and accrued income	396	857
	<u>532</u>	<u>923</u>

15 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Government loans	28	28
Trade creditors	344	352
Other taxation and social security	164	159
Other creditors	206	165
Accruals and deferred income	285	321
	<u>1,027</u>	<u>1,025</u>

16 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Government loans	88	115
	<u>88</u>	<u>115</u>

Analysis of loans	2024 £'000	2023 £'000
Wholly repayable within five years	116	143
Less: included in current liabilities	(28)	(28)
	<u>88</u>	<u>115</u>

Loan maturity

Debt due in one year or less	28	28
Due in more than one year but not more than two years	28	56
Due in more than two years but not more than five years	60	59
	<u>116</u>	<u>143</u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

16 Creditors: amounts falling due after more than one year **(Continued)**

Loans of £115,247 from Salix and CIF which is provided on the basis of 8 year repayments with CIF interest rate of 2.3% and Salix being 0%

17 Deferred income

	2024	2023
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	63	100
	<u> </u>	<u> </u>
Deferred income at 1 September 2023	100	96
Released from previous years	(100)	(96)
Resources deferred in the year	63	100
	<u> </u>	<u> </u>
Deferred income at 31 August 2024	63	100
	<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding funds of £63,000 in relation to deferred income. The breakdown of these funds consist of:

- £13,000 received in advance for rates relief payments from the ESFA.
- £50,000 received in advance for UIFSM from the ESFA.

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2024 £'000
Restricted general funds					
General Annual Grant (GAG)	1,465	10,037	(9,887)	(70)	1,545
Pupil premium	-	622	(622)	-	-
Other DfE/ESFA grants	-	945	(945)	-	-
Other government grants	200	612	(812)	-	-
Other restricted funds	-	105	(105)	-	-
Pension reserve	-	-	150	(150)	-
	<u>1,665</u>	<u>12,321</u>	<u>(12,221)</u>	<u>(220)</u>	<u>1,545</u>
Restricted fixed asset funds					
Inherited on conversion	10,779	-	(101)	-	10,678
DfE group capital grants	3,848	42	(490)	-	3,400
Capital expenditure from GAG	514	-	(57)	70	527
Private sector capital sponsorship	6	-	(5)	-	1
	<u>15,147</u>	<u>42</u>	<u>(653)</u>	<u>70</u>	<u>14,606</u>
Total restricted funds	<u>16,812</u>	<u>12,363</u>	<u>(12,874)</u>	<u>(150)</u>	<u>16,151</u>
Unrestricted funds					
General funds	486	563	(259)	-	790
	<u>486</u>	<u>563</u>	<u>(259)</u>	<u>-</u>	<u>790</u>
Total funds	<u>17,298</u>	<u>12,926</u>	<u>(13,133)</u>	<u>(150)</u>	<u>16,941</u>

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

Unrestricted reserves, which include income funds, grants and donations, will be spent at the discretion of the board of trustees in furtherance of the trust's objectives.

Restricted reserves, which may include restricted income funds, grants or donations, will be spent or invested in furtherance of the trust's objectives or assets, or spent where the donor has expressed the nature of expenditure.

Restricted reserves may be endowment funds, where the funds or assets are required to be invested or retained for actual use, rather than spent.

The trust will hold a minimum reserve of 6% and a maximum reserve of 12% of the General Annual Grant (GAG) income.

As one organisation, the trust pools its reserves and all funds are retained centrally. All funds will be applied to education and the support of education for trust students in line with the trust's charitable objectives.

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds

(Continued)

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

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	1,401	9,592	(9,013)	(514)	1,466
Pupil premium	-	612	(612)	-	-
Other DfE/ESFA grants	-	809	(809)	-	-
Other government grants	120	340	(460)	-	-
Other restricted funds	-	412	(212)	-	200
Pension reserve	(560)	-	(27)	587	-
	<u>961</u>	<u>11,765</u>	<u>(11,133)</u>	<u>73</u>	<u>1,666</u>
Restricted fixed asset funds					
Inherited on conversion	10,880	-	(101)	-	10,779
DfE group capital grants	3,461	863	(478)	-	3,846
Capital expenditure from GAG	-	-	-	514	514
Private sector capital sponsorship	11	-	(5)	-	6
	<u>14,352</u>	<u>863</u>	<u>(584)</u>	<u>514</u>	<u>15,145</u>
Total restricted funds	<u>15,313</u>	<u>12,628</u>	<u>(11,717)</u>	<u>587</u>	<u>16,811</u>
Unrestricted funds					
General funds	473	258	(245)	-	486
Total funds	<u>15,786</u>	<u>12,886</u>	<u>(11,962)</u>	<u>587</u>	<u>17,297</u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Funds (Continued)

Total funds analysis by academy

	2024	2023
	£'000	£'000
Fund balances at 31 August 2024 were allocated as follows:		
Colne Park High School	1,234	1,107
Lord Street Primary School	844	725
Laneshaw Bridge Primary School	188	225
Blacko Primary School	59	88
Central services	10	7
	<u>2,335</u>	<u>2,152</u>
Total before fixed assets fund and pension reserve	2,335	2,152
Restricted fixed asset fund	14,606	15,145
Pension reserve	-	-
	<u>16,941</u>	<u>17,297</u>
Total funds	<u><u>16,941</u></u>	<u><u>17,297</u></u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Colne Park High School	5,434	735	526	925	7,620	6,808
Lord Street Primary School	1,450	284	146	283	2,163	1,962
Laneshaw Bridge Primary School	795	133	92	210	1,230	1,091
Blacko Primary School	424	68	82	124	698	635
Central services	266	386	29	234	915	881
	<u>8,369</u>	<u>1,606</u>	<u>875</u>	<u>1,776</u>	<u>12,626</u>	<u>881</u>
	<u><u>8,369</u></u>	<u><u>1,606</u></u>	<u><u>875</u></u>	<u><u>1,776</u></u>	<u><u>12,626</u></u>	<u><u>881</u></u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Analysis of net assets between funds

	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	14,644	14,644
Current assets	813	2,426	173	3,412
Current liabilities	(26)	(881)	(120)	(1,027)
Non-current liabilities	3	-	(91)	(88)
Total net assets	790	1,545	14,606	16,941

	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	14,534	14,534
Current assets	486	2,804	613	3,903
Current liabilities	-	(1,025)	-	(1,025)
Non-current liabilities	-	(114)	-	(114)
Total net assets	486	1,665	15,147	17,298

20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £197,409 were payable to the schemes at 31 August 2024 (2023: £164,856).

Teachers' Pension Scheme

Introduction

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

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

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

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

The result of this valuation has been implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £1,169,840 (2023: £1,022,581).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.3% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2024 £'000	2023 £'000
Employer's contributions	496	448
Employees' contributions	136	121
Total contributions	632	569

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20	Pension and similar obligations	(Continued)	
	Principal actuarial assumptions	2024	2023
		%	%
	Rate of increase in salaries	4.1	4.3
	Rate of increase for pensions in payment/inflation	2.7	2.9
	Discount rate for scheme liabilities	5.0	5.3
	Inflation assumption (CPI)	2.6	2.8
		<u> </u>	<u> </u>
	The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:		
		2024	2023
		Years	Years
	Retiring today		
	- Males	21.0	21.0
	- Females	23.5	23.4
	Retiring in 20 years		
	- Males	22.2	22.2
	- Females	25.3	25.2
		<u> </u>	<u> </u>
	Sensitivity analysis		
	Scheme liabilities would have been affected by changes in assumptions as follows:		
		2024	2023
	Discount rate + 0.1%	-127	-109
	Discount rate - 0.1%	129	111
	Mortality assumption + 1 year	125	103
	Mortality assumption - 1 year	-123	-101
	CPI rate + 0.1%	129	111
	CPI rate - 0.1%	-126	-108
		<u> </u>	<u> </u>
	Defined benefit pension scheme net asset	2024	2023
		£'000	£'000
	Scheme assets	6,339	5,321
	Scheme obligations	(6,145)	(5,321)
		<u> </u>	<u> </u>
	Net asset	194	-
	Restriction on scheme assets	(194)	-
		<u> </u>	<u> </u>
	Total liability recognised	-	-
		<u> </u>	<u> </u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Pension and similar obligations	(Continued)	
The academy trust's share of the assets in the scheme	2024 Fair value £'000	2023 Fair value £'000
Equities	3,024	2,576
Other Bonds	13	21
Cash	89	32
Property	539	505
Other assets	2,674	2,187
	<u>6,339</u>	<u>5,321</u>
Total market value of assets	6,339	5,321
Restriction on scheme assets	(194)	-
	<u>6,145</u>	<u>5,321</u>

The actual return on scheme assets was £447,000 (2023: £232,000).

Amount recognised in the statement of financial activities	2024 £'000	2023 £'000
Current service cost	364	448
Interest income	(318)	(209)
Interest cost	300	224
Benefit changes, curtailments and settlements gains or losses	(14)	(12)
Administration expenses	14	12
	<u>346</u>	<u>463</u>
Total amount recognised	<u>346</u>	<u>463</u>

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

Changes in the present value of defined benefit obligations	2024 £'000	2023 £'000
At 1 September 2023	5,321	5,177
Current service cost	364	448
Interest cost	286	224
Employee contributions	136	121
Actuarial loss/(gain)	85	(564)
Benefits paid	(47)	(85)
	<u>6,145</u>	<u>5,321</u>
At 31 August 2024	<u>6,145</u>	<u>5,321</u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Pension and similar obligations		(Continued)	
Changes in the fair value of the academy trust's share of scheme assets			
		2024	2023
		£'000	£'000
At 1 September 2023		5,321	4,617
Interest income		318	209
Actuarial gain		129	23
Employer contributions		496	448
Employee contributions		136	121
Benefits paid		(47)	(85)
Effect of non-routine settlements and administration expenses		(14)	(12)
		<u>6,339</u>	<u>5,321</u>
At 31 August 2024		6,339	5,321
Restriction on scheme assets		(194)	-
		<u>6,145</u>	<u>5,321</u>
Net assets recognised		<u>6,145</u>	<u>5,321</u>
21 Reconciliation of net (expenditure)/income to net cash flow from operating activities		2024	2023
	Notes	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(207)	924
Adjusted for:			
Capital grants from DfE and other capital income		(42)	(863)
Investment income receivable	6	(27)	-
Defined benefit pension costs less contributions payable	20	(132)	12
Defined benefit pension scheme finance (income)/cost	20	(18)	15
Depreciation of tangible fixed assets		657	583
Decrease in debtors		391	350
Increase/(decrease) in creditors		2	(392)
		<u>624</u>	<u>629</u>
Net cash provided by operating activities		<u>624</u>	<u>629</u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

22 Analysis of changes in net funds

	1 September 2023	Cash flows 31 August 2024	
	£'000	£'000	£'000
Cash	2,982	(102)	2,880
Loans falling due within one year	(28)	-	(28)
Loans falling due after more than one year	(115)	27	(88)
	<u>2,839</u>	<u>(75)</u>	<u>2,764</u>

23 Long-term commitments

Operating leases

At 31 August 2024 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2024	2023
	£'000	£'000
Amounts due within one year	61	24
Amounts due in two and five years	76	40
	<u>137</u>	<u>64</u>

24 Capital commitments

	2024	2023
	£'000	£'000
Expenditure contracted for but not provided in the accounts	<u>118</u>	<u>742</u>

THE PENNINE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

25 Related party transactions

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

W W Enterprises - a company owned by Mr P White (a trustee):

- The academy trust purchased gritting services from W W Enterprises totalling £nil (2023: £1,805) during the period. There were no amounts outstanding at 31st August 2024 (2023: £nil).
- The academy trust made the purchase at arms' length after receiving quotes from other companies in accordance with its financial regulations, which Mr White neither participated in, nor influenced.
- In entering into the transaction, the academy trust has complied with the requirements of the Academy Trust Handbook.

All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1st April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relation to connected and related party transactions.

26 Members' liability

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