



**Pennine Academies Yorkshire**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2022**

**Company Registration No:  
10975521 (England and Wales)**

## **Pennine Academies Yorkshire**

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## **Pennine Academies Yorkshire REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Imran Khan Asa Gordon Qia Mahfooz Greg Rogers Geraldine Tolan
<b>Trustees</b>	Nick Briggs (Chair) Deidre Bailey Andy Bairstow (resigned 10 March 2022) Roger Butterfield Scott Crosby Hugh Figgess Brent Fitzpatrick Jumaimah Iqbal Emma Lister Rizman Rehman Dianne Richardson Penny Silson (appointed 18 May 2022)
<b>Company Secretary:</b>	Jenni Taylor
<b>Chief Executive Officer:</b>	Michael Thorp
<b>Chief Financial Officer:</b>	Lisa Bradley (resigned 31st August 2022) Kate Evans (interim CFO 1st September 2022 to 2nd October 2022) Lindsey Denton (appointed 3 <sup>rd</sup> October 2022)
<b>Headteachers</b>	
Clayton Village Primary School	Heidi Rahim
Crossley Hall Primary School	Eleanor Monnery
Farnham Primary School	Baljit Bains
Grove House Primary School	Alex Summerscales
Hollingwood Primary School	Jonathon Duke
Laycock Primary School	Juliet Nove
<b>Company Name</b>	Pennine Academies Yorkshire
<b>Principal and Registered Office</b>	Clayton Village Primary School John Street, Clayton Bradford England BD14 6AD
<b>Company Registration Number</b>	10975521 (England and Wales)
<b>Independent Auditor</b>	TC Group 6 Queen Street Leeds LS21 2TW
<b>Bankers</b>	Lloyds Bank 45 Hustlergate Bradford BD1 1NT
<b>Solicitors</b>	Stone King LLP 1 Park Row Leeds LS1 5HN

## **Pennine Academies Yorkshire TRUSTEES' REPORT**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purpose of a trustees' report, and a directors' report and strategic report under company law.

The Academy Trust operates six primary academies in Bradford and Keighley. Its academies had a combined pupil capacity of 2,167 and had a roll of 2,060 in the school census in January 2022.

### **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 Trust. The charitable company operates as Pennine Academies Yorkshire. Establishments in the Trust operate under the following trading names:

Clayton Village Primary School (converted 01st April 2022)  
Crossley Hall Primary School  
Farnham Primary School  
Grove House Primary School  
Hollingwood Primary School  
Laycock Primary School

The Trustees of PAY 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**

There are no qualifying third-party indemnity provisions in respect of the Trustees, other than trustees' and officers' insurance arrangements, which are in place.

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

Trustees are appointed by the Members of PAY, under the rules contained within its Articles of Association. Potential new trustees are identified by the Board, ensuring that their skills and experience are complementary to those of existing Board members.

The membership of the Board is in accordance with the structure contained within its Articles of Association. Trustees have a breadth of skills and experience which are beneficial to PAY.

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

All Trustees are provided with copies of procedures, minutes, accounts, budget plans and other documents required to undertake their roles as Trustees. All Trustees are aware of relevant information in the Academies Financial Handbook and updates. The Chair and CEO meet regularly with individual Trustees to discuss their roles and how they can make a positive contribution to the life and work of the Trust during the year. Trustees are invited to attend training sessions on governance organised by PAY. The Trust Board is supported by an external professional clerk to provide advice and guidance as well as to oversee the organisation of meetings.

#### **Organisational structure**

There is a clear management structure to enable PAY to be effective. There are three levels: Members and Trustees; the Executive Team; and the Schools themselves. The relationship and decision-making functions are outlined in The Scheme of Delegation, which is regularly reviewed.

The PAY Board meets regularly to discuss strategic matters and significant operational developments. The Academy has one sub-committee, Finance, Audit and Risk Committee which meet at least once per term to manage and oversee delegated matters. Progress and Standards are dealt with at Scrutiny Committee's which are led by a Trustee member.

**Pennine Academies Yorkshire  
TRUSTEES' REPORT (continued)**

The Trustees are responsible for setting policy, adopting an annual plan and budget, monitoring key performance indicators, most importantly pupil progress and outcomes and financial information, and making major decisions about the direction of PAY. The CEO has responsibility for the running of the multi-academy trust as an organisation. He works closely with school leaders in the Executive Team, which meets monthly to decide how best to implement school improvement priorities in their schools and review progress. Headteachers are responsible for the day to day operational running and scrutiny committees are responsible for the oversight of individual schools. The Scheme of Delegation allows for higher levels of support and intervention if a school is considered vulnerable.

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

PAY has adopted a pay policy, which sets out the benchmarks, parameters and criteria for setting the pay of senior school leaders. This pay policy is based on the Bradford Local Authority agreed Pay Policy, and is kept under annual review. The pay and remuneration of the CEO is set by the Trustees. The performance management of the CEO is guided by external advisers and trustees who provide advice and support on the performance management review.

Total remuneration paid to senior leadership personnel is set out in note 6.

**Trade Union Facility Time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information in Schedule 2 of the Regulations. The information to be published consists of tables covering the period starting from 1 April each year and as follows:

**Relevant Union Officials**

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
0	0

**Percentage of time spent on facility time**

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

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

Provide the total cost of facility time	<b>£9,564</b>
Provide the total pay bill	<b>£10,420,000</b>
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	<b>0.09%</b>

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	<b>0</b>
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**Related parties and other connected charities and organisations**

Related party transactions are set out in note 24 to the financial statements.

**Engagement with employees (including disabled persons)**

The mission, vision and values of the Trust are embedded throughout the Trust. The culture of mutual respect and empowerment of our staff is evident from the range of activities that are accessible by our employees.

Communication and engagement with employees is conducted through a range of activities including:

- Regular news and communications from the Trust Board and Chief Executive in relation to trust development and internal activities.
- Access to a wide range of CPD offers through STEP and interactive training programmes.
- Employee networks
- Providing HR information and guidance to ensure staff are up to date with changes that impact on their working arrangements and terms and conditions.
- Service reviews undertaken by Trustees or external consultants to ensure improvements are ongoing.
- Encourages applications from disabled people through our recruitment practice including operation of the 'Disability Confident' commitment. This provides a guaranteed interview to disabled people where they meet the requirements of the person specification. Additionally, we support newly appointed staff and existing staff who become disabled through reasonable adjustments.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objectives of PAY set out in its Articles of Association are specifically restricted to the following: 'to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum'.

We resolutely believe that we are stronger together and that each school within the MAT has individual strengths and we celebrate the diverse and unique qualities of each particular school. We have a particular care for our pupils who have additional needs. We recognise that this is a growing area of need both locally and nationally. All schools in the family are wedded to the principles of inclusion. It therefore stands to reason we should make the maximum effort to make pupils with additional needs even more welcome, remove more barriers and ensure their future success.

We believe this should happen alongside their peers in mainstream provision. The trust currently has 3 schools with resourced provision. Crossley Hall has a 24 place Communication and Interaction Difficulties resource, Grove House has a 12 place resource for children with Visual Impairment and Hollingwood has a 16 place resource for pupils with Social and Emotional Mental Health Needs.

**Objectives, strategies and activities**

**Pennine Academies Yorkshire Strategic objectives**

- To achieve our strategic objectives, school improvement must be the key focus. This focus needs to be a collaborative approach between schools, tightly bound together by the Central School Improvement Strategy. In this way we will build system capacity for sustained growth and sustained system leadership.
- School Improvement will drive excellence in our schools and this excellence will add value to our children's education and outcomes.
- We will do this through ensuring all those working with or for the Trust:
- Have had access to appropriate CPD to ensure they have the rights skills and knowledge to secure improvement
- Have high expectations and aspirations for all our pupils. Model resilience.
- Display energy, positivity and expertise into their day to day work
- Are not afraid to take risk and accept that making mistakes in part of this process, which leads to learning and growth
- Are committed to seeing the good in our children, no matter what they do or say. Unconditional Positive Regard

Measuring our Plan  
Providing great outcomes for all our children

## 1. Vision, Mission and Values



### Vision

To develop local hubs of primary excellence to improve schools within and beyond the Trust to impact on the outcomes of young people's lives.

### Mission

**We are caring and make a positive difference.**

**We are building the foundations for success.**

**We are inspiring all to achieve their best.**

*Care. Build. Inspire...the rest will follow*

### Core Values

*-to exhibit integrity -to create happiness -to have compassion*

*-to be inclusive -to develop leadership -to be creative*

*-to encourage curiosity -to collaborate*

## **Pennine Academies Yorkshire TRUSTEES' REPORT (continued)**

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### **PAY Three Year Objectives**

1. Develop teaching and learning, curriculum and assessment to ensure academic excellence.
2. Develop a consistent Vision, culture and ethos across all schools with emphasis on people and partners
3. To ensure Quality Assurance and Accountability including high quality Governance

<b>Objective 1</b> <b>Develop teaching and curriculum strategies</b>
<b>Aims:</b> Improve pupil outcomes. Secure positive future destinations for our pupils Further develop deep and rich curricular learning experiences.
<b>How will we achieve this:</b> Widen school-to-school collaboration: establish triad way of working into each Academy in years 1 and 2, with an aim to widen the triad groups beyond Academy settings.  Share best practice: Establish a Leadership Triad programme (collaborative project work) that leads to trust-wide Inset days to share new knowledge and ways of working within a common theme.  Collaborative quality assurance framework: develop a quality assurance framework based on a Teaching & Learning 'core principles'.  Utilise the regional offer of fully funded National Professional Qualifications for current and future Academy leaders.  Establish Trust Improvement Networks to begin cross-academy collaboration and consistency. • Develop the central team utilising the assets and capabilities from cross the Trust. • Role areas to include: ⇒ SEND ⇒ Attendance & Inclusion ⇒ Data & Assessment ⇒ Safeguarding & Child Protection ⇒ Pupil & Staff Wellbeing ⇒ Learning & Development ⇒ Curriculum Establish Primary moderation groups in key core curriculum areas.  Develop an online resource Hub that can be shared across the Trust.  Establish an annual trusteeship and governance development day that ensures they are equipped with the right knowledge and skills to undertake their duties.  Work collaboratively with our partner Teaching School Hub for CPD sharply focused on priorities and opportunity to engage in future School Improvement Plan projects.

<b>Objective 2</b> <b>Develop School and Trust Culture</b>
<b>Aims</b> All staff to understand, live and deliver the Mission Statement and Values of the Trust All stakeholders understand the Mission Statement and Values of the Trust  Staff to employ positive behaviour strategies and unconditional positive regard for all children.  Staff to have access to high quality CPD and development programmes to ensure we have secured the right skills and secure improvement.  Staff display a commitment to the principles of inclusion, equality and equity



**Objective 3**

Ensure the Trust is viable by being well managed and offering value for money to sponsored academies:

**Aims**

1. Continuously develop the IT infrastructure to fully support Teaching and Learning and reduce employee workloads i.e. centralising teaching resources.
2. Deploy financial and human resources efficiently and consistently across the Trust based on need.
3. Introduce systems and procedures that protect school leaders from activities not related to their school improvement priorities.
4. Ensure employee rights and responsibilities are harmonised across the Trust.

**How will we make it happen?**

**IT Infrastructure**

A Trust-wide IT refresh policy is agreed with the Board.

IT support outsourced to Datacable. Ensure that the quality of service is monitored and evaluated.

A Trust-wide response to General Data Protection Regulations (GDPR) regulations to ensure compliance via Parago and day to day working practice as judged by the Trust DPO

High quality web presence promoting the Trust's vision and quality is reflected in a common Trust / Academy identity, portals to each Academy and centrally monitored compliance strategy.

Social media is coordinated effectively to celebrate the work of all academies across the Trust via Engaging Education.

IT platforms and software are harmonised to facilitate best practice exchanges in teaching and learning.

**Financial Management**

Finance management software is aligned across the Trust with harmonised Academy Finance Policy.

Common monitoring protocols are aligned across the Trust.

Operation Managers meet each half-term with CFO to share best practice and agree annual priorities.

Budget planning aligned to pooled reserve policy.

Finance committee receives consolidated reports.

Statutory returns are filed on time.

Audit recommendations are actioned.

Management Accounts presented in accordance with the Academies Handbook.

**Site Management**

Condition surveys are commissioned annually.

CIF bids are submitted annually.

Health and Safety obligations are met.

**Human Resource**

Key policies are harmonised to ensure fair and consistent processes are delivered in all academies.

Project manage the implementation of a Trust-wide HR system to enhance analysis and reporting absence patterns and triggers.

Recruitment and talent management policies are in place to create a clear talent pipeline.

Widen the central HR function to ensure high level casework responses are not reliant on one individual.

Develop a Pupil and Staff Wellbeing Policy to ensure the right level of investment occurs for all Trust users, and is fair and consistently applied.

**Public benefit**

In exercising its powers and duties PAY has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission. The main public benefit delivered by PAY is the free provision of education to its learners.

**STRATEGIC REPORT**

**Achievements and Performance**

**Improve outcomes for children and young people and expand opportunities for all in our school communities.**

In becoming a multi-academy trust, the schools embraced the concept of enhanced scrutiny and the PAY board members in reviewing strengths and key priorities.

Farnham Primary School was visited by Ofsted in October 2021 and maintained its Outstanding status. The Inspectors suggested they would be returning within two years for a full inspection.

The focus of the Trust this year was very much around exploring how to work together as a more accountable 'school improvement' partnership. We did this through the employment of our own Director of School Improvement who has implemented a renewed Quality Assurance Framework which quantifies and qualifies the Quality of Education in our schools. She has conducted school improvement visits, helped develop school development plans and shaped the school development priorities. Headteachers have been open and supportive and espoused in the values of PAY and involved significant mutual support for each other's schools by sharing staff and expertise.

PAY has also developed a trust-wide assessment programme using Arbor information system. This is now being used in all schools.

A key focus of next year is to develop head teachers' roles and responsibilities as leaders to encompass PAY wide responsibilities, developing the Trust Executive Team.

**Establish PAY as a well-governed and effective multi-academy trust**

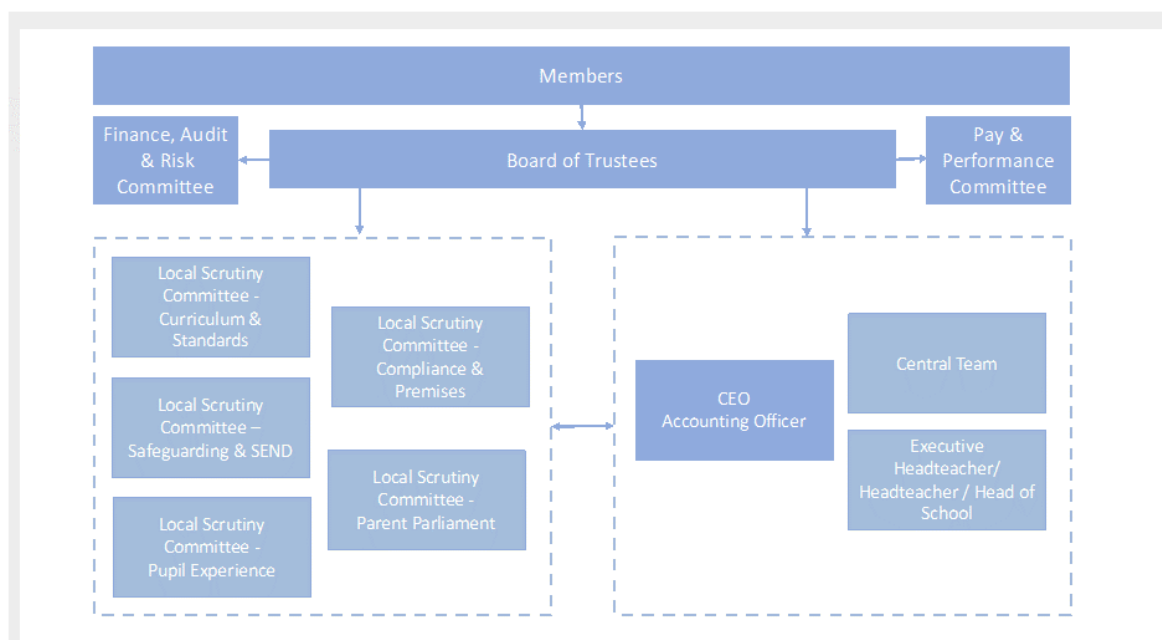
Ensuring good governance and clear accountability are priorities for PAY. During the course of this year we have implemented a new system of governance that has meant the creation of Scrutiny Committees which hold schools to account on a variety of areas on a termly basis. The outline of these committees is shown below. The committees are trustee led.

We have a strong Trust Board of 11 Trustees with an appropriate spread of skills to hold the Executive and Heads to account. During the course of the year we have undertaken a review of the Trust Board and the Scrutiny committees. The head has also undertaken a 360 degree review of this effectiveness. All have shown Governance of the Trust Board to be effective.

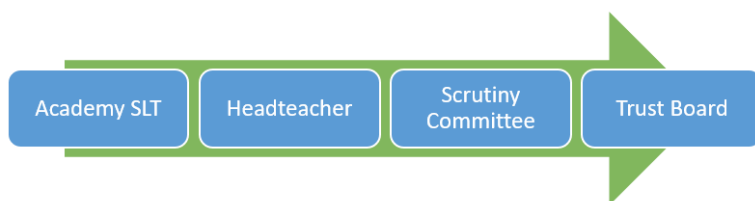
**An Overview of Governance Structure 2021/22**

**1. Structure**

The Trust no longer uses Local Committees. There are now in place 4 Scrutiny Committees and a Parent Parliament. The Scrutiny Committees are chaired and led by Trustees with expertise and specialist knowledge in the area of the committee. The parent parliament ensures parental representation in Governance to ensure there is excellent communication between the Trust Board and parent/caregivers.



**2. Reporting and lines of accountability and reporting.**



There are 10 areas of assurance which are reported at each level.

<b>Scrutiny Committee</b>	<i>Providing assurance on</i>
Safeguarding and SEND	Safeguarding, SEND
Standards and Curriculum	Standards, Curriculum, Quality of Teaching and Learning, Leadership
Compliance and Premises	H&S compliance, Premises, ICT
Pupil Experience	Pupil Experience, Behaviour and Attendance

**3. Process**

- a. Prior to a Scrutiny Committee, an academy will have met with one or more of the following: Director of School Improvement, Chief Executive, Strategic SEND lead, External Advisors
- b. Together based on **first hand evidence** a set of assurances will be completed around quality and compliance.

This gives a final assurance percentage figure based on the number of statements assured.

## **Pennine Academies Yorkshire TRUSTEES' REPORT (continued)**

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Statements will either be regarding statutory compliance or best practice and thus as such give a picture of the overall quality of practice.

These reports are then submitted to the Scrutiny Committee members prior to a termly Scrutiny Committee date.

### **4. Committee Make Up**

The Scrutiny Committee is made up of:

- At least one Trustee who will Chair the Committee
- Up to 2 central team members appropriate to the Committee
- Up to 2 local scrutiny governors
- A headteacher representative

\*All Scrutiny Meetings are minuted by the Trust Governance Professional

### **5. Prior to the Scrutiny Committee meeting**

The members will scrutinise the reports, determining their level of assurance based on their specialist knowledge in this area. This may result in a number of outcomes:

<b>Degree of Assurance</b>	<b>Outcome</b>
Low	<i>Responsible staff from school invited to committee to provide further assurance</i>
Medium	<i>Further assurance asked of Central Team to pursue in school and report on</i>
High	<i>Trustees are suitably assured by Central staff and school staff. No representation requested at Scrutiny Committee</i>

### **6. After the Scrutiny Committee Meeting**

The reports are aggregated to present a dashboard of assurances which is included in the next Trust Board document bundle. The Trustee that has chaired the Scrutiny Committee will present the assurance document and field any questions with the support of the Central Team. It will include Exception Reporting highlighting the standards that have yet to be met. See below:

### **7. Parent Parliament**

The Academies Handbook emphasises the importance of parental representation. To this end is a termly Parent Parliament. This body is made up of 2 parent representatives from each of the academies, the Chief Executive of the Trust, appropriate Central Team staff and at least one Trustee. This committee meeting provides a vehicle of two-way communication to allow the Trust to inform parents of school and Trust evaluation, next developmental steps and successes. Parents in turn will have an opportunity to feed into the Trust Development Plan, provide feedback on what they see as next steps for individual schools and any input into what schools or the Trust could be doing better. This will be reported back to the Trust Board by the lead Trustees.

**Develop business and financial systems efficiently and transparently to ensure good stewardship of public funds and assets**

PAY is exceptionally fortunate in having the experience and skills of a 'core team' in implementing and embedding financial and accounting systems and other operational processes at 'central' level as well as across individual schools. A key feature of the transition to academy financial practices has been the willingness of colleagues to help each other in resolving issues.

Strong financial processes and policies are now in place led by the Chief Financial Officer, four Business Partners, one Assistant Financial Accountant and one Finance Administrator.

We now have a Central SEND team in place comprising a Strategic Lead, two Trust SENDCOs and a SEND administrator. They are coordinating SEND across the 5 schools and bring practice into line so that the Trust is seen as a model of good practice across the district.

Several capital build projects have taken place this year to improve the estate including £200,000 worth of fencing, entrance and playground works at Crossley Hall. As part of this project the school applied to the Secretary of State to close a public right of way which has historically run through the grounds. This was in part funded by condition improvement funding. Farnham has undertaken a similar project to limit the use of a public right of way through school by putting in place additional fencing.

The Trust 'estate' – buildings, land and assets are adequate for the needs of learners and staff, and in some schools at least, provide an outstanding learning environment. At Laycock Primary we want to improve safeguarding issues at the exterior and improve the internal learning environment and have been awarded a CIF grant to support this.

**Develop a growth strategy to sustain and strengthen our partnership**

Clayton Village Primary School joined the trust in April 2022 and we are delighted to welcome this high achieving 1 form entry school. We have been approached by other schools to enquire about how we work together and expect to be able to further grow the trust in 2022/2023.

**Develop our workforce**

This area of work is key to the success and strategic approach of PAY during the year ahead. The Trust intends to develop and deliver a PAY wide programme of staff training and professional development aligned with individual school and wider trust school improvement priorities. In addition, the Trust will further develop staff appraisal and performance management so that it is effective across all staff and PAY schools, evaluating current appraisal and performance management processes for staff and developing best practice approaches.

It is important for PAY to develop and deliver a recruitment, talent management, leadership development and succession planning strategy which enables it to grow capacity and recruit and retain high quality staff across the schools. This has been augmented by working with the STEP (Stronger Together Education Partnership) - a group of 20 schools who work collaboratively to deliver a CPD programme for all teachers. PAY schools have been part of this partnership this year but will slowly start to run and shape the programme in coming years. Strategies such as agreeing effective shared approaches to Initial Teacher Training, alongside partners such as Exceed and Birth to 19, as well as providing structured opportunities for leadership development – bursaries, training (including apprenticeships), work-shadowing, secondments, acting-up opportunities within and beyond PAY. All PAY schools participate heavily in the NPQ programmes.

PAY continues to work with Bradford Council PACT HR for the foreseeable future but is now beginning to develop its own Human Resources Capacity.

## Pennine Academies Yorkshire TRUSTEES' REPORT (continued)

### Key Performance Indicators – Outcomes for Learners

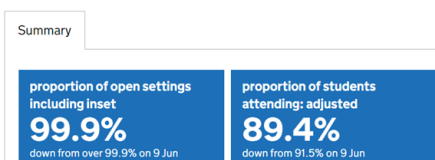
Category	2022 GLD	2022 Yr1 Phonics	2022 Yr2 Phonics	2022 KS1 Reading	2022 KS1 Writing	2022 KS1 Maths	Combined KS1	2022 KS2 Reading	2022 KS2 Writing	2022 GPS	2022 KS2 Maths	KS2 Combined
National	63%	75%	87%	67%	58%	68%	54%	74%	69%	72%	71%	59%
CVPS	60%	83%	87%	50%	50%	50%	47%	69%	69%	63%	59%	53%
Crossley Hall	42%	53%	84%	48%	20%	50%	17%	72%	60%	67%	72%	56%
Grove House	68%	46%	96%	67%	46%	64%	40%	78%	78%	75%	67%	65%
Laycock	66%	75%	81%	36%	54%	72%	27%	80%	60%	80%	80%	60%
Hollingwood	55%	74%	91%	56%	52%	58%	42%	88%	85%	85%	83%	78%
Farnham	53%	79%	90%	49%	47%	47%	33%	80%	80%	80%	75%	72%

### Attendance

Attendance during the year was impacted by Covid 19. However by the end of the year all schools had attendance above that of National Average.

Measure	My Group	Clayton Village Prim...	Crossley Hall Primar...	Farnham	Grove House Primary	Hollingwood Primar...	Laycock Primary Sch...
Whole School Attendance	91.91% ▲	92.17% ▼	89.97% ▲	93.12% ▲	93.13% ▲	91.89% ▼	94.02% ▼
Persistent Absentees (DFE)	26.06% ▼	21.20% ▲	34.49% ▼	24.07% ▲	21.81% ▼	25.60% ▲	11.49% ▼
Statutory Authorised Absent	4.6% ▼	3.4% ▲	5.9% ▼	2.4% ▼	4.6% ▼	5.5% ▲	4.2% ▲
Statutory Unauthorised Absent	3.5% ▲	4.4% ▲	4.1% ▲	4.4% ▼	2.3% ▲	2.6% ▲	1.8% ▲
Statutory Late	1.3% ▲	1.8% ▲	1.6% ▲	1.2% ▲	1.0% ▲	1.1% ▼	0.8% ▲

### Headline facts and figures - 2022



### Going concern

At 31 August 2022 the Trust had a restricted general fund surplus of £617,000 (2021: £829,000), a surplus on unrestricted funds of £81,000 (2021: £13,000), net current assets of £802,000 (2021: £939,000) and a positive balance of cash at bank and in hand of £2,426,000 (2021: £1,906,000).

The Trust has prepared income and expenditure projections to 31<sup>st</sup> August 2025 and cash flow projections up to August 2023. The income and expenditure projections show anticipated underlying surplus generation for each of the three years ended 31 August 2023, 2024 and 2025. The financial performance of the Trust and the cash flow forecasts show that the Trust is able to pay its debts as they fall due, accordingly the Trustees consider that it remains appropriate to prepare the financial statements on a going concern basis.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### FINANCIAL REVIEW

The financial results for the period are set out in the Statement of Financial Activities on page 26 and the financial position of the Trust as at 31 August 2022 is set out in the Balance Sheet on page 27.

The Trust recorded a net surplus of £7,227,000 (2021: £3,099,000) in the year ended 31 August 2022. This deficit included adjustments to the Local Government Pension Scheme amounting to £1,023,000 for service and finance costs and £7,066,000 for actuarial gains.

## **Pennine Academies Yorkshire TRUSTEES' REPORT (continued)**

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At 31 August 2022 the Trust had an overall net surplus across restricted general funds and unrestricted funds amounting to £698,000 (2021: £842,000).

### **Reserves policy**

The Trust holds three categories of reserves:

- Restricted general funds, which is the General Annual Grant and other similar revenue funding provided by central Government, used to carry out the principal objectives of the organisation;
- Fixed asset reserve used to fund fixed assets; and
- Unrestricted reserves which are used under the discretion of the Board of Trustees

In the longer term, the Trust aims to build reserves to a target of £700,000.

### **Investment policy**

The purpose of the investment policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.

For the avoidance of doubt, the Trustees currently only authorise the investment of funds in bank/building society accounts including short/medium term deposits.

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the Trust's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus may be invested.

Funds should be invested in tranches of up to £85,000 (or such other amounts covered by FSCS (Financial Services Co-operation Scheme)) and after agreement from the Finance Committee. It may be beneficial to invest each tranche with a different financial institution. Funds, and any interest they earn, will be automatically reinvested, unless they are required for immediate or anticipated expenditure.

### **Principal risks and uncertainties**

The principal risks and uncertainties affecting PAY and plans and strategies for managing the risks are outlined below:

- Finance and funding – robust financial controls and monthly management accounts, additional bids for funding through a range of DfE grants.
- Pupil outcomes – focussed, school improvement strategies and interventions and a common assessment programme.
- The potential for falling pupils rolls following the National picture.
- The conditions of buildings and facilities in particular schools – school business manager network, ongoing structural surveys.
- Recruitment and retention – working with DfE representatives to improve recruitment, promoting the Trust as an attractive employer, stress management strategies.
- Safeguarding – regular meetings of DSL (Designated Safeguarding Leads) from all schools, regular update of safeguarding audit; and
- Health and safety for all stakeholders – liaison with local unions, health and safety SLA with the Local Authority.

**Pennine Academies Yorkshire  
TRUSTEES' REPORT (continued)**

**Streamline energy and carbon reporting**

The following information was available for the current reporting period.

<b>UK Greenhouse gas emissions and energy use data for the period</b>	<b>1 September 2021 to 31 August 2022</b>	<b>1 September 2020 to 31<sup>st</sup> August 2021</b>
Energy consumption used to calculate emissions (kWh)	2,810,796	2,765,040
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> <li>• Gas</li> <li>• Electricity</li> <li>• Transport Fuel</li> </ul>	2,136,309 668,701 5,786	2,109,027 649,866 6,147
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Owned transport – mini buses <u>Total Scope 1</u>	475.12 0.32 475.44	469.05 1.37 470.42
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	155.90	137.99
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	1.06	0.07
<u>Total gross emissions in metric tonnes CO2e</u>	632.40	608.48
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.23	0.29

**Quantification and Reporting Methodology: -**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Governments Conversion Factors for Company Reporting.

**Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

**Measures taken to improve efficiency**

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

**Plans for future periods**

**Improve outcomes for children and young people and expanding opportunities for all in PAY schools communities**

- Increase capacity for internal and external school-to-school support and school improvement;
- Increase alignment of practice across the Trust
- Develop PAY wide strategic leadership roles;
- Implement PAY wide improvement strategies;
- Implement PAY wide curriculum enrichment opportunities; and
- Expand literacy, numeracy and science development;
- Improve inclusion and SEND opportunities and provision – across the Trust.

**Establish PAY as a well-governed and effective multi-academy trust**

- Further development of the Scrutiny Committee mechanism
- Develop a PAY wide communications strategy, focusing on internal communications and meetings structures within the PAY schools, and website and external communication beyond the Trust; and
- Develop strong and sustainable management systems, including IT, across the PAY including meeting General Data Protection Regulations.
- Engaging in a peer MAT review



## **Pennine Academies Yorkshire TRUSTEES' REPORT (continued)**

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### **Develop business and financial systems efficiently and transparently to ensure good stewardship of public funds and assets**

- Embed the centralised finance function and the updated procedures to support this central delivery
- Coherent estates strategy and
- Shared service and procurement development plan.

### **Develop a growth strategy to sustain and strengthen our partnership**

- Become an effective academy sponsor;
- Partnership development with local and regional schools and collaboratives, including support for academy conversion.

### **Develop our workforce**

- High quality HR support to develop PAY HR strategy, to address recruitment and retention, staff professional development at all levels, including leadership and talent management, and support for tackling workload
- Develop an apprenticeship strategy; and
- Develop and contribute to teacher training programmes with local providers.

### **Auditor**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating the strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 7 December 2022 and signed on the board's behalf by:

*Nick Briggs*

**Nick Briggs  
Chair of Trustees**

**7 December 2022**

## **Pennine Academies Yorkshire GOVERNANCE STATEMENT**

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### **Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that PAY 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 Pennine Academies Yorkshire and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **Governance**

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

<b>Trustee</b>	<b>Meeting Attendance</b>
Nick Briggs (Chair)	6/6
Deirdre Bailey	4/6
Andy Bairstow (resigned 10.03.2022)	2/3
Roger Butterfield	2/6
Scott Crosby	5/6
High Figgess	5/6
Brent Fitzpatrick	6/6
Jumaimah Iqbal (appointed 13.10.2021)	6/6
Emma Lister	3/6
Rizwan Rehman (appointed 10.10.2021)	5/6
Dianne Richardson (appointed 13.10.2021)	6/6
Penny Silson (appointed 18.05.2022)	1/1

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the internal controls and risk profile of the Academy Trust and to ensure the highest levels of probity are achieved. The Committee has formally met seven times during the year. Attendance at the meetings in the year is as follows:

<b>Finance, Audit &amp; Risk Committee Member</b>	<b>Meeting Attendance</b>
Brent Fitzpatrick (Chair)	6/7
Andy Bairstow (resigned 10.03.2022)	2/3
Nick Briggs	7/7
Roger Butterfield	5/7
Penny Silson	1/2

### **Governance review**

The Trust carried out an internal review of governance in July 2022 and the findings were implemented from September 2023.

### **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 achieved in return for the taxpayer resources received.

## **Pennine Academies Yorkshire GOVERNANCE STATEMENT (continued)**

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

- Implementing Financial Recovery Plans across the schools
- Continuing to review staffing needs and identifying areas where staffing costs can be reduced whilst avoiding a negative impact on educational provision.
- Tendering contracts such as catering and HR/payroll services to ensure best value for money.

### **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 PAY for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the PAY Board and Finance, Audit and Risk Committee.

### **The risk and control framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by Finance, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and has decided to appoint Mazars to undertake the internal audit function during the period September 2020 – August 2023.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trusts financial systems. The Annual Strategic Internal Plan identifies over the three-year period the focus areas for internal auditors with due consideration to the risks identified in the risk register. The internal audit report regarding the operations of systems and controls is presented to the finance, audit and risk committee with reporting from the committee to the main Trust Board meeting giving assurance to the board of Trustees' on financial and operational responsibilities.

The internal auditor's role includes giving advice on financial and non-financial matters and performing a range of audits on the academy trusts financial and other systems. In particular the checks carried out in the current period included:

- Cyber security audit
- Safeguarding

## **Pennine Academies Yorkshire GOVERNANCE STATEMENT (continued)**

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### **Review of effectiveness**

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the Academy has been informed by;

- The work of the internal auditor, Mazars
- The work of the external auditor, TC Group
- The progress reports to Trustees with regard to the management actions taken following the findings of previous external and internal audits
- The progress reports to Trustees with regard to the management actions taken to mitigate risks identified on the Trust's Strategic Risk Register
- The work of the relevant managers within the Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 7 December 2022 and signed on its behalf by:



**Nick Briggs**  
Chair of Trustees



**Michael Thorp**  
Accounting Officer

**Pennine Academies Yorkshire**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Pennine Academies Yorkshire, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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



**Michael Thorp**  
**Accounting Officer**

Date: 7 December 2022

## **Pennine Academies Yorkshire STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2022 and signed on its behalf by:



**Nick Briggs**  
Chair of Trustees

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENNINE ACADEMIES YORKSHIRE

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## Opinion

We have audited the financial statements of Pennine Academies Yorkshire (the 'Academy Trust') for the year ended 31 August 2022, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENNINE ACADEMIES YORKSHIRE (continued)**

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### **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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Strategic Report and the Directors' Report.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

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

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



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENNINE ACADEMIES YORKSHIRE (continued)

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

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our procedures included the following:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, Charities SORP 2019, Accounts Direction 2021 to 2022, the Charities Act 2011 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the sector, the control environment and operational performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed noncompliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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



.....  
Steven Williams FCA (Senior Statutory Auditor)  
For and on behalf of TC Group, Statutory Auditor

6 Queen Street  
Leeds  
LS1 2TW

Date: 14 December 2022

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PENNINE ACADEMIES YORKSHIRE AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 28 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pennine Academies Yorkshire during the period from 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Pennine Academies Yorkshire and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Pennine Academies Yorkshire 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 Pennine Academies Yorkshire and ESFA, for our work, for this report, or for the conclusion we have formed.

## **Respective responsibilities of Pennine Academies Yorkshire's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Pennine Academies Yorkshire's funding agreement with the Secretary of State for Education dated 25 April 2018 and the Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed, and income received during the period from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

## **Approach**

We conducted our engagement in accordance with the 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:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal control identified by our audit of the financial statements;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2021;
- Confirming through enquiry and sample testing that the Academy Trust has complied with its procurement policies and that these policies comply with the delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO PENNINE ACADEMIES YORKSHIRE AND THE EDUCATION AND  
SKILLS FUNDING AGENCY (continued)**

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**Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*TC Group*

**Reporting Accountant  
TC Group**

**Date: 14 December 2022**

**Pennine Academies Yorkshire**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
Including Income and Expenditure Account  
for the period ended 31 August 2022

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2022 £'000	Total 2021 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and capital grants	1	-	-	168	168	213
Transfer from local authority on conversion	25	-	(320)	1,897	1,577	3,252
Incoming resources from charitable activities:						
Funding for the Academy Trust's educational operations	2	44	12,401	-	12,445	11,439
Other trading activities	3	129	267	-	396	165
Investment Income		-	-	-	-	-
<b>Total</b>		173	12,348	2,065	14,586	15,069
<b>EXPENDITURE ON:</b>						
Charitable activities:						
Academy Trust's educational operations	4	105	13,759	561	14,425	12,245
<b>Total</b>		105	13,759	561	14,425	12,245
<b>NET INCOME/(EXPENDITURE)</b>		68	(1,411)	1,504	161	2,824
Transfers between funds	14	-	(213)	213	-	-
<b>OTHER RECOGNISED GAINS / (LOSSES)</b>						
Actuarial (losses)/gains on defined benefit pension scheme	23	-	7,066	-	7,066	275
<b>NET MOVEMENT IN FUNDS</b>		68	5,442	1,717	7,227	3,099
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		13	(5,839)	20,914	15,088	11,989
<b>Total funds carried forward</b>		81	(397)	22,631	22,315	15,088

All of the Academy Trust's activities derive from continuing operations during the above financial period.

**Pennine Academies Yorkshire**  
**BALANCE SHEET**  
**As at 31 August 2022**

Registration number: 10975521

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>FIXED ASSETS</b>					
Tangible assets					
	10		22,527		20,817
<b>CURRENT ASSETS</b>					
Stock		12		18	
Debtors	11	586		429	
Cash at bank and in hand	21	2,426		1,906	
		<u>3,024</u>		<u>2,353</u>	
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(2,222)</u>		<u>(1,414)</u>	
<b>NET CURRENT ASSETS</b>			802		939
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>23,329</u>		<u>21,756</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13		-		-
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>23,329</u>		<u>21,756</u>
Defined benefit pension scheme liability	23		<u>(1,014)</u>		<u>(6,668)</u>
<b>TOTAL NET ASSETS</b>			<u>22,315</u>		<u>15,088</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	14		22,631		20,914
General Fund	14		617		829
Pension reserve	14		<u>(1,014)</u>		<u>(6,668)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u>22,234</u>		<u>15,075</u>
<b>UNRESTRICTED INCOME FUNDS</b>	14		81		13
<b>TOTAL FUNDS</b>			<u>22,315</u>		<u>15,088</u>

The financial statements on pages 26 to 47 were approved by the Trustees and authorised for issue on 7 December 2022, and are signed on their behalf by:

*Nick Briggs*

**Nick Briggs**  
**Chair of Trustees**

**Pennine Academies Yorkshire**  
**CASH FLOW STATEMENT**  
**for the period ended 31 August 2022**

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	Notes	2022 £'000	2021 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	18	657	719
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	20	(219)	(199)
<b>CASH FLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
	19	-	-
<b>CASH TRANSFERRED ON CONVERSION TO AN ACADEMY TRUST</b>		82	113
		<hr/>	<hr/>
<b>INCREASE IN CASH IN THE YEAR</b>		520	633
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST 2022</b>		<b>2,426</b>	<b>1,906</b>
		<hr/>	<hr/>

# **Pennine Academies Yorkshire**

## **STATEMENT OF ACCOUNTING POLICIES**

### **for the period ended 31 August 2022**

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#### **Basis of Preparation**

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charities' Statement of Recommended Practice (FRS 102), the Academies Accounts Direction issued by the Education Skills Funding Agency, the Companies Act 2006, and the Charities Act 2011. A summary of the principal accounting policies, which are applied consistently, except where noted, are set out below.

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **Conversion to an Academy Trust**

The conversion from a state-maintained school to an academy trust involves the transfer of identifiable assets and liabilities and the continued operation of the school for £nil consideration and is accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to an academy trust are valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market situation for an equivalent item. The fair value is in accordance with the accounting policies set out for all schools. The amounts are recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Recognition will only occur when the risks and rewards of ownership pass to the Trust. Further details of the transaction are set out in notes to the accounts.

#### **Going concern**

At 31 August 2022 the Trust had a restricted general fund surplus of £617,000 (2021: £829,000), a surplus on unrestricted funds of £81,000 (2021: £13,000), net current assets of £802,000 (2021: £939,000) and a positive balance of cash at bank and in hand of £2,426,000 (2021: £1,906,000).

The Trust has prepared income and expenditure projections to 31<sup>st</sup> August 2025 and cash flow projections up to August 2023. The income and expenditure projections show anticipated underlying surplus generation for each of the three years ended 31 August 2023, 2024 and 2025. The financial performance of the Trust and the cash flow forecasts show that the Trust is able to pay its debts as they fall due, accordingly the Trustees consider that it remains appropriate to prepare the financial statements on a going concern basis.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Pennine Academies Yorkshire**  
**STATEMENT OF ACCOUNTING POLICIES (continued)**  
**for the period ended 31 August 2022**

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**Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, and certainty of receipt and amount can be measured with sufficient reliability. Probability of receipt means that it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity.

**Grants receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the value of the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are 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 the receipt is probable, and it can be measured reliably.

**Donations**

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

**Other income**

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

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

**Donated goods, facilities and services**

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

**Expenditure**

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

**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.



**Pennine Academies Yorkshire**  
**STATEMENT OF ACCOUNTING POLICIES (continued)**  
**for the period ended 31 August 2022**

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**Governance costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including strategic management and Trustee/Governor meetings and reimbursed expenses.

**Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objectives 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 the Education Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Skills Funding Agency/Department for Education.

**Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

**Asset class – Depreciation method and rate**

Freehold land and buildings	Over 60 years on a straight line basis
Leasehold land and buildings	Over the residual period of the lease
Computer equipment or software	Over 3 years on a straight line basis
Furniture and equipment	Over 5 years on a straight line basis

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

A review for impairment of 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.

In a limited number of circumstances a situation may arise when a restricted grant is received for a fixed asset but that it may in due course be appropriate to reclassify the asset as unrestricted.

**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.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Liabilities**

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

**Pennine Academies Yorkshire**  
**STATEMENT OF ACCOUNTING POLICIES (continued)**  
**for the period ended 31 August 2022**

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**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.

**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 debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 12 and 13. Taxation and social security creditors are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**Leased assets**

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

**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, are contracted out of the State Earnings-Related Pension Scheme (SERPS), and the assets are held separately from those of the Academy Trust.

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

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

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

**Pennine Academies Yorkshire**  
**STATEMENT OF ACCOUNTING POLICIES (continued)**  
**for the period ended 31 August 2022**

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**Critical accounting estimates and areas of judgement**

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 liability***

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of different assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2020 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2022**

**1 DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000	2021 Total £'000
Capital grants	-	168	168	213
Other donations	-	-	-	-
	-	168	168	213

**2 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000	2021 Total £'000
<b>DfE/ESFA GRANTS</b>				
General Annual Grant (GAG)	-	9,579	9,579	8,336
Other DfE/ESFA grants				
UIFSM	-	-	-	293
Pupil Premium	-	765	765	676
ESFA Covid-19 funding	-	62	62	164
Other grants	-	593	593	544
	-	10,999	10,999	10,013
<b>OTHER GOVERNMENT GRANTS</b>				
SEN from Local Authority	-	636	636	454
Local Authority grants	-	756	756	885
	-	1,392	1,392	1,339
<b>OTHER INCOME</b>				
Catering income	44	-	44	64
Academy trips	-	-	-	(3)
Other income	-	10	10	26
	44	10	54	87
<b>Total</b>	44	12,401	12,445	11,439

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**3 OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000	2021 Total £'000
Income from lettings	25	-	25	24
Other income	104	267	371	141
	129	267	396	165

**4 EXPENDITURE**

	Staff costs £'000	Non Pay Expenditure		2022	2021
		Premises £'000	Other £'000	Total £'000	Total £'000
Academy's educational operations:					
Direct costs	8,426	447	228	9,101	7,929
Allocated support costs	2,325	914	2,085	5,324	4,316
	10,751	1,361	2,313	14,425	12,245

	2022 £'000	2021 £'000
Net income/(expenditure) for the period includes:		
Operating leases	16	16
Depreciation	561	494
Fees payable to auditor for:		
Audit	10	10
Other services	-	-

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**5 CHARITABLE ACTIVITIES**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Direct costs – educational operations	9,101	7,929
Support costs – educational operations	<b>5,324</b>	4,316
	<b>14,425</b>	12,245

**Analysis of support costs**

	<b>Educational operation £'000</b>	<b>2022 Total £'000</b>	<b>2021 Total £'000</b>
Staff costs	2,325	<b>2,325</b>	2,036
Depreciation	114	<b>114</b>	99
Technology costs	348	<b>348</b>	225
Premises costs	914	<b>914</b>	640
Governance costs	320	<b>320</b>	306
Other support costs	1,303	<b>1,303</b>	1,010
<b>Total support costs</b>	5,324	<b>5,324</b>	4,316

Expenditure on the Academy Trust's educational operations amounted to £14,425,000 (2021: £12,245,000) of which £105,000 (2021: £117,000) was attributable to unrestricted and £14,320,000 (2021: £12,128,000) was attributable to restricted funds.

**6 STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	<b>7,477</b>	6,650
Social security costs	<b>634</b>	543
Pension costs	<b>2,309</b>	1,936
Apprenticeship levy	<b>20</b>	19
	<b>10,440</b>	9,148
Agency staff costs	<b>296</b>	214
Staff restructuring costs	<b>15</b>	91
	<b>10,751</b>	9,453

Staff restructuring costs includes redundancy costs of £15,000 (2021: £34,000).

**b. Special staff severance payments**

Included in staff restructuring costs are special severance payments totalling £15,000 (2021: £34,000) in relation to one employee (2021: 1).

**c. Staff numbers**

The average number of persons employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable activities</b>		
Teachers	71	82
Administration and support	<b>264</b>	221
Management	<b>26</b>	19
	<b>361</b>	322

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**6 STAFF COSTS (continued)**

**d. Higher paid staff**

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
£110,001 - £120,000	1	1
£100,001 - £110,000	1	1
£90,001 - £100,000	-	-
£80,001 - £90,000	1	1
£70,001 - £80,000	2	1
£60,001 - £70,000	3	3

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £812,273 (2021: £877,263).

**7 CENTRAL SERVICES**

The Academy Trust has provided the following central services to its academies during the year:

- Human resources;
- Educational support services;
- Financial services;
- Governance; and
- Estates management and school improvement.

The Academy Trust charges for these services on the basis of a 6% charge of each school's funding.

The actual amounts charged during the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Crossley Hall Primary School	188	167
Farnham Primary School	129	120
Hollingwood Primary School	120	111
Laycock Primary School	40	37
Grove House Primary School	113	91
Clayton Village Primary School	24	-
<b>Total</b>	<b>614</b>	<b>526</b>

**8 RELATED PARTY TRANSACTIONS – Trustees' remuneration and expenses**

No Trustees have been remunerated or have received other benefits from employment with the Academy Trust (2021: £nil).

During the period ended 31 August 2022, travel and subsistence expenses totalling £2,300 were reimbursed or paid directly to 5 trustees (2021: £nil).

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

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**9 TRUSTEES' AND OFFICERS INSURANCE**

In accordance with normal commercial practice the Academy has opted to take up the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

**10 TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £'000</b>	<b>Leasehold land and buildings £'000</b>	<b>Fixtures and equipment £'000</b>	<b>Computer equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 September 2021	6,447	15,033	415	252	<b>22,147</b>
Transfer on conversion	-	1,790	2	92	<b>1,884</b>
Additions	-	40	347	-	<b>387</b>
At 31 August 2022	<b>6,447</b>	<b>16,863</b>	<b>764</b>	<b>344</b>	<b>24,418</b>
<b>Depreciation</b>					
At 1 September 2021	378	647	142	163	<b>1,330</b>
Charged in year	117	300	89	55	<b>561</b>
At 31 August 2022	<b>495</b>	<b>947</b>	<b>231</b>	<b>218</b>	<b>1,891</b>
<b>Net book values</b>					
At 31 August 2022	<b>5,952</b>	<b>15,916</b>	<b>533</b>	<b>126</b>	<b>22,527</b>
At 31 August 2021	<b>6,069</b>	<b>14,386</b>	<b>273</b>	<b>89</b>	<b>20,817</b>

**11 DEBTORS**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Trade debtors	17	13
VAT recoverable	64	55
Other debtors	5	7
Prepayments and accrued income	500	354
	<b>586</b>	<b>429</b>



**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

<b>12</b>	<b>CREDITORS: Amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Trade creditors	1,504	997
	Other creditors	64	78
	Accruals and deferred income	654	339
		<b>2,222</b>	<b>1,414</b>
	<b>Deferred income</b>		
		<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Deferred income at 31 August 2021	161	172
	Resources deferred in the year	199	161
	Amounts released from previous years	(161)	(172)
	Deferred income at 31 August 2022	<b>199</b>	<b>161</b>

At the balance sheet date, the Academy Trust was holding universal infant free school meals funding (£176,000), Rates Relief (£23,000) and Local Authority grant funding (£Nil) received in advance.

<b>13</b>	<b>CREDITORS: Amounts falling due in greater than one year</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Other creditors	-	-
		<b>-</b>	<b>-</b>

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**14 FUNDS**

	Balance at 1 September 2021 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	743	9,579	(9,561)	(213)	548
UIFSM	-	270	(270)	-	-
Pupil Premium	-	765	(765)	-	-
Other DfE/ESFA grants	-	323	(323)	-	-
LEA and other grants	6	1,392	(1,398)	-	-
Catch-up premium	21	-	(21)	-	-
Other DfE/ESFA COVID-19 funding	-	62	(62)	-	-
Transfer in on joining trust	-	69	(69)	-	-
Other restricted	59	277	(267)	-	69
	829	12,737	(12,736)	(213)	617
Pension reserve	(6,668)	(389)	(1,023)	7,066	(1,014)
	(5,839)	12,348	(13,759)	6,853	(397)
<b>Restricted fixed asset funds</b>					
Transferred on conversion	20,353	1,897	(447)	213	22,016
DfE Group capital grants	316	168	(23)	-	461
Capital Expenditure from GAG	245	-	(91)	-	154
	20,914	2,065	(561)	213	22,631
<b>Total restricted funds</b>	15,075	14,413	(14,320)	7,066	22,234
<b>Total unrestricted funds</b>	13	173	(105)	-	81
<b>Total funds</b>	15,088	14,586	(14,425)	7,066	22,315

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

- (i) Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2022.
- (ii) Local Authority funding was received in the current year. This is restricted for provision of SEN and early years.
- (iii) The pension reserve relates to the pension deficit for the Local Government Pension Scheme (LGPS).

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**14 FUNDS (continued)**

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

	Balance at 1 September 2021 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	17	8,336	(7,820)	210	743
UIFSM	221	293	(293)	(221)	-
Pupil Premium	-	676	(676)	-	-
Other DfE/ESFA grants	-	544	(544)	-	-
LEA and other grants	-	1,339	(1,333)	-	6
Catch-up premium	-	159	(138)	-	21
Other DfE/ESFA COVID-19 funding	-	5	(5)	-	-
Other restricted	262	17	(20)	(200)	59
Pension reserve	500	11,369	(10,829)	(211)	829
	(5,033)	(1,105)	(805)	275	(6,668)
	(4,533)	10,264	(11,634)	64	(5,839)
<b>Restricted fixed asset funds</b>					
Transferred on conversion	16,505	4,253	(405)	-	20,353
DfE Group capital grants	121	213	(18)	-	316
Capital Expenditure from GAG	131	-	(71)	185	245
Capital expenditure from unrestricted reserves	(26)	-	-	26	-
	16,731	4,466	(494)	211	20,914
<b>Total restricted funds</b>	<b>12,198</b>	<b>14,730</b>	<b>(12,128)</b>	<b>275</b>	<b>15,075</b>
<b>Total unrestricted funds</b>	<b>(209)</b>	<b>339</b>	<b>(117)</b>	<b>-</b>	<b>13</b>
<b>Total funds</b>	<b>11,989</b>	<b>15,069</b>	<b>(12,245)</b>	<b>275</b>	<b>15,088</b>

**Analysis of academies by fund balance**

Fund balances at 31 August 2022 were allocated as follows:

	2022 £'000	2021 £'000
Clayton Village Primary School	33	-
Crossley Hall Primary School	367	463
Farnham Primary School	(49)	(25)
Hollingwood Primary School	168	129
Laycock Primary School	106	106
Grove House Primary School	245	218
Central services	(172)	(49)
Total before fixed assets and pension reserve	698	842
Restricted fixed asset fund	22,631	20,914
Pension reserve	(1,014)	(6,668)
<b>Total</b>	<b>22,315</b>	<b>15,088</b>

Farnham Primary School is carrying a net deficit of £49,000 on these funds because significant expense incurred in the conversion of the Trust was borne by Farnham Primary School due to the staff members involved in the Trust's incorporation. For 2021/22 a one-year temporary Deputy Head was included in the structure to add additional capacity. The Trust is taking action to return the academy to surplus, by bedding in cost savings and the Deputy Head has now returned to her substantive role as Assistant Head.

Central services is carrying a net deficit of £172,000 on these funds because of the opening deficit associated with conversion costs and the recruitment of staff to provide capacity before growth. The central services fund is expected to record year-on-year surpluses due to central charges levied on the constituent academies to cover the associated costs.

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**14 FUNDS (continued)**

**Total cost by academy**

Expenditure incurred by each academy during the year (or part thereof) was as follows:

	<b>Teaching and Educational Support Staff Costs £'000</b>	<b>Other Support Staff Costs £'000</b>	<b>Educational Supplies £'000</b>	<b>Other Costs (excluding Dep'n) £'000</b>	<b>Total £'000</b>
Clayton Village Primary School	370	106	3	113	592
Crossley Hall Primary School	2,763	623	14	866	4,266
Farnham Primary School	1,519	393	34	649	2,595
Grove House Primary School	1,381	356	17	565	2,319
Hollingwood Primary School	1,625	351	13	454	2,443
Laycock Primary School	443	114	3	191	751
Central MAT	325	382	-	191	898
<b>Academy Trust</b>	<b>8,426</b>	<b>2,325</b>	<b>84</b>	<b>3,029</b>	<b>13,864</b>

**15 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2022 are represented by:

	<b>Unrestricted funds £'000</b>	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	-	-	22,527	22,527
Current assets	81	2,567	376	3,024
Current liabilities	-	(1,950)	(272)	(2,222)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,014)	-	(1,014)
<b>Total net assets</b>	<b>81</b>	<b>(397)</b>	<b>22,631</b>	<b>22,315</b>

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

	<b>Unrestricted funds £'000</b>	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	-	-	20,817	20,817
Current assets	21	2,213	119	2,353
Current liabilities	(8)	(1,384)	(22)	(1,414)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(6,668)	-	(6,668)
<b>Total net assets</b>	<b>13</b>	<b>(5,839)</b>	<b>20,914</b>	<b>15,088</b>

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

<b>16</b>	<b>CAPTIAL COMMITMENTS</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Contracted for, but not provided in the financial statements	<u>72</u>	<u>9</u>
<b>17</b>	<b>COMMITMENTS UNDER OPERATING LEASES</b>		
	<b>OPERATING LEASES</b>		
	At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was as follows:		
		<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Amounts due within one year	7	17
	Amounts due within two and five years inclusive	<u>5</u>	<u>13</u>
		<u>12</u>	<u>30</u>
<b>18</b>	<b>RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Net income for the reporting period (as per the statement of financial activities)	161	2,824
	Depreciation (note 10)	561	494
	Capital grants from DfE and other capital income	(168)	(213)
	Interest receivable		
	Donations – transfer from local authority on conversion	(1,577)	(3,252)
	Pension cost less contributions payable (note 23)	911	708
	Pension finance income (note 23)	112	97
	Decease/(increase) in stocks	6	(18)
	Decease/(increase) in debtors	(157)	(85)
	Increase/(decrease) in creditors	<u>808</u>	<u>164</u>
	<b>Net cash provided by Operating Activities</b>	<b>657</b>	<b>719</b>
<b>19</b>	<b>RETURNS ON INVESTMENT</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Interest received	-	-
	<b>Net cash inflow from returns on investment</b>	<b>-</b>	<b>-</b>
<b>20</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Purchase of tangible fixed assets	(387)	(412)
	Capital grants from DfE Group	<u>168</u>	<u>213</u>
	<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(219)</b>	<b>(199)</b>
<b>21</b>	<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	Cash in hand and at bank	<u>2,426</u>	<u>1,906</u>
		<u>2,426</u>	<u>1,906</u>

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**22 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**23 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 the West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no contributions outstanding or prepaid contributions to either scheme at either the beginning or the end of the financial year.

**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 academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**Valuation of the Teachers' Pensions 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 four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £961,000 (2021: £834,000).

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 a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**23 PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £578,000 (2021: £532,000) of which employer's contributions totalled £434,000 (2021: £402,000) and employees' contribution totalled £144,000 (2021: £130,000). The agreed rates for future years are 18.8 per cent for employers and ranging between 5.5 and 8.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

<b>Principal actuarial assumptions</b>	<b>2022</b>	<b>2021</b>
Rate of increase in salaries	<b>3.95%</b>	3.85%
Rate of increase for pensions in payment/inflation	<b>2.70%</b>	2.60%
Discount rate for scheme liabilities	<b>4.10%</b>	1.70%
Inflation assumption (CPI)	<b>2.70%</b>	2.60%
Commutation of pensions to lump sums	<b>75.00%</b>	75.00%

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

	<b>2022</b>	<b>2021</b>
<i>Retiring today</i>		
Males	<b>21.8</b>	21.9
Females	<b>24.6</b>	24.7
<i>Retiring in 20 years</i>		
Males	<b>22.5</b>	22.6
Females	<b>25.7</b>	25.8

**Sensitivity analysis**

The approximate impact of changing key assumptions on the present value of the funded defined benefit pension obligation is detailed below. In each case, only the assumption listed is altered; all other assumptions remain unchanged. A positive value represents an increase in the defined benefit pension obligation:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate +0.1%	<b>(244)</b>	(359)
Discount rate -0.1%	<b>254</b>	374
Mortality assumption – 1 year increase	<b>(274)</b>	(546)
Mortality assumption – 1 year decrease	<b>274</b>	576
CPI rate +0.1%	<b>215</b>	57
CPI -0.1%	<b>(205)</b>	(57)

**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**23 PENSION AND SIMILAR OBLIGATIONS (continued)**

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	6,997	6,179
Government bonds	560	616
Corporate bonds	377	339
Property	342	293
Cash	350	170
Other	131	108
<b>Total market value of assets</b>	<b>8,757</b>	<b>7,705</b>
Present value of scheme liabilities		
- Funded	<b>(9,771)</b>	<b>(14,373)</b>
<b>Deficit in the scheme</b>	<b>(1,014)</b>	<b>(6,668)</b>

The actual return on scheme assets was £179,000 (2021: £1,573,000).

Amounts recognised in the statement of financial activities	2022 £'000	2021 £'000
Current service cost	1,345	1,088
Past service cost	-	-
Curtailement cost	-	22
Pension finance cost	112	97
<b>Total amount recognised in the SOFA</b>	<b>1,457</b>	<b>1,207</b>

Changes in the present value of defined benefit obligations were as follows:	2022 £'000	2021 £'000
Balance at 31 August	14,373	9,595
Balance acquired on conversion	860	2,275
Current service cost	1,345	1,088
Past service cost	-	-
Curtailement cost	-	22
Interest cost	250	195
Employee contributions	144	130
Actuarial loss/(gain)	(7,025)	1,200
Benefits paid	(176)	(132)
<b>At 31 August</b>	<b>9,771</b>	<b>14,373</b>

Changes in the fair value of Academy Trust's share of scheme assets		
Balance at 31 August	7,705	4,562
On conversion	471	1,170
Interest income	138	98
Actuarial gain	41	1,475
Employer contributions	434	402
Employee contributions	144	130
Benefits paid	(176)	(132)
<b>At 31 August</b>	<b>8,757</b>	<b>7,705</b>

The estimated value of employer contributions for the year ended 31 August 2022 is £500,000.



**Pennine Academies Yorkshire**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**24 RELATED PARTIES**

Certain Trustees' remuneration and expenses are disclosed in note 8.

Owing to the nature of the Academy Trust's operations 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 a Trustee has an interest.

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

**25 TRANSFERS INTO THE MULTI-ACADEMY TRUST**

**Conversion to an Academy Trust**

The following school converted to academy status under the Academies Act 2010 on the date as set out below:

<u>Predecessor school</u>	<u>Conversion date</u>
Clayton Village Primary School	1 April 2022

All of the operations and assets and liabilities of the above listed schools were transferred to Pennine Academies Yorkshire from City of Bradford District Council for £nil consideration on the date noted above.

The transfer has been accounted for as a combination that are in substance gifts. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities (SOFA) as Donations – transfer into the multi-academy trust.

The following table set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA:

<b>Clayton Village Primary School</b>	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total 2022</b>
Tangible fixed assets				
- Leasehold land and buildings	-	-	1,790	<b>1,790</b>
- Other fixed assets	-	-	94	<b>94</b>
	-	-	1,884	<b>1,884</b>
Cash	-	69	13	<b>82</b>
Pension deficit	-	(1,883)	-	<b>(1,883)</b>
Other identifiable assets/(liabilities)	-	-	-	-
<b>Donation – transfer into the multi-academy trust</b>	-	<b>(1,814)</b>	<b>1,897</b>	<b>83</b>