

WEDNESDAY



\*ABVHHZF4\*

A10

18/01/2023

#83

COMPANIES HOUSE



**South Pennine  
Academies**

## **Annual Report and Financial Statements Year ended 31 August 2022**



**A Company Limited by Guarantee**

**Company Registration Number: 07599308 (England and Wales)**



**Strong and effective leaders:::High performing staff:::Successful students:::Engaged community**

# **South Pennine Academies**

## **Contents**

	<b>Page</b>
Reference and Administrative Details	5
Trustees' Report	7
Governance Statement	25
Statement on Regularity, Propriety and Compliance	32
Statement of Trustees' Responsibilities	33
Independent Auditor's Report on the Financial Statements	34
Independent Reporting Accountant's Report on Regularity	37
Statement of Financial Activities incorporating Income & Expenditure Account	39
Balance Sheet	40
Statement of Cash Flows	41
Notes to the Financial Statements. incorporating:	
Statement of Accounting Policies	42-45
Other Notes to the Financial Statements	46-66

# South Pennine Academies

## Reference and Administrative Details

### Members

M Kay (appointed 2/8/22)  
T Thornton  
D O'Hara  
G Smith  
D Kriens  
P Wheeliker (resigned 28/3/22)

### Trustees

M Kay (Chair from 29/3/22)  
P Wheeliker (Chair to 28/3/22)  
P Wheeliker (to 31/7/22)  
G Charles (to 27/7/22)  
S Gray (to 16/11/21)  
C Hewitt  
R Mitchell  
T Lindley (to 5/10/22)  
S Abraham (from 4/10/22)  
K Halliwell (from 4/10/22 to 12/12/22)  
D Wall (from 4/10/22)  
J Acklam (CEO and Accounting Officer)  
C Bond (resigned 21/03/22)  
Z Holland (resigned 22/03/22)

### Company Secretary

R Batley

### Senior Management Team

- CEO
  - Deputy CEO/Operations Director
  - Director of Standards and Continuous Improvement
  - Finance Director
  - Principal – Moor End Academy
  - Executive Principal – Moor End Academy
  - Executive Principal – Park Lane Academy
  - Principal – Waterhead Academy
  - Principal – Brambles Primary Academy
  - Executive Principal – Brambles Primary Academy
  - Principal – Beaumont Primary Academy
  - Principal – Greenacres Primary Academy
  - Headteacher – Hillside Primary Academy
  - Interim Principal – Hillside Primary Academy
  - Principal – Hillside Primary Academy
  - Headteacher – Kirkheaton Primary School
  - Principal – Kirkheaton Primary school
  - Principal – Orchard Primary Academy
  - Executive Principal – Orchard Primary Academy
  - Principal – Willowpark Primary Academy
  - Principal – Woodlands Primary Academy
- J Acklam  
R Batley  
A Black  
K Rushton  
K Rafiq (to 28/2/22)  
K Rafiq (from 1/3/22)  
A Black (to 28/2/22)  
K Rafiq (from 1/3/22)  
D Lyon  
S Dodd (to 31/8/22)  
M Carbutt (from 11/7/22)  
D Kelly  
K Thornton  
N Sadler (to 30/4/22)  
D Kelly (1/5/22 – 5/6/22)  
N Ismail (from 6/6/22)  
S Gallant (to 31/8/22)  
R Coates (from 1/9/22)  
M Carbutt (to 10/7/22)  
M Carbutt (from 11/7/22)  
L Hayes  
C Sharpe

# South Pennine Academies

## Reference and Administrative Details (continued)

<b>Company Name</b>	South Pennine Academies
<b>Principal and Registered Office</b>	Business and Training Centre, The Gateway, Lowfields Close, Lowfields Business Park, Elland, HX5 9DX
<b>Company Registration Number</b>	07599308 (England and Wales)
<b>Independent Auditor</b>	Clive Owen LLP Chartered Accountants and Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT
<b>Bankers</b>	Lloyds Bank 1 Westgate Huddersfield HD1 2DN
<b>Solicitors</b>	Stone King LLP 1 Park Row Leeds LS1 5HN

# South Pennine Academies

## Trustees Report

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 purposes of both a Trustees' Report, and a Directors' Report under company law.

South Pennine Academies ("The Trust") operates three secondary academies, eight primary academies, and a SCITT in the Calderdale, Kirklees and Oldham areas. Its academies had a combined pupil capacity of 5,631 and had a roll of 5,582 (inc. Nursery) on the school census February 2022.

All academies are none selective and have admission policies which are published on their websites.

### Structure, Governance and Management

#### Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of South Pennine Academies are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as South Pennine Academies.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

#### 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

The Trust is covered by the DfE's Risk Protection Arrangements which protects Trustees from claims arising against negligent acts, errors or omissions occurring whilst on Trust business. Further details of Trustees' and Officers' insurance are included in note 10.

#### Method of Recruitment and Appointment or Election of Trustees

In accordance with our Memorandum and Articles of Association the Members may appoint up to nine Trustees. The Members may appoint Trustees through such process as they may determine, the total number of Trustees (including the Chief Executive Officer) who are employees of the Company shall not exceed one third of the total number of Trustees. There shall be a minimum of two Parent Trustees unless there are Local Academy Boards ("LAB or LABs") which include at least two Parent Members. Our Local Academy Boards include at least two parent Governors.

Recruitment has taken place via the Academies Ambassadors program, Nurole, advertised to all parents and through advertising amongst selected businesses. Applicants complete an application and are interviewed by a panel which includes Members, Trustees and Executives, prior to recommendation to Members.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

A full induction program is delivered to all new Members Trustees and offered as refresher training for existing Members and Trustees. The program includes Statutory instrument of Governance, using trust governor, the scheme of delegation, values, aims, strategic plan and KPIs, funding agreements, safeguarding, risk management, financial regularity, student performance and outcomes, the curriculum, preparing to sit on staffing panels, and a Q&A session with all Trustees.

All Trustees receive safeguarding training annually.

Additional training is provided during the year as need arises.

# **South Pennine Academies**

## **Trustees Report (continued)**

### **Organisational Structure**

South Pennine Academies has a full scheme of delegation in place which is reviewed annually, and details how decision-making powers are delegated between the Trustees, CEO, Local Academy Boards and Principals of individual academies. This includes sections on Governance; communication; strategic planning; academies performance; recruitment of staff; staff professional development and induction; performance management; quality of teaching; curriculum; safeguarding and child protection; admissions and marketing; links with community, parents and carers; the provision of information; handling complaints; health & safety; finances; buildings and maintenance; inspection. The Scheme of delegation is agreed at the Partnership Board prior to approval by the Board of Trustees.

The CEO is the Accounting Officer and undertakes all duties linked to this post. The CEO acts as line manager for all Principals, providing mentoring, support and challenge.

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

All teachers, including Principals, are paid in accordance with the school teachers pay and conditions document (STPCD), the Trust has its own pay scales which are based on the STPCD. Each academy has an ISR calculated in accordance with this policy which takes into consideration pupil numbers, number of SEN pupils and other key factors. Principals are allocated a scale within this range. Other leadership roles not covered by STPCD are calculated according to levels of responsibility and ensuring that there is no overlap between the scales. Other Trust senior staff not covered by these have a scale which is subject to any annual increment in line with the School Teachers Review Body for the leadership scale and agreed by Trustees. Movement on the scale is subject to performance in role. The Trust has a policy for Determining Executive and Senior Staff Pay. This is reviewed annually in line with ESFA guidance and approved by the Finance & Resources Committee.

# South Pennine Academies

## Trustees Report (continued)

### Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017, require us to collate and publish data on the amount and cost of facility time within our organisation, our data for 2021/22 is detailed below.

### Relevant union officials

Number of employees who were relevant union officials in the relevant period	Full-time equivalent employee number
8	8

### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	8
51% - 99%	0
100%	0

### Percentage of pay bill spent on facility time

Provide the total cost of facility time	£450
Provide the total pay bill	£29,950,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time/total pay bill) x 100	0%

### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facilities time hours	0%
---	----

### Related Parties and other Connected Charities and Organisations

The following Academies are part of South Pennine Academies: -

#### Secondary

- Moor End Academy
- Waterhead Academy
- Park Lane Academy

#### Primary

- Beaumont Primary Academy
- Orchard Primary Academy
- Willowpark Primary Academy
- Woodlands Primary Academy
- Greenacres Primary Academy
- Brambles Primary Academy
- Hillside Primary School
- Kirkheaton Primary School

The Trust also has a wholly owned trading subsidiary, which is registered as Moor End Educational Services Limited. The subsidiary has not operated during the financial year.

# **South Pennine Academies**

## **Trustees Report (continued)**

Huddersfield Horizon SCITT, is run by the Trust and partners with Sheffield Hallam University. They train ITT students to schools within the Trust and other strategic partner schools/academies.

Details of related parties are included in note 26 to the Financial Statements.

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

During the year the Trust has participated in the Edurio nationally benchmarked staff engagement survey. Outcomes from this are thoroughly encouraging and support our strategic objectives and KPIs.

Generally, our pattern of scores matches the national trend but are above in most areas, and equal in others.

Participation rates are very high across all staff.

The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making support resources available and through training and career development.

### **Engagement with suppliers, customers and others in a business relationship with the Trust**

The Trust has a direct and close working relationship with its primary customers - namely our pupils, their parents and carers, and local communities. This relationship forms the cornerstone to the Trust's vision, mission and objectives.

To enable and support the Trust in achieving its objectives and aims it has a strong relationship with its suppliers, building strong and sustainable working relationships that deliver best value for our pupils.

The Trust has clear policy guidelines on procurement, contracts and seeking best value underpinning its supplier relationships. It also recognises the need to support key suppliers in difficult times, with the current Covid-19 pandemic demonstrating this need.

The Trust also recognises the importance of seeking positive business and community relationships centred around our academies. This activity generates positive contributions, both financially and participative, that support our academies' goals and objectives and provide tangible benefit to our pupils and staff colleagues.

## **Objectives and Activities**

### **Objects and Aims**

The principal object and activity of the Charitable Company is the operation of South Pennine Academies to provide education for students of different abilities between the ages of 2 to 16.

In accordance with the Articles of Association the Charitable Company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specified, amongst other things, the basis for admitting students to the Trust, the catchment area from which the students are drawn. and that the curriculums should comply with the substance of the national curriculum.

The main objectives of the Trust during the year ended 31 August 2022 are as summarised below:

- Strong and Effective Leaders
- High Performing Staff
- Successful Students
- Engaged Communities



# South Pennine Academies

## Trustees Report (continued)

### Objectives, Strategies and Activities

South Pennine Academies wants every student to have the best possible chance to achieve in school. Stronger partnerships with families, local businesses, community agencies and universities are essential as the Trust focus on a holistic approach to improving student outcomes.

Leadership teams and teaching teams work closely with the local community, helping us to build high expectations, engage learners and focus teaching on delivering new dreams for our students.

Our academy staff are passionate about improving outcomes for students in their academies and believe that they deserve the best quality education available.

Our partnership aims to accomplish a high level of student participation in learning, positive behaviour and achievement. The Trust expects the very best from staff as well as students.

### Vision

- To develop a group of closely partnered academies
- To ensure all academies are world class centres of excellence for teaching and learning
- To ensure the Trust plays a pivotal role in improving the life chances of students
- Local solutions and partnerships to meet local needs
- School improvement with inclusion and diversity at the core

### Values

South Pennine Academies believes in school improvement through a partnership model. This brings drive, expertise and capacity to the school improvement agenda. We recognise and encourage each academy's unique characteristics and ethos, reinforcing their individual identities within their respective communities.

South Pennine Academies allows school to school support to flourish. Becoming part of our partnership will allow you to become a leader not a follower and be involved in shaping the partnership rather than having it shaped for you.

In prioritising South Pennine Academies we are focusing on the areas in which we believe we can make the strongest contributions to the communities we serve, drawing on our unique role as system leaders. We have designed this contribution in terms of five strategic objectives.

The trust conducts its work under a range of strategic objectives. The current objectives run from 2021 - 2025. Trustees review these objectives and review them annually. The objectives are written to reflect the priorities of the trust and in line with the vision and values the trust holds, following annual trust level self-evaluation.

These build on our vision, values and key priorities, and link to our Key Performance Indicators (KPIs), which are defined yearly. Each strategy exists to assist South Pennine Academies staff and our key stakeholders align their collective efforts to make the greatest sustainable impact.

When planning and delivering our work we will use these strategies to ask ourselves whether what we are doing, or the way in which we are doing it, can be further improved to have even more impact for each and every child in our care.

### Strong and effective leaders

Leaders at all levels who: -

- Deliver academy improvement that transforms life chances for all students.
- Invest in a self-improving culture which promotes personal and trust wide responsibility.
- Are informed and embed in their practice, innovative evidence-led approaches that lead to excellence for all.

### High Performing staff

- Recruit, develop retain and deploy the best workforce possible, putting engagement and wellbeing at the forefront of everything we do.
- Ensure all staff become experts in evidence-led practice.
- All staff uphold the values of South Pennine Academies, promoting and supporting collaboration in their work.

# **South Pennine Academies**

## **Trustees Report (continued)**

### **Successful students**

- Ensure all students have equal access to a rich curriculum that enables them to develop into life-long learning.
- Ensure careers and personal development widens horizons through a range of opportunities for all.
- A pledge to all students that we will support you individually to be the best version of yourself.

### **Engaged Community**

- Academies will be at the heart of their communities, providing a high-quality service in all areas.
- We will continue to develop high-quality relationships with all stakeholders.
- Actively promote diversity and inclusion in all our work

### **Organisational resilience and sustainability**

- Ensure all academies enable students to become 'students of sustainability'.
- Continue to maintain a financially viable, ethically-driven multi-academy trust.
- Ensure our systems are safe and secure with excellent business continuity plans.
- Strengthen the sustainability strand and strategy in our work.

### **Public Benefit**

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the Trust should undertake.

# South Pennine Academies

## Strategic Report

### Achievements and Performance

#### Ofsted Inspection Outcomes

In 2021-22, two primary academies were inspected, Orchard Primary Academy (joined as a sponsored academy in 2016 following an inadequate judgement) achieving a Good judgement in all areas in June 2022 followed by Greenacres Primary Academy (joined as a converter academy in 2018) achieving a good/outstanding judgement.

#### Secondary Data

The DFE recommend not making direct comparisons between schools, or with data from previous years. Comparisons with local and national averages can be made cautiously to put an individual school or college's results into context.

There are other factors that will also need to be considered in summarising this year's outcomes:

Changes were also made to the way school and college performance measures were calculated. Results achieved between January 2020 and August 2021 by pupils included in this year's measures are not included in the calculations.

All three secondary academies contexts are significantly more challenging than NA. A much higher percentage of our students are identified as SEND (three times the NA at Park Lane for example) and similarly in terms of disadvantaged student numbers. National data and analysis evidences that the pandemic has had a significantly negative impact on disadvantaged and vulnerable students as evidenced by national and local attendance and behaviour data as well as academic outcomes. Catch-up, re-engagement and recovery work continues in order to narrow the gap that has widened as a result of the pandemic closures.

**Park Lane Academy** results have been negatively impacted as 3 qualifications were taken in Year 10. Internal data with all qualifications included in the performance measure have been included for comparison. Comparison to NA shows that the academy is significantly lower than NA in all headline measures.

**Moor End Academy** outcomes have improved year on year with 2022 achievement positive compared to National for majority of measures.

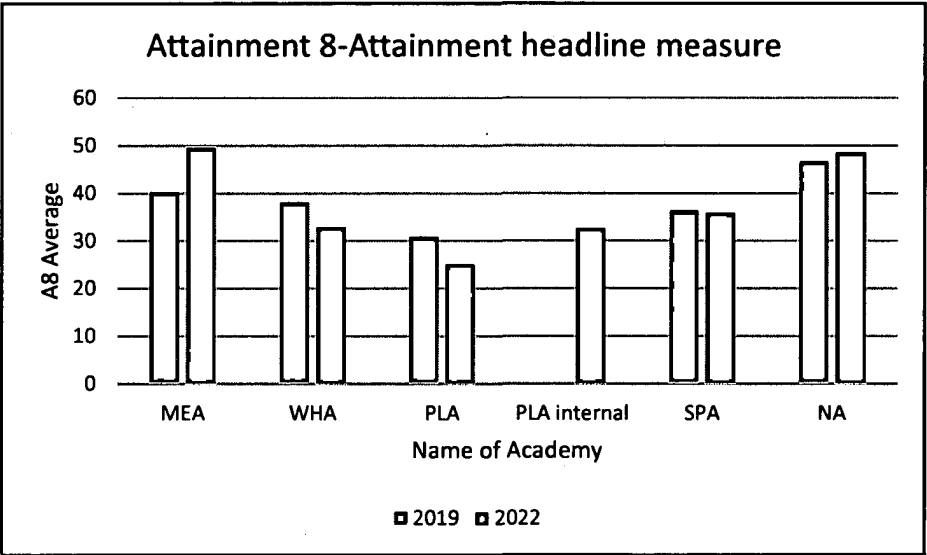
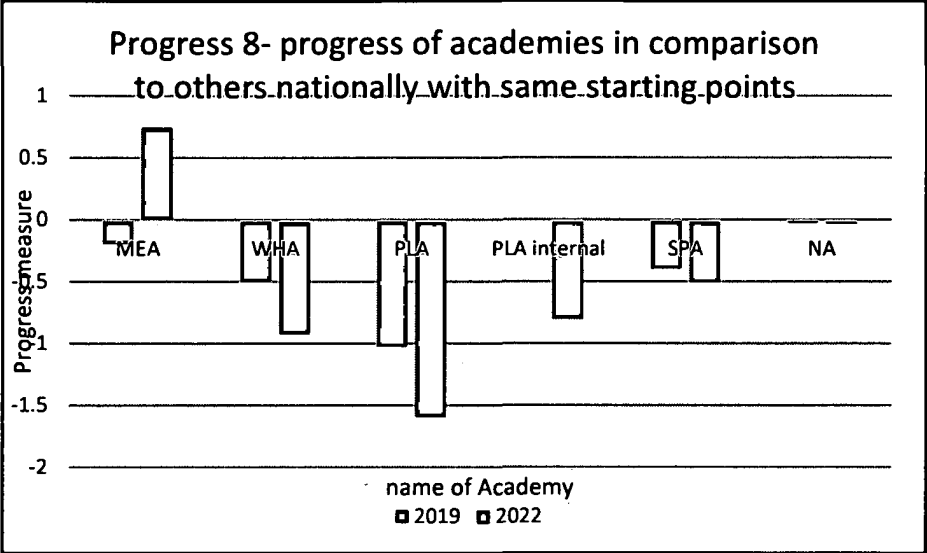
**Waterhead Academy** outcomes have declined significantly following the return to examinations and are in line with 2018. Comparison to NA shows that the academy is significantly lower than NA in all headline measures. This is obviously disappointing but not unexpected.

#### % of students making better than average progress

Waterhead 2022		Park Lane 2022		Moor End 2022	
%+P8	24.10%	%+P8	27%	%+P8	76.10%
%+P8 dis	16.80%	%+P8 dis	19.50%	%+P8 dis	71.80%
%+P8 English		%+P8 English		%+P8 English	
%+P8 Maths		%+P8 Maths		%+P8 Maths	
%+P8 Ebacc		%+P8 Ebacc		%+P8 Ebacc	
%+P8 Open		%+P8 Open		%+P8 Open	
All 4		All 4		All 4	
%+P8 elements	11%	%+P8 elements	5.60%	%+P8 elements	48.90%

# South Pennine Academies

## Strategic Report (continued)



# **South Pennine Academies**

## **Strategic Report (continued)**

### **Primary Data**

#### **EYFS**

Despite the impact of the pandemic, the majority of academies have achieved well in comparison to NA. Data is not directly comparable between 2019 and 2022 as a new assessment framework was introduced in 2020. However, data evidences that the gap between NA and achievement across SPA has been successfully addressed.

#### **Y1 Phonics Check**

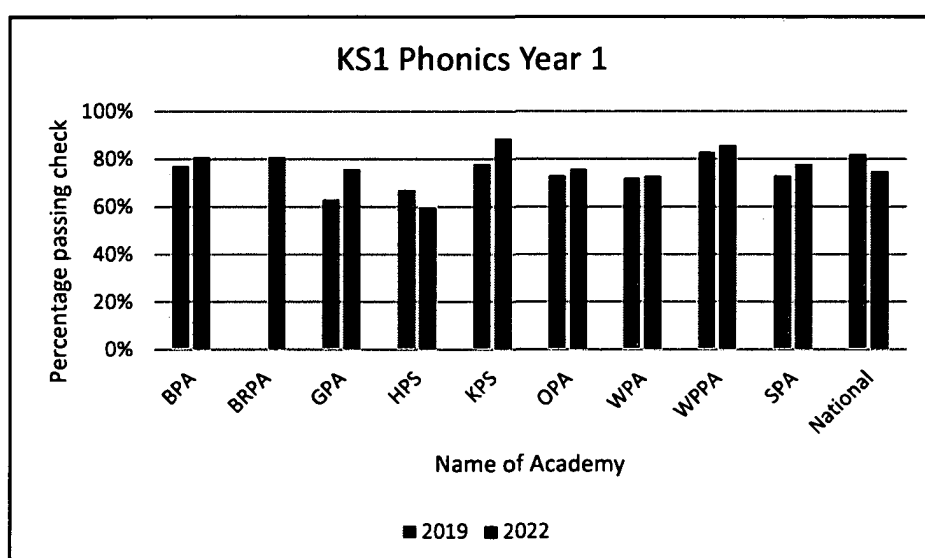
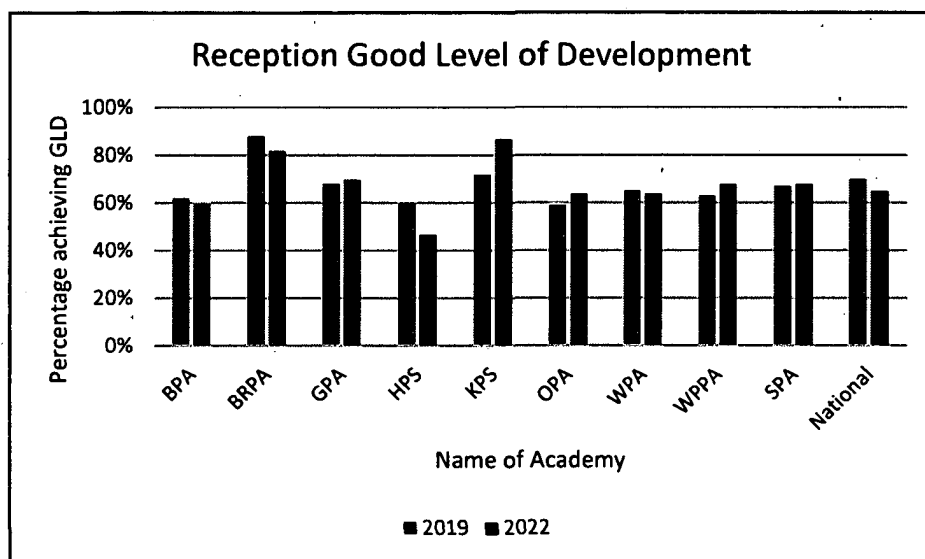
Consolidated data across Primary evidences that SPA students have achieved marginally better than NA in 2022, successfully addressing the gap evident in historic data.

#### **KS2**

KS2 consolidated data shows that across Primary, attainment remains below national though the gap has narrowed from 2019-2022. Individual academy data evidences that some variability remains with 4 out of 8 academies below NA in 2022 for combined. The impact of the pandemic continues to leave a legacy, particularly in our academies that serve communities with high levels of disadvantage where there is work to do to meet significantly increased vulnerability evidenced by a decline in attendance and an increase in SEND numbers.

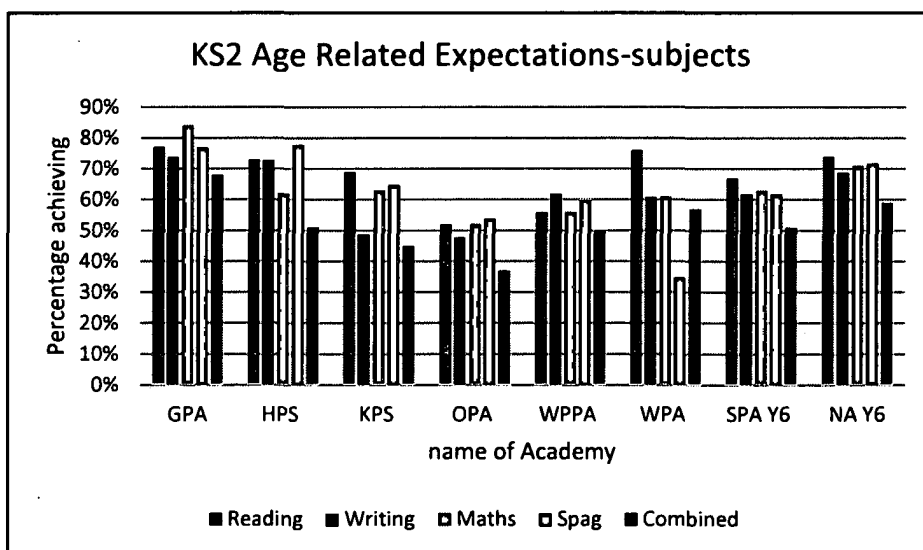
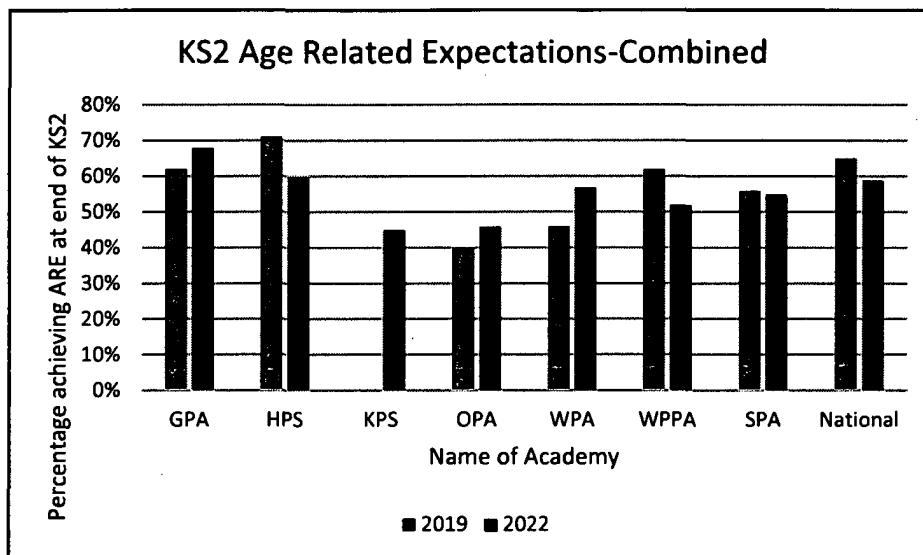
# South Pennine Academies

## Strategic Report (continued)



# South Pennine Academies

## Strategic Report (continued)



# South Pennine Academies

## Strategic Report (continued)

### Key Performance Indicators

The range of KPIs below cover the trust's day to day operation in relation to discharging its duties as proprietor. All KPI's are benchmarked to sector data and also national benchmarks. KPI's are agreed by trustees annually, and progress reported to the board and committees throughout the year. The trust was on track with all KPIs at 31st August 2022.

### Strong and effective leaders

- Retention of high-quality leaders
- Stakeholder feedback: staff
- Growth in number of staff with relevant professional qualifications
- Financial sustainability
  - Staff costs as a % of income
  - Reserve days/cash days
  - Surplus % of income
  - Non pay costs per pupil

### High performing staff

- Absence rates for staff
- Retention of staff
- Vacancies filled internally across the trust
- Impact of professional development on outcomes for students

### Successful students

- % NEETS across secondaries
- Progress data for disadvantaged learners
- Comparative position to similar schools & % FFT50 or above
- Stakeholder feedback: students, themed annually
- Positive trajectory against all national measures
- Aggregated trust student outcomes – headline measures

### Engaged Communities

- % good or better or on track to be at next inspection
- % number of 1<sup>st</sup> choice admissions
- Complaints analysis
- % parental and community vacancies on LABs
- Stakeholder feedback: parental

### Financial Key Performance Indicators

- Payroll as a % of income – excluding pension reserve restricted fixed asset funds (target 70%, actual 73%)
- Payroll as a % of costs – excluding pension reserve and fixed asset funds (target 75%, actual 76%)
- Cash days in hand (target 60 days, actual 98 days)
- Free reserves days in hand (target 30 days, actual 67 days)

### Going Concern

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

### Promoting the success of the company

Trustees recognise the importance in acting in accordance with their key duty of promoting the success of the company to achieve its charitable objects. This imperative is reflected in the Trusts' Vision and Values, Objectives and Aims, and demonstrated by its decision making and supporting policies.

The Trust actively works with community stakeholders and partners, Local Academy Boards and employees to re-enforce this aim, and has supporting codes of conduct in place for Trustees, local governors and employees.



# **South Pennine Academies**

## **Strategic Report (continued)**

The value of a strong working relationship was demonstrated in this difficult period, continuing to deal with Covid-19 and its impact, as Trustees saw the wellbeing of pupils, staff and the wider community as a key priority.

The Trust ensured strong engagement and consultation with staff colleagues, pupils and parents/carers during post lockdown periods and whilst reopening schools, to ensure our objectives and responsibilities continued to be met.

### **Financial Review**

Most of the Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, the Trust received £376,000 of unrestricted funds the use of which is used on the Trust's educational purposes.

During the year ended 31 August 2022, total expenditure of £41,689,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The planned shortfall of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset funds) was £460,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives.

At 31 August 2022 net book value of fixed assets was £72,530,000 and movements in tangible fixed assets are shown in note 11 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £1,280,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2022 of £79,644,000 comprising £3,763,000 of restricted general funds, £73,978,000 of restricted fixed asset funds, a pension deficit of £1,280,000 and £3,183,000 of unrestricted funds.

### **Reserves Policy**

At the 31 August 2022 the Trust has Unrestricted Reserves of £3,183,000 and Restricted General Reserves of £3,763,000 that in total equate to approximately two months of income excluding capital income.

These reserves totalling £6,946,000 are backed by cash at year end of £8,678,000 excluding capital income received in advance. In addition, the Trust has a Fixed Asset Fund of £73,978,000 that includes £1,448,000 of Capital Grant Funding received not yet spent. The remaining balance can only be realised by disposing of tangible fixed assets.

# **South Pennine Academies**

## **Strategic Report (continued)**

The Board of Trustees reviews the reserves levels of the Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

Each academy currently holds its own reserves and an explanation is given to Trustees as to how these reserves will be used to support the future development of the academy. In light of the growth of the Trust, Trustees approved a reserves policy in June 2018 which is reviewed each year. This policy covers the target levels and use of reserves at Trust and academy level.

Within the reserves policy, reviewed in 2021, the Trustees have approved a Trust target level for reserves which equates to two months' income (excluding capital). Trustees consider a level of one month as reasonable and reserves were in line with this policy at the end of the financial year. It is considered that this level of reserves offers the Trust further protection against exceptional requirements and will better enable the Trust to manage future spending plans in line with the overall strategy.

The target level was reviewed in 2020/21 to assess if achievable in the longer term in light of budget constraints on all our academies and investment required, and was reduced from 2 months to 1 month to enable continued investment in our academies. Actual reserves at 67 days compare favourably with this policy. Given financial risks in the sector the Trust is currently reviewing its Reserves Policy and will update the policy by 31 August 2023, this includes a reserves strategy for use of reserves across the Trust and the need for reserves to be used for operational or strategic purposes.

### **Investment Policy**

The Trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

### **Principal Risks and Uncertainties**

The principal risks and uncertainties are centred on changes in the level of funding from DfE/ESFA. In addition, the Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Trust Balance Sheet.

The Trustees have assessed the major risks, to which the Trust is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The Trust is subject to a number of risks and uncertainties in common with other academies. The Trust has in place procedures to identify and mitigate financial risks.

# **South Pennine Academies**

## **Strategic Report (continued)**

### **Fundraising**

The Board of Trustees is responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work.

- Trustees have the responsibility of ensuring the survival and continuation of the Trust. This includes responsibility for ensuring funding is available to support the activities of the organisation.
- The Board of Trustees retains the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.
- The Board of Trustees are committed to ensuring that fundraising activities are carried out in an ethical manner.
- The guiding fundraising principle is a simple one — we will only use techniques that we would be happy to be used on ourselves.

In doing so, the organisation will adhere to the following standards:

- The Board of Trustees will have regard to the Charity commissions publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by individual Academies, including their PTA will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the Trusts' stated mission and purpose.
- All personal information collected by the Academy is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the Academy shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Academy.
- Financial contributions will only be accepted from companies, organisations and individuals the Board of Trustees considers ethical.
- All Governors, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the Trust to significant financial risk.
- Complaints will be dealt with in accordance with the Trust's complaints procedure.

# South Pennine Academies

## Strategic Report (continued)

### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022	
Energy consumption used to calculate emissions (kWh)	6,659,862.3
Scope 1 emissions in metric tonnes CO <sub>2</sub> e	
Gas consumption	720.13
Owned transport – mini-buses	5.86
Total scope 1	725.99
Scope 2 emissions in metric tonnes CO <sub>2</sub> e	
Purchased electricity	579.28
Scope 3 emissions in metric tonnes CO <sub>2</sub> e	
Business travel in employee owned vehicles	7.93
Total gross emissions in metric tonnes CO <sub>2</sub> e	1,313.19
Intensity ratio	
Tonnes CO <sub>2</sub> e per pupil	0.24

#### 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 2020 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement:

- The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency:

- Replaced light fittings for LED across the trust
- Added Solar panels to the Brambles Primary Academy new build
- Increased use of technology for meetings to reduce travel
- Electric car charging points at Dryclough Road Campus (Moor End Academy and Beaumont Primary Academy) and Brambles Primary Academy

# South Pennine Academies

## Strategic Report (continued)

### Plans for Future Periods

Our current and founding CEO will retire December 2022, the CEO designate was employed from 1<sup>st</sup> September 2022. Trustees have ensured a full induction programme is in place to ensure a smooth transition. We have strengthened the board, appointing based on skills assessment with a new Chair and Vice Chair in place from Summer 2022.

Trustees will work with all stakeholders to revisit the mission and vision over the next 2 years. Our current strategic plan took us to December 2022. A strategic plan for 2022-24 has been prepared and approved by Trustees in December 2022 for implementation from January 2023.

Trustees will be looking to improve outcomes in academies where they are not yet strong enough and improving effectiveness for those academies not yet evaluated as good by Ofsted.

Moving forward we will look to strengthen the Trust by considering physical expansion projects and new academies where appropriate.

### Our strategic plan for 2020-22 included

#### Summary Strategic Plans for 2020 - 2022

PEOPLE, WELLBEING AND CAPACITY	FINANCIAL EFFICIENCY	EFFECTIVE USE OF TECHNOLOGY
Trust aligned pay scales for scale for associate staff	Ensure that the return on investment for the Finance and Payroll systems is maximised	Develop and implement an effective IT strategy across all academies
Review teachers pay and appraisal policies	Continued development of the finance teams	Ensure mobile / remote working is safe, effective, and efficient for all staff and students
Wellbeing strategy	Fully embed Financial Benchmarking and Financial Key Performance Indicators	Develop individual Service level agreements for academies
Development of the wider workforce	Implement the procurement strategy	

ACADEMY EFFECTIVENESS	EFFECTIVE OPERATIONS AND MANAGEMENT	Joint Trust work themes across all Academies Reviewed annually
Address inequalities to equalize life chances by identifying and overcoming learning and knowledge gaps	Develop an Asset Management Plan for the Trust	Implementation of RSE from Sept 2020
Sustainability within the wider workforce and development frameworks	Develop Site teams across the trust	Physical wellbeing and Healthy School
Develop collective efficacy through effective collaboration and partnerships	Ensure funds provided for capital spend, meet the needs of our academies, give value for money and realise efficiencies of scale	SEND
Improve use of assessment to support pupil progress and outcomes.	Development of Local Academy Boards	Safeguarding
Promote and strengthen high quality learning and teaching, reducing variability in practice		Early Years
Development of a quality structured curriculum offer led by highly effective subject leaders.		Curriculum and assessment

# South Pennine Academies

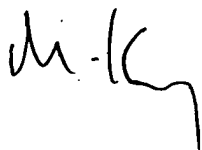
## Strategic Report (continued)

### 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 a Strategic Report, was approved by order of the Board of Trustees, as the Company Directors, on 13 December 2022 and signed on the Board's behalf by:



**M Kay**  
Chair of Trustees

# South Pennine Academies

## Governance statement

### Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that South Pennine Academies 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 CEO, 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 South Pennine Academies 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.

### Conflict of interest

The Trust maintains a full record of business interests and all Trustees, Governors and Executives are required to declare business interest at the start of each meeting. The Academy Trust also has procedures in place to be followed when entering into a transaction with a Related Party, this process is managed by the Finance Director. Trustees who have or could have a conflict of interest are required to disclose that fact to the Trustees as soon as they become aware of it. If a Trustee is aware of an undeclared conflict of interest affecting another trustee, they should notify the other Trustees or the Chair. Trustees must consider any conflict of interest to prevent any potential effect on their decision making in the best interests of the Academy Trust.

### Governance reviews

The Trust recognises the best practice of carrying out a self-assessment annually and commissioning an independent external review of governance routinely, as part of a wider programme of self-assessment and improvement in subsequent years. Plans were in place to undertake these governance reviews in 2021-22. However, given changes in the composition of the Board of Trustees and planned changes for the Chief Executive it was not considered the right time to undertake these reviews. A full induction programme is being delivered in 2022-23 and Trustee development programme. This will cover the requirement of a self-assessment process and when to commission an external review of governance.

### 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 nine times during the year. 2021-22 was the first year of a new Sub Committee structure for the Trust. Attendance during the year at meetings of the Board of Trustees, Sub Committees and Local Academy Boards was as follows.

Members	Meetings attended	Out of a possible
Michael Kay (appointed 29/03/22)	1	1
Denise Kriens	4	5
David O'Hara	5	5
Graham Smith	3	5
Tim Thornton	4	4
Phil Wheeliker	1	1

<b>Board Of Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Jane Acklam	9	9
Chris Bond (appointed 18/08/2021 resigned 21/03/22)	4	6
Glyn Charles (appointed 24/09/19; resigned 24/9/22)	4	9
Simon Gray (appointed 24/09/19; resigned 16/11/21)	3	3
Claire Hewitt (appointed 14/06/21)	8	9
Zoe Holland (appointed 14/06/21; resigned 21/03/22)	0	6
Michael Kay (appointed 22/07/20)	7	9
Tom Lindley (appointed 22/07/20; resigned 5/10/22)	2	9
Roger Mitchell (appointed 20/07/21)	7	8
Phil Wheeliker (appointed 22/03/16; resigned 26/3/22)	8	9

<b>Finance &amp; Resources Committee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Glyn Charles	4	5
Simon Gray (resigned 16/11/21)	0	2
Mick Kay (from 29/03/22)	1	2
Tom Lindley	1	5
Phil Wheeliker (until 28/03/2022)	3	3

<b>Audit &amp; Risk Committee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Chris Bond	1	2
Roger Mitchell	2	2
Phil Wheeliker	2	2

<b>Quality of Education Committee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mick Kay	3	3
Claire Hewitt	2	3
Phil Wheeliker	1	3

<b>Brambles Primary Academy Local Academy Board</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Joanne Briggs (appointed 10/02/22)	1	3
Amy Eagleton (appointed 22/10/19)	4	6
Sallie Dodd (appointed 24/10/18)	6	6
Hayley Gec (appointed 24/10/18)	4	4
Lee Haughton (appointed 04/05/21)	3	4
Ruhee Javaid (appointed 05/05/22)	1	2
Morgan Quirke (appointed 24/10/18)	6	6
Jill Webster (appointed 09/02/21)	3	4
Russell White (appointed 25/09/18)	5	6
Asia Yousaf (appointed 22/10/19)	1	4



<b>Dryclough Road Campus Local Academy Board</b> (Beaumont Primary Academy & Moor End Academy)	<b>Meetings attended</b>	<b>Out of a possible</b>
Mohammed Afzal (appointed 14/10/20)	4	4
Sarah Cunningham (appointed 28/04/21)	3	5
Zillah Doyle (appointed 15/11/17)	5	5
Richard Edgington (appointed 19/01/21)	1	4
Mary Holland (appointed 09/06/22)	3	3
Kevin Johns (appointed 14/12/16)	5	5
Debbie Kelly (appointed 22/03/16)	5	5
Asia Majid (appointed 02/02/22)	3	3
Kash Rafiq (appointed 16/04/18)	4	6
Angela Robinson (appointed 28/04/21/resigned 17/09/21)	0	0
Mohammed Shafiq (appointed 14/09/20/resigned 01/08/22)	3	6
Fiona Thompson (appointed 14/03/18/end of office 13/03/22)	3	3
Paul Turner (appointed 22/03/16)	6	6

<b>Hillside Primary School Local Academy Board</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Julie Anderson (appointed 12/10/20)	5	5
Alison Black (appointed 12/10/20; resigned 08/04/22)	1	2
Kamran Bostan (appointed 24/11/20)	2	4
Naz Ismail (appointed 05/05/22)	1	1
Debbie Kelly (appointed 02/05/22; resigned 04/06/22)	1	1
Nadine Sadler (appointed 10/02/20; resigned 30/04/22)	0	2
Helen Scally (appointed 09/05/22)	2	2
Simon Thomson (appointed 10/02/20; resigned 05/05/22)	3	3
Ian Thwaites (appointed 12/10/20)	2	4
Jonathan Walden (appointed 11/07/22)	1	1
Stan White (appointed 12/10/20; resigned 08/04/22)	1	2

<b>Kirkheaton Primary School Local Academy Board</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Kelly Barron (appointed 16/03/21)	4	4
Leigh Blanchard (appointed 16/03/21)	6	6
Charlotte Dodsworth (appointed 19/07/22)	1	1
Caroline Fowler (appointed 17/05/21; resigned 31/08/22)	3	4
Sam Gallant (appointed 16/03/21; resigned 31/08/22)	6	6
Hazel Mackay (appointed 16/03/21)	4	4
Adam McNeely (appointed 16/03/21)	6	6
Gianna Shepherd (appointed 28/02/22)	3	3
Gillian Starke (appointed 16/03/21; resigned 31/08/22)	6	6
Faith Thomas (appointed 19/07/22)	0	1

<b>Oldham Primaries Local Academy Board</b> (Greenacres Primary Academy, Willowpark Primary Academy, Woodlands Primary Academy)	<b>Meetings attended</b>	<b>Out of a possible</b>
---	------------------------------	------------------------------

Emily Beach (appointed 04/05/21)	4	6
Christine Chadderton	6	6
Chris Hill (Appointed 03/05/2022)	3	3
Jodie Hawkins	2	4
Louise Hayes	6	6
Sadia Hussain	3	6
Kash Rafiq	4	6
Keith Rushton	6	6
Catherine Sharpe	6	6
Katie Thornton	4	6
Eve Barnes-Gott (Appointed 01/02/2022)	4	4

<b>Orchard Primary Academy Local Academy Board</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Jo Brierley (appointed 17/02/22; resigned 10/05/22)	1	1
Matthew Carbutt (appointed 01/09/17)	6	6
Barbara Cunningham (appointed 01/11/15)	6	6
Malcolm Ellis (appointed 11/07/19)	6	6
Danielle Fisher (appointed 27/02/20)	4	4
Rob Furniss (appointed 20/05/21)	4	4
Rebecca Mayfield (appointed 17/02/22)	2	3
Jonny Mitchell (appointed 01/11/15)	3	6
Joseph Prescott (appointed 08/10/20; resigned 11/02/22)	1	1
Martin Wakefield (appointed 25/01/18; term of office ended 24/01/22)	1	1

<b>Park Lane Academy Local Academy Board</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Alison Black (appointed 02/11/20; resigned 18/02/22)	3	3
Amanda Blackett (appointed 02/04/19; resigned 31/08/22)	6	6
Justine Bowman (appointed 12/05/21)	5	5
Abigail Cox (appointed 09/09/19)	3	4
Danielle Durrans (appointed 02/04/19; resigned 03/10/21)	0	0
Karen Devine (appointed 09/02/22)	3	4
Katherine Horner (appointed 09/02/22)	1	3
Kate Lunn (appointed 07/10/20)	4	4
Jonathan Rudge (appointed 07/10/20; resigned 20/06/22)	3	5
Kash Rafiq (appointed 28/02/22)	1	2
Neil Watkiss (appointed 09/07/19; resigned 31/08/22)	2	4
James Wilson (appointed 07/10/20; resigned 08/04/22)	2	3

<b>Waterhead Academy Local Academy Board</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
John Anchor (appointed 22/09/20)	4	4
Martine Browne (appointed 05/02/21)	2	4
Amir Khan (appointed 12/01/19)	4	4
Douglas King (appointed 11/02/21)	5	6
Sarah Knaggs (appointed 05/02/21; resigned 04/07/22)	4	5

Gordon Leach (appointed 10/12/19)	0	4
David Long (appointed 18/09/20; resigned 05/10/21)	0	0
Darren Lyon (appointed 01/06/20)	6	6
Nick Middleton (appointed 22/09/20)	6	6
Tariq Rafique (appointed 22/09/20)	0	4

\*Attendance has been monitored compared to the number of meetings the Trustee, Member or Governor was appointed to attend.

The Trust considers that it maintained effective oversight of funds through the use of Sub Committees and Local Academy Boards. The membership, terms of reference and scheme of delegation are approved annually by the Board of Trustees to manage the business of the sub committees. The Sub Committees report back to the Board at each meeting.

A review of the sub committees took place and a separate Finance and Resources and Audit and Risk committees were established.

The purpose of the three sub committees was as follows:

- Finance & Resources Committee:
  - The committee will provide financial scrutiny and oversight and support the Board in maintaining the Trust as a going concern.
  - The committee will oversee all matters relating to Trust finance and resources (including people) that may be referred to them by the Board.
  - The committee will take delegated responsibility for Trust financial affairs, stewardship of assets and efficient use of resources.
- Audit & Risk Committee:
  - The committee will advise on the adequacy of financial and other controls, and risk management arrangements within the Trust.
  - It will direct a programme of internal scrutiny and consider the results and quality of any internal audit.
  - The committee will deal with all matters relating to auditing, internal scrutiny, finance and risk management that may be referred to them by the Board of Trustees.
- Quality of Education
  - To review and evaluate quality of education; pupils' standards and progress. In doing so, the committee should take account of the performance of the full range of different groups represented in the Trust's academies, including disadvantaged pupils, pupils with SEND, looked after children and pupils in different ethnic, social and ability groups.

### **Review of Value for Money**

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

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

- Ensuring the Trusts Financial Handbook is adhered to as part of procurement procedures. These include the need to obtain comparative quotes and approval of the Finance and Resources Committee for expenditure over pre-determined levels. Internal audit work was undertaken in year to confirm compliance with these procedures and identify areas for improvement.
- During the year we worked with Tenet Ltd on procurement and have appointed an internal Head of Procurement officer from September 2022.

# **South Pennine Academies**

## **Governance statement (continued)**

- The Trust Finance Handbook has been reviewed and issued, strengthening procurement procedures, and highlighting the Buying for Schools DfE website.

### **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 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 South Pennine Academies 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 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 Board of Trustees.

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

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

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

# South Pennine Academies

## Governance statement (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint as internal auditor Wheawill and Sudworth.

The internal auditors' role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- IT Data Security and Resilience
- Environmental and Sustainability Responsibilities

The internal auditors have delivered their schedule of work in line with an annual plan agreed by the Audit and Risk Committee. All audit reports are presented to the Audit and Risk Committee, when finalised, along with action plans, which are monitored to closure. Whereas there were matters to be addressed there were no material control issues arising from their work. An annual Internal Scrutiny report is prepared summarizing the work of internal audit and their findings.

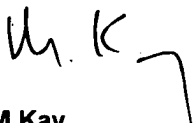
### Review of Effectiveness

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

- The work of the internal auditor
- The work of the external auditor
- The schools resource management self-assessment checklist
- The work of the executive 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 and Resources 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 13 December 2022 and signed on its behalf by:



**M Kay**  
Chair of Trustees



**J Acklam**  
Accounting Officer

# South Pennine Academies

## Statement of Regularity, Propriety and Compliance

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

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

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



**J Acklam**  
Accounting Officer  
Date: 13 December 2022

# South Pennine Academies

## Statement of Trustees' Responsibility

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:

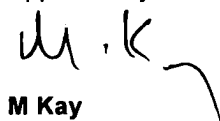
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 and signed on its behalf by:



**M Kay**  
Chair of Trustees  
Date: 13 December 2022

# South Pennine Academies

## Independent Auditors' Report on the Financial Statements to the Members of South Pennine Academies

### Opinion

We have audited the financial statements of South Pennine Academies (the 'Trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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



# South Pennine Academies

## Independent Auditors' Report on the Financial Statements to the Members of South Pennine Academies

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

### Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

### Auditors' 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 Auditors' 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. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

# South Pennine Academies

## Independent Auditors' Report on the Financial Statements to the Members of South Pennine Academies

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

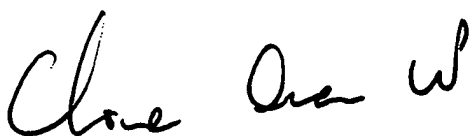
Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all 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 Auditors' report.

### Use of our report

This report is made solely to the 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 Trust's members those matters we are required to state to them in an Auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)  
for and on behalf of  
Clive Owen LLP  
Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

Date: 13 December 2022

# South Pennine Academies

## Independent Reporting Accountant's Assurance Report on Regularity to South Pennine Academies and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 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 South Pennine Academies during the year 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 South Pennine Academies and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Pennine Academies 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 South Pennine Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of South Pennine Academies' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South Pennine Academies' funding agreement with the Secretary of State for Education dated 01 December 2014 and the Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self-assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;

# South Pennine Academies

## Independent Reporting Accountant's Assurance Report on Regularity to South Pennine Academies and the Education and Skills Funding Agency

- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

### Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
Clive Owen LLP

Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

Date: 13 December 2022

## South Pennine Academies

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

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
	Notes	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	54	830	884	1,111
Transfers from local authority on conversion	2,29	-	-	-	-	2,926
<b>Charitable activities:</b>						
Funding for the Trust's educational operations	3	197	37,337	-	37,534	34,350
Other trading activities	4	178	-	-	178	167
Investments	5	1	-	-	1	4
<b>Total</b>		<b>376</b>	<b>37,391</b>	<b>830</b>	<b>38,597</b>	<b>38,558</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
Trust educational operations	6	183	38,819	2,687	41,689	36,200
<b>Total</b>		<b>183</b>	<b>38,819</b>	<b>2,687</b>	<b>41,689</b>	<b>36,200</b>
<b>Net income / (expenditure)</b>		<b>193</b>	<b>(1,428)</b>	<b>(1,857)</b>	<b>(3,092)</b>	<b>2,358</b>
<b>Transfers between funds</b>	16	-	(1,891)	1,891	-	-
<b>Other recognised gains:</b>						
Actuarial (losses) on defined benefit pension schemes	16,25	-	20,329	-	20,329	(1,789)
<b>Net movement in funds</b>		<b>193</b>	<b>17,010</b>	<b>34</b>	<b>17,237</b>	<b>569</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	16	2,990	(14,527)	73,944	62,407	61,838
<b>Total funds carried forward</b>	16	<b>3,183</b>	<b>2,483</b>	<b>73,978</b>	<b>79,644</b>	<b>62,407</b>

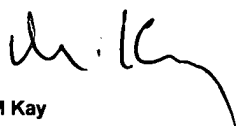
# South Pennine Academies

## Balance Sheet as at 31 August 2022

Company Number 07599308

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
<b>Fixed assets</b>					
Tangible assets	11		72,530		72,844
Investments	12		<u>25</u>		<u>25</u>
			<b>72,555</b>		<b>72,869</b>
<b>Current assets</b>					
Debtors	13	880		1,082	
Cash at bank and in hand	23	<u>10,183</u>		<u>9,407</u>	
		<b>11,063</b>		<b>10,489</b>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<u>(2,689)</u>		<u>(2,002)</u>	
<b>Net current assets</b>			<b>8,374</b>		<b>8,487</b>
<b>Total assets less current liabilities</b>			<b>80,929</b>		<b>81,356</b>
Creditors: Amounts falling due after more than one year	15		<u>(5)</u>		<u>(6)</u>
<b>Net assets excluding pension liability</b>			<b>80,924</b>		<b>81,350</b>
Defined benefit pension scheme liability	25		<u>(1,280)</u>		<u>(18,943)</u>
<b>Total assets</b>			<b>79,644</b>		<b>62,407</b>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	73,978		73,944	
Restricted income fund	16	3,763		4,416	
Pension reserve	16	<u>(1,280)</u>		<u>(18,943)</u>	
<b>Total restricted funds</b>			<b>76,461</b>		<b>59,417</b>
<b>Unrestricted income funds</b>	16		<u>3,183</u>		<u>2,990</u>
<b>Total funds</b>			<b>79,644</b>		<b>62,407</b>

The financial statements on pages 39 - 66 were approved by the Trustees, and authorised for issue on 13th December 2022 and are signed on their behalf by:



**M Kay**  
Chair of Trustees

# South Pennine Academies

## Statement of Cash Flows for the year ended 31 August 2022

	Notes	2022 £000	2021 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	2,282	2,749
Cash transferred on conversion from local authority		-	1
Cash flows from investing activities	22	(1,505)	(480)
Cash flows from financing activities	21	(1)	(1)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>776</b>	<b>2,269</b>
<b>Cash and cash equivalents at 1 September 2021</b>		<b>9,407</b>	<b>7,138</b>
<b>Cash and cash equivalents at the 31 August 2022</b>	23	<b>10,183</b>	<b>9,407</b>

# South Pennine Academies

## Notes to the Financial Statements for the period ended 31 August 2022

### 1 Statement of accounting policies

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

#### Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### Going concern

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

#### Subsidiary undertaking

For the current year Moor End Educational Services Limited was non-trading. The Trust has not consolidated Moor End Educational Services Limited on the grounds that the transactions are immaterial.

#### Income

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

- **Grants**

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

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

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

- **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 Trust has provided the goods or services.

- **Transfer on conversion**

The assets transferred in to the Trust in the prior year have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

- **Donated fixed assets**

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



## South Pennine Academies

### Notes to the Financial Statements for the period ended 31 August 2022

#### 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.

#### • Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

#### Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

• Short term additions freehold property	8 years
• Freehold buildings	30 - 50 years
• Freehold land	Not depreciated
• Leasehold buildings	30 - 50 years
• Leasehold Land	125 years
• Leasehold improvements	10 years
• Furniture and equipment	3 - 7 years
• Computer hardware	3 - 5 years
• Motor Vehicles	4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

#### Liabilities

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

## **South Pennine Academies**

### **Notes to the Financial Statements for the period ended 31 August 2022**

#### **Provisions**

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

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

#### **Leased assets**

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

#### **Investments**

The Trust's shareholding in the wholly owned subsidiary, Moor End Educational Services Limited, is included in the Balance Sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

#### **Taxation**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

#### **Pensions benefits**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the 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 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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

#### **Fund accounting**

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

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

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

## South Pennine Academies

### Notes to the Financial Statements for the period ended 31 August 2022

#### Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due from the Trust'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 note 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due from the Trust's wholly owned subsidiary are held at face value less any impairment.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Goodwin - The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £29,257 which has been assessed to be immaterial to the financial statements.

The actuary for the Greater Manchester Pension Fund (GMPF) scheme has calculated that there is a £1,877,00 pension scheme asset. In line with FRS102 the trust has not recognised this asset as not a future benefit.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £2,650,000.

#### Critical areas of judgement

Land & Buildings - Land & buildings are held under a 125 year lease from Kirklees Council and Oldham Metropolitan Borough Council. These assets are included on the Balance Sheet of the Trust due to the significant risks and rewards of ownership belonging to the Trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

The PFI contracts for Moor End Academy and Park Lane Academy are engagements to receive services and, as the Trust is deemed to control the services that are provided under the PFI scheme, the Trust has recognised the assets used under the contract within tangible fixed assets. The valuation has been provided by Calderdale Metropolitan Borough Council on transfer of the academy into the Trust.

# South Pennine Academies

## Notes to the Financial Statements for the year ended 31 August 2022 (continued)

### 2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Capital grants	-	830	830	752
Transfers from local authority on conversion	29	-	-	2,926
Donations	-	54	54	359
	<u>-</u>	<u>884</u>	<u>884</u>	<u>4,037</u>
2021 Total	<u>1</u>	<u>4,036</u>	<u>4,037</u>	

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

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	29,969	29,969	26,436
<b>Other DfE/ESFA grants</b>				
UIFSM	-	285	285	308
Pupil Premium	-	2,582	2,582	2,319
Others	-	851	851	1,745
Other DfE Group grants	-	310	310	334
	<u>-</u>	<u>33,997</u>	<u>33,997</u>	<u>31,142</u>
<b>Other Government grants</b>				
Local authority grants	-	2,689	2,689	2,247
Special educational projects	-	86	86	24
	<u>-</u>	<u>2,775</u>	<u>2,775</u>	<u>2,271</u>
Other income from the trust's educational operations	197	11	208	352
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch up Premium	-	-	-	396
Other DfE/ESFA COVID-19 funding	-	-	-	163
Recovery Premium	-	336	336	-
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Other COVID-19 funding	-	218	218	26
	<u>197</u>	<u>37,337</u>	<u>37,534</u>	<u>34,350</u>
2021 Total	<u>350</u>	<u>34,000</u>	<u>34,350</u>	

In 2020/21 the Trust received £585,000 of funding for catch-up premium and other DfE/ ESFA COVID-19 funding and costs incurred in respect of this funding totalled £504,000 , with the remaining £81,000 to be spent in 2021/22. No funding was received in 2021/22.

The Trust did not furlough any staff in 2021/22 or 2020/21.

### 4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Hire of facilities	67	-	67	45
Income from other charitable activities	-	-	-	-
Income from ancillary trading activities	111	-	111	122
	<u>178</u>	<u>-</u>	<u>178</u>	<u>167</u>
2021 Total	<u>167</u>	<u>-</u>	<u>167</u>	

### 5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Short term deposits	1	-	1	4
	<u>1</u>	<u>-</u>	<u>1</u>	<u>4</u>
2021 Total	<u>4</u>	<u>-</u>	<u>4</u>	

**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August 2022**  
**(continued)**

**6 Expenditure**

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2022	2021
	£000	£000	£000	£000	£000
Trust's educational operations:					
Direct costs	23,398	-	2,779	26,177	22,678
Allocated support costs	6,552	4,849	4,111	15,512	13,522
	<b>29,950</b>	<b>4,849</b>	<b>6,890</b>	<b>41,689</b>	<b>36,200</b>
<b>2021 Total</b>	<b>26,297</b>	<b>3,723</b>	<b>6,180</b>	<b>36,200</b>	

Net expenditure for the period includes:

	2022	2021
	£000	£000
Operating lease rentals	281	164
Depreciation	2,650	2,355
Gain / Loss on disposal of fixed assets	-	-
Fees payable to auditor for:		
- audit	21	21
- other services	3	3

Included within expenditure are the following transactions:

	Total £'000	Individual items above £5,000	
		Amount £	Reason
Compensation payments	-	-	N/A
Gifts made by the Trust	-	-	N/A
Fixed asset losses	-	-	N/A
Stock losses	-	-	N/A
Unrecoverable debts	-	-	N/A
Cash losses	-	-	N/A
Ex-gratia payments	-	-	N/A

**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August 2022**  
**(continued)**

**7 Charitable activities**

	<b>Total</b>	<b>Total</b>
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Direct costs – educational operations</b>	26,177	22,678
<b>Support costs – educational operations</b>	15,512	13,522
	<b>41,689</b>	<b>36,200</b>

<b>Analysis of support costs</b>	<b>Educational</b>	<b>Total</b>	<b>Total</b>
	<b>operations</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Support staff costs	6,552	6,552	5,533
Technology costs	299	299	226
Premises costs	2,276	2,276	1,657
Depreciation	2,254	2,254	2,066
Other support costs	4,079	4,079	4,000
Governance costs	52	52	40
<b>Total support costs</b>	<b>15,512</b>	<b>15,512</b>	<b>13,522</b>

**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August**  
**2022 (continued)**

**8 Staff**

**a. Staff costs**

Staff costs during the period were:

	Total 2022 £000	Total 2021 £000
Wages and salaries	20,001	18,232
Social security costs	1,992	1,784
Operating costs of defined benefit pension schemes	6,137	5,256
	<b>28,130</b>	<b>25,272</b>
Agency staff costs	1,758	914
Staff restructuring costs	62	111
	<b>29,950</b>	<b>26,297</b>
Staff restructuring costs comprise:		
Redundancy payments - Compulsory	-	49
Severance payments	62	62
	<b>62</b>	<b>111</b>

**b. Severance payments**

The academy trust paid four severance payments in the year disclosed in the following bands:

0 - £25,000	3
£25,001 - £50,000	1

**c. Special staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1,000 (2021: £10,683). Individually, the 2022 payments were £1,000.

**d. Staff numbers**

The average number of persons employed by the Trust during the period was as follows:

	2022 No.	2021 No.
Teachers	300	291
Administration and support	504	418
Management	16	15
	<b>820</b>	<b>724</b>

**e. Higher paid staff**

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

	2022 No.	2021 No.
£60,001 - £70,000	10	8
£70,001 - £80,000	6	6
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	2	2
£170,001 - £180,000*	-	1
£180,001- £190,000*	1	-

\*Includes salary in lieu of employer pension cost.

Excluding salary in lieu of employer contributions basic pay would fall in the banding £140,001 - £150,000 (2021: £140,001 - £150,000).

**f. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1 and Heads of School. The total amount of employee benefits (including employer pension contributions and employer NI contributions) received by key management personnel for their services to the Trust was £2,096,763 for 19 people (2021: £1,663,783 for 16 people).

## **South Pennine Academies**

### **Notes to the Financial Statements for the year ended 31 August 2022**

#### **(continued)**

#### **9 Related party transactions - Trustees' remuneration and expenses**

One Trustee has been paid remuneration or has received other benefits from an employment with the trust. The CEO only receives remuneration in respect of services she provides undertaking the role of CEO under her contract of employment.

The value of Trustees' remuneration and other benefits was as follows:

J Acklam:

- Remuneration (basic) £145,000 to £150,000 (2021: £140,000 - £145,000)
- Remuneration (in lieu of employer pension contribution) £30,000- £35,000 (2021: £30,000 - £35,000)
- Remuneration (mileage allowance) £725 (2021: £1,450)
- Employer's pension contributions paid £Nil (2021: £Nil)

During the period ended 31 August 2022, travel and subsistence expenses totalling £820 were reimbursed or paid directly to one Trustee (2021: £225 to one Trustee).

#### **10 Trustees' and officers' insurance**

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on 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 membership.



**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August**  
**2022 (continued)**

**11 Tangible fixed assets**

	Freehold land and buildings	Leasehold land and buildings	Furniture and equipment	Computer hardware	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 September 2021	16,888	64,638	1,918	3,838	1	87,283
Additions	624	-	1,322	390	-	2,336
Transfer on conversion	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 August 2022	17,512	64,638	3,240	4,228	1	89,619
<b>Depreciation</b>						
At 1 September 2021	1,688	8,531	1,033	3,186	1	14,439
Charged in year	569	1,270	415	396	-	2,650
Disposals	-	-	-	-	-	-
At 31 August 2022	2,257	9,801	1,448	3,582	1	17,089
<b>Net book values</b>						
At 31 August 2021	15,200	56,107	885	652	-	72,844
At 31 August 2022	15,255	54,836	1,792	646	-	72,530

**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August 2022**  
**(continued)**

	2022	2021
	£000	£000
<b>12 Investments</b>		
Investments in wholly owned subsidiaries	25	25
	<b>25</b>	<b>25</b>

The Trust's shareholding in the wholly owned subsidiary, Moor End Educational Services Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

**13 Debtors**

	2022	2021
	£000	£000
Trade debtors	64	39
Less: potential bad debts	(10)	-
VAT recoverable	157	144
Other debtors	1	4
Prepayments and accrued income	668	895
	<b>880</b>	<b>1,082</b>

**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August 2022**  
**(continued)**

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	727	604
Other taxation and social security	273	288
Loans	1	1
Other creditors	521	355
Accruals and deferred income	1,167	754
	<b>2,689</b>	<b>2,002</b>

<b>Deferred income</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2021	235	205
Released from previous years	(235)	(205)
Resources deferred in the year	356	235
Deferred Income at 31 August 2022	<b>356</b>	<b>235</b>

At the balance sheet date the Trust was holding £356,000 of funds received in advance relating Universal Infant Free School Meals, Grant Funding, Rates Relief and School Trip income received in advance for the financial year 2022/23.

SALIX loans of £9,000 were received in 2019 in respect of the Condition Improvement Fund project at Waterhead Academy. This is repayable over 8 years commencing September 2019. The loan is interest free. The balance outstanding at 31 August 2022 was £6,000 (2021: £7,000)

**15 Creditors : amounts falling due in greater than one year**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Loans	5	6
	<b>5</b>	<b>6</b>

# South Pennine Academies

## Notes to the Financial Statements for the year ended 31 August 2022 (continued)

### 16 Funds

	Balance at 1 September 2021				Balance at 31 August 2022
	£000	Transfers in £000	Income £000	Expenditure £000	Gains losses and transfers £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	-	29,969	(28,078)	(1,891)
UIFSM	-	-	285	(285)	-
Pupil Premium	-	-	2,582	(2,582)	-
Other grants	4,416	-	4,555	(5,208)	-
Pension reserve	(18,943)	-	-	(2,666)	20,329
	(14,527)	-	37,391	(38,819)	2,483
<b>Restricted fixed asset funds</b>					
Transfer on conversion	70,274	-	-	(1,755)	-
DfE/ESFA capital grants	2,544	-	706	(369)	287
Capital expenditure from GAG / donations / other grants	984	-	124	(494)	1,492
Private sector capital sponsorship	142	-	-	(69)	112
	73,944	-	830	(2,687)	1,891
<b>Total restricted funds</b>	<b>59,417</b>	<b>-</b>	<b>38,221</b>	<b>(41,506)</b>	<b>20,329</b>
<b>Total unrestricted funds</b>	<b>2,990</b>	<b>-</b>	<b>376</b>	<b>(183)</b>	<b>-</b>
<b>Total funds</b>	<b>62,407</b>	<b>-</b>	<b>38,597</b>	<b>(41,689)</b>	<b>20,329</b>

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

	Balance at 1 September 2020				Balance at 31 August 2021
	£000	Transfers in £000	Income £000	Expenditure £000	Gains losses and transfers £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	-	26,436	(25,848)	(588)
Pupil Premium	-	-	2,319	(2,319)	-
Other grants	2,744	-	5,281	(3,609)	-
Pension reserve	(14,572)	(655)	-	(1,927)	(1,789)
	(11,828)	(655)	34,036	(33,703)	(2,377)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	68,407	3,580	-	(1,715)	2
DfE capital grants	2,103	-	727	(348)	62
Capital expenditure from GAG	489	-	348	(377)	524
Private sector capital sponsorship	147	-	-	(5)	-
	71,146	3,580	1,075	(2,445)	588
<b>Total restricted funds</b>	<b>59,318</b>	<b>2,925</b>	<b>35,111</b>	<b>(36,148)</b>	<b>(1,789)</b>
<b>Total unrestricted funds</b>	<b>2,520</b>	<b>1</b>	<b>521</b>	<b>(52)</b>	<b>-</b>
<b>Total funds</b>	<b>61,838</b>	<b>2,926</b>	<b>35,632</b>	<b>(36,200)</b>	<b>(1,789)</b>

#### Restricted general funds

These funds have arisen from revenue funding provided by the ESFA and local authority and are all to be used for educational purposes in accordance with the Trust's objects and its funding agreement with the Secretary of State and the terms of the grants themselves where stated. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2022. The restricted Pension Reserve is in deficit to the value of £1,280k (2021: £18,943k). The Trustees will continue to monitor the situation. £1,891k of funding was transferred from GAG to fund fixed asset additions in the year.

#### Restricted fixed asset funds

The fund has arisen from capital funding provided by the government and assets donated by the local authority and other organisations and is to be used for educational purposes in accordance with the Trust's objects and its funding agreement with the Secretary of State.

#### Unrestricted funds

The surplus has arisen from activities for generating funds.

## South Pennine Academies

### Notes to the Financial Statements for the year ended 31 August 2022 (continued)

#### 16 Funds (continued)

##### Analysis of academies by fund balance

	2022	2021
	£000	£000
Moor End Academy	1,573	1,474
Orchard Primary Academy	571	489
Beaumont Primary Academy	744	421
Greenacres Primary Academy	96	86
Waterhead Academy	1,616	1,582
Willowpark / Woodlands Primary Academy	645	577
Park Lane Academy	908	795
Brambles Primary Academy	37	166
Hillside Primary School	289	290
Kirkheaton Primary School	(2)	(27)
Central Services	469	1,553
<b>Total before fixed assets and pension reserve</b>	<b>6,946</b>	<b>7,406</b>
Restricted fixed asset fund	73,978	73,944
Pension reserve	(1,280)	(18,943)
<b>Total</b>	<b>79,644</b>	<b>62,407</b>

Kirkheaton Primary School converted on 1st February 2021 with a fund balance of £1,000 and an underlying deficit position for the seven months to 31 August 2021. The cumulative deficit has been reduced in the year ended 31 August 2022 and a budget has been approved by Trustees for the year ended 31 August 2023 that will return the academy to a cumulative surplus fund position.

	Teaching & educational support staff	Other support staff	Educational supplies	Other costs (excluding depreciation)	Depreciation	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Moor End Academy	4,859	589	142	1,732	482	7,804	7,421
Orchard Primary Academy	1,528	187	70	478	191	2,454	2,252
Beaumont Primary Academy	1,874	271	128	542	212	3,027	2,356
Waterhead Academy	5,231	1,696	467	1,429	645	9,468	8,554
Willowpark / Woodlands Primary Academy	2,219	190	216	683	162	3,470	3,108
Greenacres Primary Academy	900	123	33	287	82	1,425	1,310
Central Services	942	2,869	169	521	164	4,665	3,626
Brambles Primary Academy	717	104	51	255	9	1,136	624
Park Lane Academy	2,299	218	164	876	477	4,034	3,798
Hillside Primary School	1,471	164	78	380	127	2,220	2,009
Kirkheaton Primary School	1,358	141	57	331	99	1,986	1,142
	<b>23,398</b>	<b>6,552</b>	<b>1,575</b>	<b>7,514</b>	<b>2,650</b>	<b>41,689</b>	<b>36,200</b>

**Note:** Included in Other support staff costs for Central Services are the current service cost and net interest cost in respect of the Local Government Pension Schemes detailed in note 25. These costs have been provided by the actuaries on a Trust basis and not split per academy. The actual contribution payments made are included within the individual academy other support staff costs.

**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August 2022**  
**(continued)**

**17 Analysis of Net assets between Funds**

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	25	-	72,530	72,555
Current assets	3,158	6,457	1,448	11,063
Current liabilities	-	(2,689)	-	(2,689)
Creditors > 1yr	-	(5)	-	(5)
Pension scheme liability	-	(1,280)	-	(1,280)
<b>Total net assets</b>	<b>3,183</b>	<b>2,483</b>	<b>73,978</b>	<b>79,644</b>

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	25	-	72,844	72,869
Current assets	2,965	6,424	1,100	10,489
Current liabilities	-	(2,002)	-	(2,002)
Creditors > 1yr	-	(6)	-	(6)
Pension scheme liability	-	(18,943)	-	(18,943)
<b>Total net assets</b>	<b>2,990</b>	<b>(14,527)</b>	<b>73,944</b>	<b>62,407</b>

**18 Capital commitments**

There were £435,182 capital commitments contracted for but not provided for in the financial statements (2021: £383,656).

**19 Commitments under operating leases**

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

	2022 £000	2021 £000
Amounts due within one year	265	119
Amounts due between one and five years	485	130
	<b>750</b>	<b>249</b>

**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August 2022**  
**(continued)**

**20 Reconciliation of net income to net cash flow from operating activities**

	<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)	<b>(3,092)</b>	<b>2,358</b>
Adjusted for:		
Depreciation charges (note 11)	<b>2,650</b>	<b>2,355</b>
Loss on disposal of tangible fixed assets	-	-
Net surplus on transfer from local authority	-	<b>(2,926)</b>
Capital grants from DfE and other capital income	<b>(830)</b>	<b>(752)</b>
Interest receivable (note 5)	<b>(1)</b>	<b>(4)</b>
Defined benefit pension scheme cost less contributions payable (note 25)	<b>2,347</b>	<b>1,674</b>
Defined benefit pension scheme finance cost (note 25)	<b>319</b>	<b>253</b>
(Increase) / decrease in debtors	<b>202</b>	<b>(162)</b>
(Decrease) / Increase in creditors	<b>687</b>	<b>(47)</b>
<b>Net cash provided by operating activities</b>	<b>2,282</b>	<b>2,749</b>

**21 Cash flows from financing activities**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Repayment of borrowing	<b>(1)</b>	<b>(1)</b>
Cash inflows from new borrowing	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>(1)</b>	<b>(1)</b>

**22 Cash flows from investing activities**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Interest from investments	<b>1</b>	<b>4</b>
Proceeds from sale of tangible fixed assets	-	<b>2</b>
Purchase of tangible fixed assets	<b>(2,336)</b>	<b>(1,238)</b>
Capital grants from DfE/ESFA/Local authority	<b>830</b>	<b>752</b>
<b>Net cash used in investing activities</b>	<b>(1,505)</b>	<b>(480)</b>

**23 Analysis cash and cash equivalents**

	<b>At 31 August 2022</b>	<b>At 31 August 2021</b>
	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	<b>10,183</b>	<b>9,407</b>
<b>Total cash and cash equivalents</b>	<b>10,183</b>	<b>9,407</b>

**South Pennine Academies**  
**Notes to the Financial Statements for the year ended 31 August 2022**  
**(continued)**

**24 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.



# **South Pennine Academies**

## **Notes to the Financial Statements for the period ended 31 August 2022**

### **(continued)**

#### **25 Pension and similar obligations**

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Greater Manchester Pension Fund and West Yorkshire Pension Fund. Both are multi-employer defined benefit pension schemes.

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

There were £392,000 of outstanding contributions and are included in creditors at the end of the financial year (2021: 287,000). These related to deductions paid over in September 2022. There were no prepaid contributions.

#### **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' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £2,664,525 (2021: £2,580,736).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

# South Pennine Academies

## Notes to the Financial Statements for the year ended 31 August 2022

### (continued)

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

##### Local Government Pension Scheme ("LGPS")

The LGPS are funded defined benefit pension schemes, with the assets held in separate trustee-administered funds. The Trust currently has academies that are members of both the West Yorkshire Pension Fund ("WYPF") and the Greater Manchester Pension Fund ("GMPF").

The total contribution made for the year ended 31 August 2022 was £1,457,000 (2021: £1,334,000), of which employer's contributions totalled £1,093,000 (2021: £992,000) and employees' contributions totalled £364,000 (2021: £342,000). The total LGPS pension scheme liability at 31 August 2022 was £1,280,000 (2021: £18,943,000) of which £1,280,000 related to the WYPF and £Nil the GMPF (2021: £10,950,000 WYPF and GMPF £7,933,000). Details of the assumptions supporting these calculations and the overall liability are shown below.

The actuary for the GMPF scheme has calculated that there is a £1,877,000 pension scheme asset. In line with FRS102 the trust has not recognised this asset as not a future benefit.

The agreed contribution rates for future years are detailed below.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of transfers into the trust and new employees who were eligible to, and did, join the Scheme. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

##### GMPF contribution rates

The agreed contribution rates for future years are 20.6% per cent for employers and for employees:

##### Up to 31 March 2022

##### From 1 April 2022

Pay bands	Contribution rate	Pay bands	Contribution rate
Up to £14,600	5.50%	Up to £15,000	5.50%
£14,601 - £22,900	5.80%	£15,001 - £23,600	5.80%
£22,901 - £37,200	6.50%	£23,601 - £38,300	6.50%
£37,201 - £47,100	6.80%	£38,301 - £48,500	6.80%
£47,101 - £65,900	8.50%	£48,501 - £67,900	8.50%
£65,901 - £93,400	9.90%	£67,901 - £96,200	9.90%
£93,401 - £110,000	10.50%	£96,201 - £113,400	10.50%
£110,001 - £165,000	11.40%	£113,401 - £170,000	11.40%
£165,001 or more	12.50%	£170,001 or more	12.50%

##### GMPF principal actuarial assumptions

##### At 31 August 2022

##### At 31 August 2021

Rate of increase in salaries	3.80%	3.65%
Rate of increase for pensions in payment/inflation	3.05%	2.90%
Discount rate for scheme liabilities	4.25%	1.65%
Inflation assumption (CPI)	3.05%	2.90%
Commutation of pensions to lump sums	60%	55%

# South Pennine Academies

## Notes to the Financial Statements for the year ended 31 August 2022 (continued)

### 25 Pension and similar obligations (continued)

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	20.3	20.5
Females	23.2	23.3
<i>Retiring in 20 years</i>		
Males	21.6	21.9
Females	25.1	25.3
<b>GMPF sensitivity analysis</b>	<b>At 31 August</b>	<b>At 31 August</b>
<b>(Approximate increase to defined benefit obligation)</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate -0.5%	N/A	N/A
Salary increase Rate +0.5%	N/A	N/A
Pension increase rate +0.5%	N/A	N/A
Real discount rate -0.1%	315	553
1 year increase in member life expectancy	513	883
Salary increase Rate +0.1%	22	37
Pension increase rate+0.1%	295	508

# South Pennine Academies

## Notes to the Financial Statements for the year ended 31 August 2022

### (continued)

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

##### WYPF contribution rates

The agreed contribution rates for future years are 15.3% per cent for employers and for employees:

Up to 31 March 2022		From 1 April 2022	
Pay bands	Contribution rate	Pay bands	Contribution rate
Up to £14,600	5.50%	Up to £15,000	5.50%
£14,601 - £22,900	5.80%	£15,001 - £23,600	5.80%
£22,901 - £37,200	6.50%	£23,601 - £38,300	6.50%
£37,201 - £47,100	6.80%	£38,301 - £48,500	6.80%
£47,101 - £65,900	8.50%	£48,501 - £67,900	8.50%
£65,901 - £93,400	9.90%	£67,901 - £96,200	9.90%
£93,401 - £110,000	10.50%	£96,201 - £113,400	10.50%
£110,001 - £165,000	11.40%	£113,401 - £170,000	11.40%
£165,001 or more	12.50%	£170,001 or more	12.50%

WYPF principal actuarial assumptions	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	3.95%	3.85%
Rate of increase for pensions in payment/inflation	2.70%	2.60%
Discount rate for scheme liabilities	4.10%	1.70%
Inflation assumption (CPI)	2.70%	2.60%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.8	21.9
Females	24.6	24.7
<i>Retiring in 20 years</i>		
Males	22.5	22.6
Females	25.7	25.8

WYPF sensitivity analysis (Approximate change to defined benefit obligation)	At 31 August 2022	At 31 August 2021
	£'000	£'000
Discount rate +0.1%	(393)	(620)
Discount rate -0.1%	407	643
Mortality Assumption- 1 year increase	(407)	(873)
Mortality Assumption- 1 year decrease	407	873
Increase in salaries +0.1%	58	92
Increase in salaries -0.1%	(58)	(92)
Rate of increase for pensions in payment/inflation +0.1%	335	528
Rate of increase for pensions in payment/inflation -0.1%	(335)	(528)

# South Pennine Academies

## Notes to the Financial Statements for the year ended 31 August 2022

### (continued)

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

	Fair value at 31 August 2022 £000	Fair value at 31 August 2021 £000
Equity instruments	20,751	19,632
Bonds	3,479	3,602
Property	1,841	1,442
Cash	1,707	1,250
Other assets	199	168
<b>Total market value of assets</b>	<b>27,977</b>	<b>26,094</b>

The actual return on scheme assets was £720,000 (2021: £4,914,000).

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

	2022 £000	2021 £000
Current service cost	3,426	2,666
Past Service Cost	14	-
Net interest cost	319	253
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
<b>Total operating charge</b>	<b>3,759</b>	<b>2,919</b>

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

	2022 £'000	2021 £'000
<b>At 1 September</b>	<b>45,037</b>	<b>34,436</b>
Upon conversion	-	1,464
Current service cost	3,426	2,666
Past service cost	14	-
Interest cost	766	608
Employee contributions	364	342
Actuarial (gain) / loss due to changes in financial assumptions	(21,239)	6,056
Actuarial (gain) / loss due to changes in demographic assumptions	(233)	115
Actuarial (gain) / loss due to liability experience	1,416	(318)
Benefits paid	(294)	(332)
<b>At 31 August</b>	<b>29,257</b>	<b>45,037</b>

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

	2022 £'000	2021 £'000
<b>At 1 September</b>	<b>26,094</b>	<b>19,864</b>
Upon conversion	-	809
Interest income	447	355
Actuarial gain	273	4,064
Employer contributions	1,093	992
Employee contributions	364	342
Benefits paid	(294)	(332)
<b>At 31 August</b>	<b>27,977</b>	<b>26,094</b>

## **South Pennine Academies**

### **Notes to the Financial Statements for the year ended 31 August 2022 (continued)**

#### **26 Related party transactions**

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the period of account.

##### **Expenditure related party transactions**

Signs Xtra Ltd – a company operated by Mr Hobson, partner of Accounting Officer Ms Acklam:

- Purchases, excluding VAT, totalling £8,540 (2021: £5,988) during the period. There were amounts outstanding of £Nil at 31 August 2022 (2021: £Nil)
- The Trust made the purchase at arms' length following a purchasing procedures in accordance with its financial regulations which Ms Acklam did not participate.
- The element above £2,500 has been provided 'at no more than cost' and Signs Xtra Ltd has provided a statement of assurance confirming this.

In entering into the transactions with Signs Xtra the Trust has complied with the requirements of ESFA's Academy Trust Handbook 2021.

In addition transactions totalling £10,500 (2021: £21,100) with Ethos Academy Trust, where Ms Acklam was also a trustee and is now a member, were made in the year. In accordance with the Charities SORP (appendix 1) this is not a related party transaction as Ms Acklam does not control by herself or with others both entities. However these have been disclosed for transparency purposes. Ms Acklam is also a Trustee at Tapton School Academy Trust, no transactions were made with this Trust.

#### **27 Agency arrangements**

The Trust receives funding from the DfE in respect of Initial Teacher Training Bursaries. These bursaries are held under agency arrangements and paid to the Trainees. They do not form part of the income of expenditure of the Trust. In 2022 we received and paid out £103,000 of funding (2021: £264,000).

## South Pennine Academies

### Notes to the Financial Statements for the year ended 31 August 2022 (continued)

#### 28 Central services

The Trust has provided the following central services to its academies and subsidiary company during the year

- human resources
- payroll services
- operational services
- financial services
- legal services
- educational support services; or
- others as arising

The Trust charges for these services on the following basis:

- flat percentage of GAG income at 5% from January 2017.

The actual amounts charged during the year to the academies and subsidiary company were as follows:

	2022	2021	
	£000	£000	
Beaumont Primary Academy	107	71	
Moor End Academy	316	299	
Greenacres Primary Academy	52	49	
Orchard Primary Academy	83	76	
Waterhead Academy	441	394	
Willowpark Primary Academy / Woodlands Primary Academy	124	114	
Park Lane Academy	151	146	
Brambles Primary Academy	40	28	
Hillside Primary School	81	76	
Kirkheaton Primary School	76	42	From 1st Feb in 2021
	<b>1,471</b>	<b>1,295</b>	

## **South Pennine Academies**

### **Notes to the Financial Statements for the year ended 31 August 2022**

**(continued)**

#### **29 Transfers to the Trust**

##### ***Transfers from a local authority***

In September 2021 Kirklees Council completed the building of the main school building for Brambles Primary Academy a Presumption Free School. Brambles Primary Academy operated under licence in temporary buildings prior to the construction of the new building and the new building from September 2021 whilst further works on the Academy playground and facilities have continued.

As at the year end a formal lease for the premises had not been agreed and signed. The local authority therefore continue to insure the building. After due consideration the trustees do not believe that the risks and rewards of using the building have transferred to the trust. As a result the building has not been capitalised and is not on the Balance Sheet as at the year end. Once the lease and insurance issue have been resolved and the risks and rewards of occupation reside with the trust, it is the trustees intention to bring it onto the balance sheet