

PENK VALLEY ACADEMY TRUST  
(A Company Limited by Guarantee)

Annual Report and Financial Statements for  
the year ended 31 August 2020



**Company Registration Number: 11124272 (England and Wales)**

PENK VALLEY ACADEMY TRUST

Contents  
for the year ended 31 August 2020

	<b>Page</b>
Reference and Administrative Details	1
Trustees' Report	2 to 12
Governance Statement	13 to 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22 to 23
Independent Accountant's Report on Regularity	24
Statement of Financial Activities incorporating Income & Expenditure Account	25
Statement of Financial Position	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 to 45

PENK VALLEY ACADEMY TRUST

Reference and Administrative Details  
for the year ended 31 August 2020

Members	M Roberts C Shaw C Bolivar J Jeffries
Trustees	M Roberts (Chair of Trustees) D Dee P Davenport S Blackburn P Tapp C Noak D Shipman C MacColl P Moon – resigned 12/08/2020
Senior Leadership Team:	
CEO	P Tapp
Headteacher (Wolgarston High School)	J Fairclough
Headteacher (Penkridge Middle School)	N Frost
Interim Principal (The Rural Enterprise Academy)	A Corrigan
Headteacher (Princefield First School)	H Barron
Headteacher (Marshbrook First School)	D Spiers
Headteacher (St Johns (CE) First School)	E Challiner
Headteacher (St Mary & St Chad First School)	S Lamond
Chief Finance Officer	J Ablewhite
Chief Operating Officer	L Metcalfe-Chase
Director of Compliance and Communication	L Smith
Support Services Manager	J Marson
Registered Office	Penk Valley Academy Trust Cannock Road Penkridge Stafford ST19 5RX
Academies Operated	Marshbrook First School Princefield First School St John's CE First School St Mary & St Chad CE First School Penkridge Middle School The Rural Enterprise Academy Wolgarston High School
Company Registration Number	11124272 (England and Wales)
Auditors	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers	Lloyds Bank Plc Queen Square Wolverhampton WV1 1RF
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES

## PENK VALLEY ACADEMY TRUST

### Trustees' Report for the year ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

#### **Structure, Governance and Management**

Penk Valley Academy Trust (herein "PVAT", "the Trust", "the Academy Trust" or "the Multi Academy Trust") was formed on 1 April 2018. The Trust is formed of five original Academies, Wolgarston High School, Penkridge Middle School, Princefield First School, Marshbrook First School and St John's (CE) First School. All of these schools previously belonged to the Penk Valley Federation which was formed in 2016. Two further schools joined the Academy on 1 August 2019; St Mary and St Chad (CE) First School and The Rural Enterprise Academy.

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Penk Valley Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Penk Valley Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### Members' Liability

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

#### Trustees' Indemnities

The Academy Trust provides indemnity insurance to cover the liability of Trustees which by virtue of any rule of law that would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which may be guilty in relation to the Academy Trust.

#### Principal Activities

The Academy Trust's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

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

Members and Trustees are appointed by existing members in accordance with the Trust's Articles of Association. Chairs of each Local Governing Body and all committees are annually elected to their roles at the first committee meeting of the academic year.

New Trustees/Committee Members/Local Governing Body members are recruited because of the range of skills and expertise they can bring to help realise PVAT's vision and values for the Trust. They will also enhance the effective strategic leadership and management of the Trust and effectively represent stakeholder interest within the trust. The tenure of the Trustees is a maximum of four years. A bi-annual skills survey audit is completed to identify any shortfall in the skills matrix and this information will be used to identify training needs and recruit the right skillset when positions become vacant.

As a trust with two church schools, we also have a duty to ensure sufficient diocesan representation at governor and trustee level through the appointment of foundation governors and trustees in accordance with our Church Supplemental Funding Agreements.

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

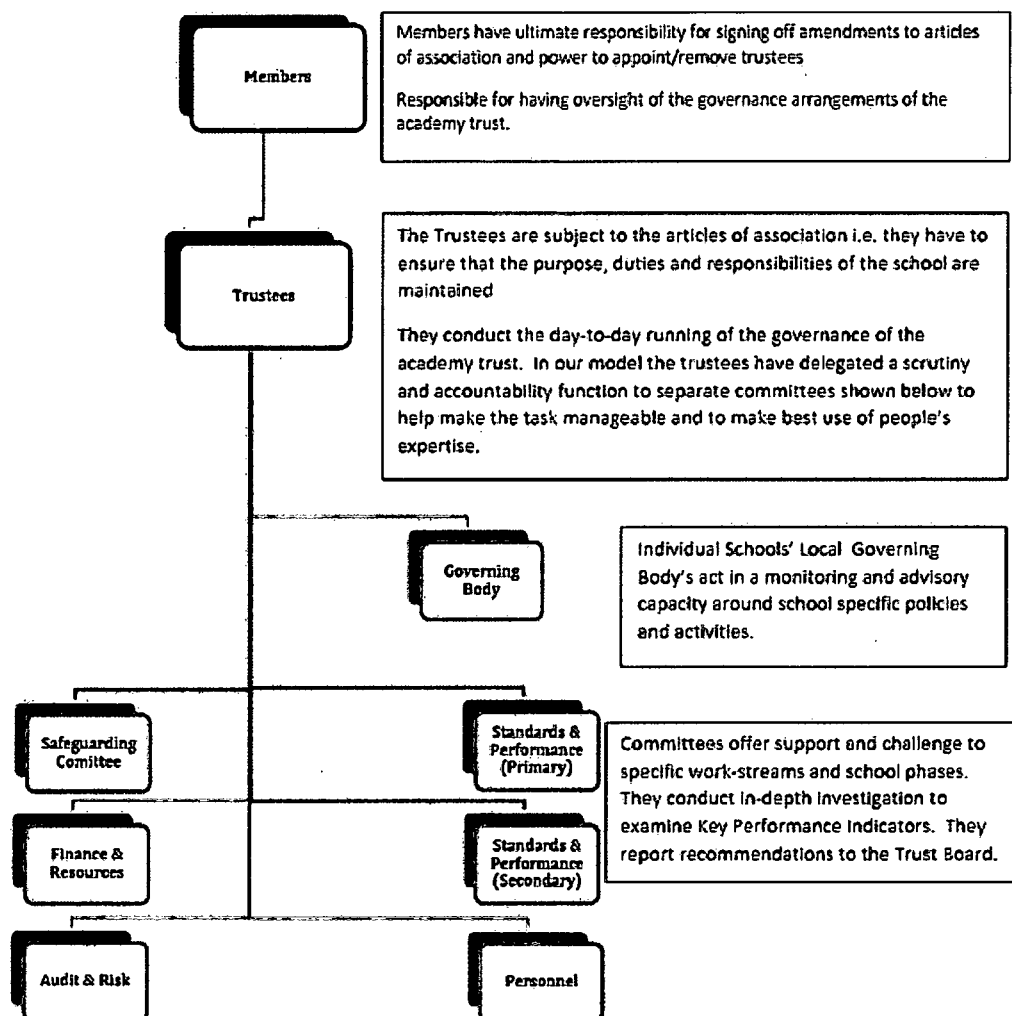
The training and induction provided for each new Trustee will depend on their existing experience. The Trust purchases on line support from "The Key" for all Trustees, committee and Local Governing Body Committees. An annual review of training requirements will be conducted in the Summer Term to ensure that Trustees are briefed on any changes in practice and/or legislation.

## PENK VALLEY ACADEMY TRUST

### Trustees' Report (continued) for the year ended 31 August 2020

#### **Structure, Governance and Management (continued)**

##### Organisational Structure



Trustees of the Board and Key Management Personnel are responsible for setting general policy, adopting a strategic plan and budget, monitoring each academy by the use of budgets and making major decisions about the direction of the Trust and senior staff appointments. They are also bound by duties and responsibilities as set out in charity law and the duties of a Trustee as set out in company law.

The Chief Executive Officer is accountable for the overall financial viability and sustainability of the Trust and for the development of relationships with key internal and external stakeholders for the benefit of its pupils and wider communities. As the Accounting Officer for PVAT, the Chief Executive has personal responsibility for ensuring value for money, regularity and propriety.

Each school Local Governing Body has been established to support individual schools or group of schools with the day to day scrutiny of the school(s) along with a number of other related responsibilities included within the Scheme of Delegation.

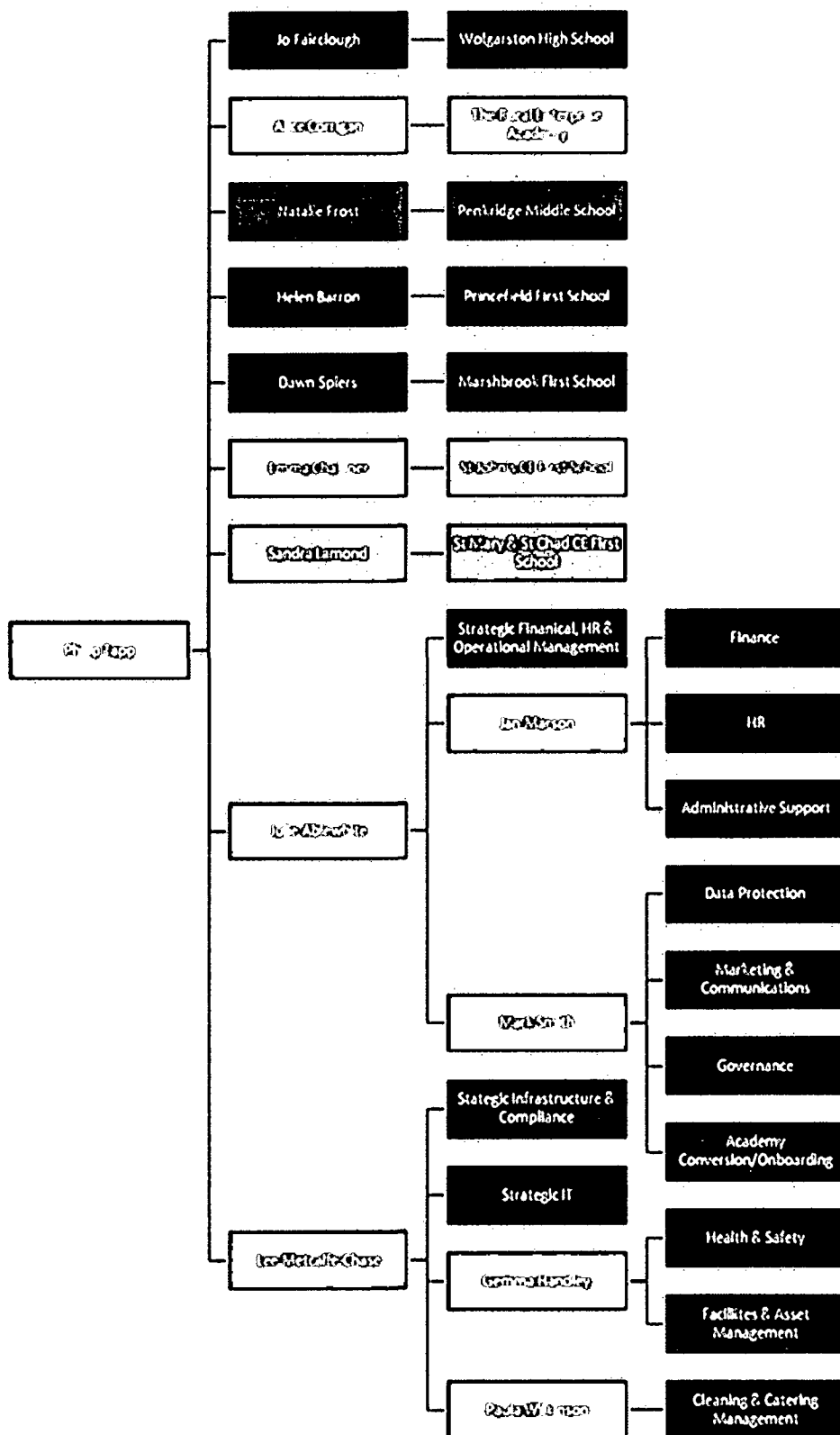
The CEO meets with Senior Leadership Team at least fortnightly as a group, and individually throughout the year and in order to drive PVAT strategy. As a group the Senior Leadership Team are responsible for ensuring that each individual schools adopts the PVAT ethos including Visible Learning, that they support the overall school improvement process within the Trust, that common goals are implemented and that they mitigate risk including financial implications.

# PENK VALLEY ACADEMY TRUST

Trustees' Report (continued)  
for the year ended 31 August 2020

## Structure, Governance and Management (continued)

### Penk Valley Academy Trust – Senior Leadership Team



## PENK VALLEY ACADEMY TRUST

### Trustees' Report (continued) for the year ended 31 August 2020

#### **Structure, Governance and Management (continued)**

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

The rules for determining the pay and remuneration of PVAT key management personnel are set out in the Trust Pay Policy which follows closely the stipulations embodied in the School Teachers Pay and Conditions (STPCD) and Green Book documents. The Trustees have established pay ranges for each individual school within the MAT based on the total unit score calculation and remuneration does not exceed the maximum permissible within each school group size.

The remuneration of the CEO/CFO/COO are discussed, reviewed annually and set by the MAT Board. The Trustees have established pay ranges for each individual post, and Benchmarks and parameters or other criteria have been used to set pay. The Pay policy clearly indicates the CEO, CFO and COO remuneration.

##### Related parties and other connected charities and organisations

Penk Valley Academy Trust is currently working with Endeavour Trust and Codsall High Federation to establish SERA (Staffordshire Education and Research Alliance) - a teacher training alliance, which is now providing Initial Teacher Training with a university provider, training for TAs, NQTs and education research.

Penk Valley Academy Trust is working with South Staffordshire Schools and Staffordshire County Council in establishing a SEND transformation hub. The Penkridge hub includes all our trust schools.

##### Trade union facility time

###### **Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full time equivalent employee number	0.8

###### **Percentage of time spent of facility time**

	<b>No of employees</b>
0%	1
1% - 50%	-
51% - 99%	-
100%	-

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

Total cost of facility time	£79
Total pay bill	£8,659k
Percentage of total pay bill spent on facility time	0.000009%

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

The success of Penk Valley Academy Trust and its ability to fulfil its goals and ambitions depends significantly on the positivity and commitment of the workforce.

- Communication is key and employees are kept informed of performance and strategy via regular staff, departmental and management meetings; Senior Leadership within each School have a close working relationship with the Trust Leadership Team and operate an 'open-door' policy
- Whole staff well-being and engagement surveys are undertaken with results reported back to Leadership and Trustees
- Penk Valley Academy Trust has a Health and Safety Committee that ensures compliance regarding employee safety and well-being
- Regular correspondence is issued from the HR and Payroll department to all staff regarding remuneration
- Penk Valley Academy Trust operates an Employee Assistance Programme (EAP) to which employees can self-refer
- All staff have an annual performance and development review meeting with their line manager where targets are set in conjunction with the goals and ambitions of the Trust/School
- Penk Valley Academy Trust operates an Equal Opportunity and Safer Recruitment Policy
- New staff members go through an induction process where all relevant policies and procedures are disseminated; staff are aware of who to ask for assistance
- It is anticipated that a staff intranet site will be launched over the next 12 months where information and data will be easily accessible to all employees

## **Objectives and Activities**

### **a) Objectives and Aims**

The principal object and activity of the charitable company is the operation of Penk Valley Academy Trust to advance education in the UK for the public benefit.

Our Trust Board are focused on raising standards from 2-19 years to ensure that our children have the best possible start in life and enhanced future life chances.

We share a commitment to:

- Be part of a high performing local education system
- Provide sustainable, affordable local education during the current financial constraints place on the public sector
- Continually invest in developing and retaining high-quality staff

All of our schools share the same mission: to inspire learning. To achieve this our strategy is to invest in our people, invest in a designed offer and invest in quality.

Our schools follow the same set of underlying principles:

- Expert teaching
- Visible learning
- Challenge
- Exemplary behaviour
- Every child belongs
- An Engaging Curriculum
- Expert Governance

### **b) Public Benefit**

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via strong community links.

## **Strategic Report**

### **a) Achievements and Performance**

#### **Achievements & performance in the year**

All schools in the trust are currently rated Good by Ofsted. Wolgarston High School, Princefield First School and St John's First School are all likely to be inspected this academic year, if Ofsted inspections recommence in January 2021.

GCSE, A Level and BTEC results were all impacted by the Covid-19 outbreak, and the government decision to cancel the examinations. Wolgarston and TREA both implemented thorough and rigorous processes to ensure that the centre assessment grades awarded to students were fair. In both schools results were in line with our expectations for these cohorts of students. Only two complaints were received from parents challenging the process and in both cases their complaints were not upheld.

Whilst the SATs were also cancelled, our internal monitoring processes showed that Penkridge Middle School was on course for an improvement this year. SATs were also cancelled in the First Schools.

During the first lock down, in addition to providing access to school for key worker and vulnerable children, schools also provided remote learning. Moodle was utilised as their VLE by Wolgarston and Penkridge Middle School, whilst TREA used Google Classroom. Microsoft Teams was used by the trust to enable trust, local governing committee and inter-school meetings to take place. Trust Board and Committee meetings have all taken place throughout the pandemic.

Expertise in providing quality remote learning has developed rapidly and all schools are now ready to provide immediate work when bubbles have to close. By the end of October 2020 just three First School bubbles had been forced to close. An HSE inspection of Princefield was positive about our PVAT Covid-19 risk assessment, which is reviewed by all seven schools on a weekly basis.



## PENK VALLEY ACADEMY TRUST

### Trustees' Report (continued) for the year ended 31 August 2020

#### **Achievements & performance in the year (continued)**

Staff recruitment was conducted via teams and all vacancies were filled successfully.

Teachers have had to learn to work differently. With the restrictions on marking and movement around the classroom since September, teachers have been developing ways to give and receive feedback, always ensuring that the inferences about children's learning they are making are valid.

#### **b) Key Performance Indicators**

It is the responsibility of the Members and Trustees to have the skills, knowledge and experience to run a Multi Academy Trust. Their duties include ensuring that the trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook.

#### Governance KPIs

1. All schools to have a full complement for their School Governing Body, with an appropriate set of skills and experiences to undertake defined responsibilities.
2. All members and trustees fully understand their duties as laid out in the Companies Act 2006 and Charity Commission guidance as exemplified in a skills audit.

#### Finance KPIs

1. Ensure economy, efficiency and effectiveness over the use of Trust funds (value for money).
2. Assurance received that annual financial accounts have been properly prepared and are free of material misstatements.
3. Accounts are filed with Companies House for public access by 31 December each year and on the Trust website by 31 January.
4. All statutory returns submitted on time.
5. Sources of funding are pursued for capital projects
6. % leadership costs within schools are kept below 18%

#### Human Resources KPIs

1. Pupil teacher ratios are favourable compared to national levels
2. Continued professional development opportunities are made available to all staff
3. All teaching and classroom support staff will be trained in visible learning
4. 100% performance management penetration for all eligible staff across all MAT schools

#### School Standards KPIs

1. All MAT schools retain or improve their current Ofsted inspection rating
2. Parent, staff and student survey data illustrates satisfaction
3. Schools can demonstrate the adding of value to children of all ages, abilities and backgrounds
4. All schools fully compliant with health and safety, safeguarding, data and other statutory requirements

#### **c) Covid-19**

Schools and the trust itself have been adept at responding to the continual challenges created by the Covid outbreak.

#### Staffing

A key challenge has been managing the impact of staff having to self-isolate. All schools have plans in place and have conducted scenarios to ensure that swift and effective action is taken to manage the impact of the absences, and to keep the schools open for children. There will be an impact on school supply budgets, but at this stage it is expected that the additional staffing costs will be manageable.

Training for staff has been affected, although a combination of online and carefully managed 'in person' training has been taking place, ensuring, for example, that there are sufficient first aiders and that teachers new to the profession receive on-going training and support.

Preparing pupils for the summer exams remains a priority due to the work missed during the first lock down and the on-going disruption created by the pandemic.

#### Pupils

All pupils have continued to receive a broad and balanced curriculum. To date, the bubble system has worked, and there has been no transmission between bubbles. Transport continues to operate for those who require it. A number of activities have continued but in a heavily modified form – such as harvest celebrations and Remembrance Day events. School trips and visits have been put on hold for the foreseeable future.

## PENK VALLEY ACADEMY TRUST

### Trustees' Report (continued) for the year ended 31 August 2020

Safeguarding has been a key priority through the pandemic, with pupils having spent a significant amount of time at home. All schools routinely checked on the welfare of every child in their school at least fortnightly, with more vulnerable children checked more frequently. There have been a very small number of cases where a pupil's mental health has been affected by the uncertainty created by the pandemic, leading to absence. Schools are actively managing this.

All schools have baselined the pupils to identify any gaps in learning due to the pandemic and are putting in place actions to close any identified gaps. Catch up funding is being planned and the national tutoring programme accessed.

#### Parents

Keeping parents informed has been a priority. All schools have communicated regularly with their parents throughout the pandemic and have conducted parent surveys. All major parent events such as open days and open evenings have moved online or are being conducted by phone. Where parents need to visit the school, such as to enable an anxious prospective pupil to see their new school, this is done by appointment and with appropriate measures in place.

#### Governance

All trust and local governing committee meetings have taken place on Teams since March 2020. Recruitment of new governors and trustees has been able to continue, using Teams. This has impacted on the ability of governors to get into the schools and talk to staff and children. We will be welcoming governors back into school as soon as it is safe to do so.

Trust finances have been monitored throughout the pandemic, with the full trust board meetings and monthly finance review meetings with the Chair of Trustees continuing to take place.

#### Other considerations

We are monitoring the ongoing impact of the outbreak on our income streams, such as nursery education, before and after school clubs, transport and catering receipts etc. At present, numbers do not suggest that further action beyond our current plans is required at this point.

Just prior to the pandemic, the trust had been planning to significantly improve its environmental performance. Aspects of this (such as reducing plastics and encouraging greater use of public transport) have been deferred until it is safe to do so.

Growth relating to encouraging additional schools to join the trust is currently on hold. This will be able to restart once the pandemic is over. However, there is no financial imperative to grow and therefore there is no detrimental impact due to the delay.

The virus has had no significant impact on our wider networks. For example, we continue to develop the SEND hub and support the Initial Teacher Training work of SERA and other local providers.

#### Moving forward

Moving out of the Covid world will bring its own challenges but also many opportunities. Some of the actions taken during the pandemic can be retained and developed further. Examples include the development of online learning and the staggering of breaks and lunchtimes. Some areas of pedagogy have also developed well (e.g., giving and receiving feedback), and this can continue.

However, there is no doubt that the reduced social contact has had a detrimental effect, and we will seek to enable staff, pupils, parents and governors to have increased face to face contact as soon as it is safe to do so.

## PENK VALLEY ACADEMY TRUST

### Trustees' Report (continued) for the year ended 31 August 2020

#### **Going Concern**

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

#### **Funds in deficit**

Overall, the trust remained in deficit at 31 August 2020 but having reported a surplus on general funds for the year, the deficit carried forward was reduced to just £38,000 from an opening cumulative deficit of £111,000 (see financial review below).

The budget for 2020-21 indicates an overall return to cumulative surplus for the Trust by 31 August 2021, with the following plans in place for individual schools starting the next financial year in deficit (see note 19 to the financial statements for full details of fund balances by school).

##### **St John's (CE) First School**

- Deficit on conversion of £43,036, school revenue balances now stand at £6K deficit.
- The school has a DFC balance of £0.
- Outstanding loan liabilities amount to £20K. Loan repayments included in future years' budgets, all outstanding loans will be repaid by 2022.
- Cost saving implications are being considered for this school by Finance and Resources Committee to support future financial sustainability.

##### **St Mary & St Chad (CE) First School**

- Deficit on conversion of £27,520 (not including pension deficit), now stands at £22K.
- The school has a DFC balance of £2K.
- Outstanding loan liabilities amount to £9K. Loan repayments included in future years' budgets, all outstanding loans will be repaid by 2023.
- Cost saving implications are being considered for this school by Finance and Resources Committee to support future financial sustainability.

##### **Wolgarston High School**

- Deficit on conversion of £432,635 now stands at £385K deficit.
- The school has a DFC balance of £13K.
- In line with accounting practice, £100K has now been removed from this budget to a separate fund relating to 3G.
- Outstanding loan liabilities amount to £212K. Loan repayments included in future years' budgets, all outstanding loans will be repaid by 2023.
- Budget is now financially sustainable due to growth in pupil numbers.

Wolgarston High School moved £105k in total during 2019/20, but £100K has now been allocated to the separate fund relating to the 3G pitch which is the sinking fund for pitch refurbishment, in conjunction with South Staffs District Council.

St Mary & St Chad 2019 fund balance includes the pension liability, this has now been categorised within the pension fund.

## PENK VALLEY ACADEMY TRUST

### Trustees' Report (continued) for the year ended 31 August 2020

#### **Financial Review**

Most of the Trust's income is obtained from the Education, Skills and Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Total expenditure during the financial year 2019/20 was £11,989,000 and was funded by a combination of revenue grants, capital grants, and self-generated income.

In accordance with the Academies Accounts Direction, the Trust's income and expenditure is reported in the Statement of Financial Activities in three separate fund categories – the unrestricted funds (general revenue funds); the restricted general funds (including the pension deficit funds); and the fixed asset fund.

#### General funds (revenue funds)

Setting aside the pension fund and the fixed asset fund, the underlying operational position on the Trust's general revenue funds was a surplus of £73,000 for the year.

At the start of the year, the opening position on the accumulated general funds was a deficit of £111,000, represented by a surplus on unrestricted funds of £163,000 outweighed by deficit on restricted funds of £274,000.

After reporting a surplus for the year of £73,000, the Trust carries forward a reduced cumulative deficit of £38,000 into 2020-21.

The Trust has effectively supported a deficit on restricted income funds by utilising all of its unrestricted income funds. Further details are shown within the notes to the accounts.

#### Pension deficit fund

The pension deficit reserve relates to the non-teaching staff pension scheme, where, unlike the teachers scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to the scheme benefits.

The movement on the pension deficit valuation for the year, as notified by the scheme actuary, was a further increase in the deficit of £1,107,000, from £4,063,000 at the beginning of the year to £5,170,000 at the end of the year. The movement in the year is principally due to actuarial losses of some £671,000. Further details are shown in the notes to the accounts.

Whilst the pension deficit valuation is required to be included in the Trust's Balance Sheet by accounting standards, it is largely a technical requirement involving a number of assumptions and estimates that are applied by the scheme actuary and which can, and often do, significantly impact the accounting valuation from one year to the next. It is rather the funding of, and the cash flow impact of, the employer contributions due which is of prime consideration to the Trust, and the Trustees continue to review the contributions due based on the reports received from the scheme's actuary ensuring cash is available to meet the contributions as they fall due.

#### Fixed assets fund

Capital grant of £129,000 was received from the DfE group for the year, and a shortfall of £10,000 on the capital grant obtained versus the capital expenditure incurred, was met by a transfer from General Annual Grant. Also during the year, capital funds held amounting to £100,000, which relate to future works to be carried out on the '3G' sports pitch at Wolgarston High School, were transferred to the fixed asset fund.

After charging depreciation for the year of £456,000, the fixed asset fund balance reduced overall by £217,000 from £24,922,000 at the beginning of the year to £24,705,000 at the end of the year.

The Trust's fixed assets, comprising principally the value of the land and buildings transferred to the Trust at the time of its academies either converting or joining from other trusts, were used exclusively for providing education and associated support services to the students of the academy schools within the Trust.

## PENK VALLEY ACADEMY TRUST

### Trustees' Report (continued) for the year ended 31 August 2020

#### **Financial Review (continued)**

##### Reserves Policy

At 31 August 2020, the Trust's level of free reserves (total funds less the amount held in fixed assets and restricted funds) was a deficit of £38,000.

The Trust is developing its reserves policy alongside the budgeted return to cumulative surplus.

The appropriate level of reserves will be determined by the Audit & Risk Committee and will be subject to annual approval by the Trust Board. The Trust aims to maintain an adequate level of uncommitted reserves to:

- Provide a working balance to cushion the impact of uneven cash flows and avoid unnecessary short term borrowing;
- Provide a contingency to cushion the impact of unexpected events, emergencies and in year budget deficits;
- Plan for potential major items of expenditure.

The Academy Trust will regularly monitor and review the levels of reserves in light of the changing funding and financial climate and other risks such as the potential cash impact on its pension scheme liability.

##### Investment Policy

The Academy Trust does not currently have an investment policy. Should a decision be taken to consider a strategy requiring investment, this would be enshrined in policy.

#### **Principal Risks and Uncertainties**

A risk register is maintained at Trust level which is reviewed at least termly by all Trustees but more frequently where necessary. The risk register identified the key risks, and the likelihood of these risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Trust. Not all factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust and its academies.

- Strategic & Reputational
- Operational Risk
- Compliance Risk
- Financial Risk

In March 2020 a Risk Assessment relating to Covid was produced and updated weekly by the Senior Leadership Team in order to ensure consistent and appropriate measures were in place to support students and staff being in work.

The Academy has considerable reliance on continued government funding through the EFSA. Since April 2018 the majority of the Academy's revenue was ultimately public funded. There can be no assurance gained that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the Trust is rigorous in delivering high quality education.
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFSA.
- By ensuring that the Trust delivers good value in the use of public resources.

##### Financial and risk management objectives and policies

Penk Valley Academy Trust has adopted the statement of recommended practice (SORP) approach to identifying and managing the risks of the Trust. The trust's exposure to risk is largely bank balances, trade creditors and debtors plus its inherited Local Government Defined Benefits pension scheme deficit for support staff across the Trust. The Academy Trust assesses the risks arising from its operations and examines the likelihood and materiality of each risk. The Trust has operation and strategic risk register which describe the control measures in place to manage or mitigate each risk. The Trust addresses the risk of misappropriation of funds through theft, fraud or other means by engaging positively with accountancy and internal and external auditing services and verification processes and using industry standard, bespoke financial packages and systems designed to mitigate risk.

**PENK VALLEY ACADEMY TRUST**

**Trustees' Report (continued)**  
**for the year ended 31 August 2020**

**Principal Risks and Uncertainties (continued)**

The MAT strategic risk register is reviewed at all MAT Board Meetings and mitigating actions agreed as required and all changes documented.

The financial statement report and the share of the pension scheme deficit on the Academy's balance sheet is in line with the requirements of FRS 102.

From September 2019, the risk register has been scrutinised by the Local Governing Body of each school.

**Fundraising**

No fundraising was undertaken in the year for the benefit of the Academy Trust.

**Plans for Future Periods**

The Academy Trust aims to improve levels of performance of its pupils at all levels and will continue to ensure that they secure employment or a place in Higher Education once they leave school.

**Key Priorities identified in our PVAT Plan 2018-2021**

1. Continue to invest in the long-term professional development of our teachers, using the Visible Learning framework, to ensure that all are or are becoming experts in teaching, learning and assessment
2. Develop a rich, relevant and engaging curriculum which inspires, informs and challenges all our learners and appropriately prepares them for the future
3. Promote and instil the positive behaviours required for successful learning using the Paul Dix approach
4. Develop leadership capacity at all levels through high quality training and mentoring
5. Ensure that pupil outcomes are commensurate with a high performing school system
6. Grow the Trust both in terms of pupil enrolments and schools requesting to become part of the PVAT team
7. Ensure the Trust is financially secure and sustainable for the long term
8. Establish PVAT as an employer of choice

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

Wolgarston High School has an agreement with South Staffordshire District Council to maintain the 3G pitch. Funds held are carried within the fixed asset fund and as at 31 August 2020 were £100,000.

**Auditor**

In so far as the Trustees are aware:

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

The auditors, Haines Watts Birmingham LLP, were appointed for the year ended 31 August 2020 and, having indicated their willingness to continue in office and, being eligible, will be proposed for reappointment at the forthcoming AGM.

Approved by order of the members of the Board of trustees on 23 November 2020 and signed on its behalf by:



M Roberts  
**Chair of Trustees**

## PENK VALLEY ACADEMY TRUST

### Governance Statement for the year ended 31 August 2020

#### **Scope of Responsibility**

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

The Board of Trustees has delegated the day to day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Penk Valley Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met three times during the period.

Attendance at Penk Valley Academy Trust Board and are listed below for the period 1 September 2019 – 31 August 2020

#### **List of Trustees and the Full Trust Board Meetings they have attended:**

	<b>Role</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mark Roberts	Trustee/Chair	3	3
Simon Blackburn	Trustee	3	3
David Dee	Trustee	3	3
Peter Davenport	Trustee	3	3
Philip Tapp	Trustee	3	3
Michael Poulson	Trustee	1	3
Phil Moon	Foundation Trustee	3	3
Clive Noak	Trustee	3	3
Vacancy	Trustee	0	0

The Board is presented with papers either direct from the committees or from the CEO.

The **Standards and Performance Committee** is a sub-committee of the main Board of Trustees. Two committees run with this remit in order to scrutinise Primary and Secondary data. The performance of each school is analysed and priorities and actions determined depending upon what the data shows. This committee reports direct to the Trust Board with recommendations.

**PENK VALLEY ACADEMY TRUST**

**Governance Statement (continued)**  
**for the year ended 31 August 2020**

Attendance at the meetings for the period 1st September 2019 – 31st August 2020 is as follows:

**Primary standards**

	<b>Role</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Blackburn	Trustee/Chair	2	2
S Griffin	Committee Member	2	2
S Mason	Committee Member	1	2
D Wynn-Jones	Committee Member	1	2
C Griffiths	Committee Member	1	2
P Tapp	Trustee	2	2
M Roberts	Trustee	1	2
K Maycock	Committee Member	2	2
P Davenport	Trustee	1	2
M Poulson	Trustee	1	2

**Secondary standards**

	<b>Role</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Poulson	Trustee	0	2
S Blackburn	Trustee/Chair	2	3
J Groom	Committee Member	3	3
M Roberts	Trustee	3	3
P Tapp	Trustee	3	3
K Maycock	Committee Member	1	1

The **Audit & Risk Committee** is a sub-committee of the main Board of Trustees. Two committees ran with this remit in order to scrutinise First School and Middle & High Finances and risks until 31 December 2019. The performance of each school is analysed and priorities and actions determined depending upon what the data shows. This committee reports direct to the Trust Board with recommendations.

Attendance at the meeting for the period 1 September 2019 – 31 December 2019 is as follows:

**First Schools:**

	<b>Role</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
D Dee	Trustee/Chair	1	1
P Davenport	Trustee	1	1
P Moon	Trustee	0	1
S Mason	Committee Member	1	1
P Tapp	Trustee	1	1
I Wood	Committee Member	1	1
S Griffin	Committee Member	1	1
W Ashleford	Committee Member	1	1
J Groom	Committee Member	1	1



PENK VALLEY ACADEMY TRUST

Governance Statement (continued)  
for the year ended 31 August 2020

**Middle, High and PVAT:**

	<b>Role</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
P Davenport	Trustee/Chair	1	1
P Tapp	Trustee	1	1
M Roberts	Trustee	1	1
D Tuck	Committee Member	0	1
J Groom	Committee Member	1	1
N Woodward	Committee Member	0	1
L Hill	Committee Member	1	1

The **Audit & Risk Committee** continued from 1st January 2020 with a new Terms of Reference.

Attendance during the period 1st January 2020 – 31st August 2020 was as follows:

	<b>Role</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
D Dee	Trustee/Chair	2	2
P Tapp	Trustee	2	2
M Roberts	Trustee	2	2
D Tuck	Committee Member	1	2
M Poulsom (left)	Trustee	0	1
L Hill	Committee Member	1	2
C Noak	Trustee	2	2
N Woodward	Committee Member	1	2

A **Finance and Resources committee** was established from the 1st January 2020.

Attendance during the period 1st January 2020 – 31st August 2020 was as follows:

	<b>Role</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
P Davenport	Trustee/Chair	2	2
D Dee	Trustee	2	2
P Tapp	Trustee	2	2
M Roberts	Trustee	2	2
P Moon	Trustee	1	2
J Groom	Committee Member	1	2
S Mason	Committee Member	2	2
I Wood	Committee Member	1	2

# PENK VALLEY ACADEMY TRUST

## Governance Statement (continued) for the year ended 31 August 2020

The **Personnel Committee** is a sub-committee of the main board of trustees. The remit of this committee is to deal with personnel issues including consider pay progression recommendations for the teaching staff, setting Executive staff pay, dealing with disciplinary issues etc. This committee reports direct to the Trust Board with recommendations.

Attendance at the meeting for the period 1st September 2019 – 31st August 2020 is as follows:

	Role	Meetings attended	Out of a possible
P Davenport	Trustee/Chair	3	3
M Roberts	Trustee	2	3
D Dee	Trustee	3	3
P Tapp	Trustee	3	3
C Noak	Trustee	1	1

The **Safeguarding Committee** is a sub-committee of the main board of trustees. The remit of this committee is to ensure that the Trust develops and creates a cohesive ethos which supports Safeguarding and KCSIE. This committee reports direct to the Trust Board with recommendations.

Attendance at the meeting for the period 1st September 2019 – 31st August 2020 is as follows:

	Role	Meetings attended	Out of a possible
C Noak	Trustee/Chair	3	3
M Roberts	Trustee	3	3
P Tapp	Trustee	3	3
M Poulson (left)	Trustee	1	2
W Ashelford	Committee Member	1	1
H Bayliss	Committee Member	2	3
D Wynn-Jones	Committee Member	1	3

### Committee Members

	Appointment Date	Sept 19 – Dec 19	Jan 20 – Aug 20
J Groom	22/12/2017	2	3,6
D Wynn-Jones	22/12/2017	3	5
S Mason	22/12/2017	2,3	6
S Griffin	22/12/2017	2,3	3
D Tuck	22/12/2017	2	2
H Bayliss	22/12/2017	5	5
W Ashelford	22/12/2017	2	5
C Griffiths	15/07/2019	3	3
L Hill	30/01/2019	2	2
K Maycock	01/08/2019	3	3
I Wood	01/08/2019	6	6
N Woodward	01/08/2019	2	2

#### Key to Committees

- 1 Trustee Board
- 2 Audit & Risk
- 3 Standards & Performance
- 4 Personnel
- 5 Safeguarding
- 6 Finance & Audit

## PENK VALLEY ACADEMY TRUST

### Governance Statement (continued) for the year ended 31 August 2020

#### **Value for Money**

As Accounting Officer, the CEO 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 the 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:

- A full review of all Service Level Agreements (SLA's) purchased and reduced the value of external SLA's.
- A full review of Attend EDC support contract to ensure it meets the needs of all schools individual requirements.
- Negotiated with South Staffordshire College regarding The Rural Enterprise Academy SLA's and made some significant savings.
- A review of e-security arrangements.
- Sharing training events (and costs) to support the delivery of Visible Learning across the Trust.

#### **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 risk to achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and manage them efficiently and economically. The system of internal control has been in place for Penk Valley Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

An internal review was conducted by Mazars LLP in October 2019 and in May 2020 and their reports have been presented to the Audit & Risk Committee in October 2019 and May 2020. The Chair of Trustees and Chair of Audit & Risk also conducted a half day financial inspection on 16 September 2019.

#### **Capacity to Handle Risks**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of the 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 segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports being reviewed by the board of trustees
- Regular reviews by the Audit & Risk Committees 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
- A risk register is presented at the Audit & Risk Committee meetings, with discussion being held on any area where the grading has reduced. From September 2019, individual school risk registers will go to the local governing body for each school.

**PENK VALLEY ACADEMY TRUST**

**Governance Statement (continued)**  
**for the year ended 31 August 2020**

**The Risk and Control Framework (continued)**

The board of trustees have considered the need for a specific internal audit function and appointed Mazars LLP to deliver specific internal audit inspections.

An internal programme of work was agreed Audit & Risk Committees on 29 January 2020.

<b>Area of review</b>	<b>October 2019 and March 2020</b>
Review of Salary Journals	Yes
Review of Journals	Yes
Review of bank reconciliation	Yes
Review of Debtors and debt collection	Yes
Review of creditor payments to ensure appropriate procurement regulations followed (3 quotes etc.)	Yes
Review of Related Party Payments	Yes
Review that recommendations of audit reports are implemented	Yes
Review of expense claim payments to staff	Yes
Review of Procurement cards authorisation and associated spend	Yes
FMGS review	Yes
Review of Petty Cash Procedures	Yes

On a semi-annual basis, the internal auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period are highlighted in the table above. A report will go to the Audit & Risk Committee three times a year, on the operation of the systems of control on the discharge of the board of trustees' financial responsibilities.

An action plan has been presented to the Audit & Risk Committees in September 2019 detailing management response, timescale and who is responsible for completing the tasks.

PENK VALLEY ACADEMY TRUST

Governance Statement (continued)  
for the year ended 31 August 2020

**Review of Effectiveness**

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control.

During the period in question the review has been informed by:

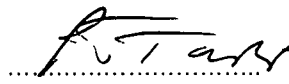
- Mazars LLP Audit October 2019 & Audit Management Letter – (update presented at Audit & Risk 13 May 2020 Appendix 2)
- Mazars LLP Audit May 2020 – (Presented at Audit & Risk 13 May 2020 Appendix 3)
- FMGS review - 11 February 2020 (Presented at Finance & Resources 24 Feb 2020)
- Internal Audit Review – Mazars LLP 17/18 July 2019 (report to go to Audit & Risk September/October 2019 and Board of Trustees November 2019)
- Self-evaluation of financial process review – School Resource Management Self-Assessment Checklist (Presented Audit & Risk Committees May & June, completed 16 September 2019). This was presented to Audit & Risk Committees in September and October 2019.
- SMRA update - (Appendix 10 Finance and Resources 24 Feb 2020)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Standards and Performance Committee and the Audit and Risk Committees and a plan to address weaknesses highlighted in any report has been produced this ensures continuous improvement of the system is in place.

Approved by order of the members of the Board of trustees on 23 November 2020 and signed on its behalf by:



M Roberts  
Chair of Trustees



P Tapp  
Accounting Officer

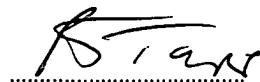
PENK VALLEY ACADEMY TRUST

Statement on Regularity, Propriety and Compliance  
for the year ended 31 August 2020

As Accounting Officer of Penk Valley Academy Trust 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 Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.



P Tapp  
Accounting Officer

PENK VALLEY ACADEMY TRUST

Statement of Trustees Responsibilities  
for the year ended 31 August 2020

The trustees (who act as governors of Penk Valley Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 to 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 the ESFA/DfE have been applied for the purposes intended.

Approved by order of the board of trustees on 23 November 2020 and signed on its behalf by:



M Roberts  
Chair of Trustees

Report of the Independent Auditors to the Members of  
Penk Valley Academy Trust

**Opinion**

We have audited the financial statements of Penk Valley Academy Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the Trust's activities, funders, suppliers and the wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Trustees' Report and in the notes to the financial statements.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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



Report of the Independent Auditors to the Members of  
Penk Valley Academy Trust

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

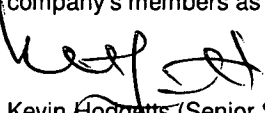
**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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.

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 Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Hodgetts (Senior Statutory Auditor)  
for and on behalf of Haines Watts Birmingham LLP  
5-6 Greenfield Crescent  
Edgbaston  
Birmingham  
B15 3BE

17 December 2020

Independent Reporting Accountant's Assurance Report on Regularity to  
Penk Valley Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Penk Valley Academy Trust during the period 1 September 2019 to 31 August 2020 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 Penk Valley Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Penk Valley Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Penk Valley Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Penk Valley Academy Trust accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Penk Valley Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2018 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the 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.

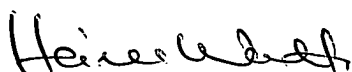
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the charitable company's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- A review of governance procedures;
- A review of financial budgeting and monitoring procedures;
- A review of related/ connected party transactions in accordance with internal processes and the Academies Financial Handbook;
- A review and sample testing of internal financial controls; and
- A review and sample testing of procurement procedures.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts Birmingham LLP  
5-6 Greenfield Crescent  
Edgbaston  
Birmingham  
B15 3BE

17 December 2020

**PENK VALLEY ACADEMY TRUST**

**Statement of Financial Activities**  
**For the year ended 31 August 2020**

		Unrestricted	Restricted	Restricted	Total	Total funds
	Note	funds	funds	fixed asset	funds	2018/19
		£'000	£'000	funds	£'000	£'000
<b>Income and endowments from</b>						
Donations and capital grants	2	(10)	-	129	119	11,450
<b>Charitable activities</b>						
Funding for the academy trust's educational operations	3	341	10,065	-	10,406	7,983
<b>Other trading activities</b>	4	883	-	-	883	563
<b>Investment income</b>		1	-	-	1	-
<b>Total income</b>		<u>1,215</u>	<u>10,065</u>	<u>129</u>	<u>11,409</u>	<u>19,996</u>
<b>Expenditure on</b>						
Raising funds	5	470	-	-	470	-
<b>Charitable activities</b>						
Academy trust educational operations	5	366	10,697	456	11,519	8,979
<b>Other expenditure</b>						
<b>Total expenditure</b>		<u>836</u>	<u>10,697</u>	<u>456</u>	<u>11,989</u>	<u>8,979</u>
<b>Net income/(expenditure)</b>		<u>379</u>	<u>(632)</u>	<u>(327)</u>	<u>(580)</u>	<u>11,017</u>
Transfers between funds		(542)	432	110	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes		-	(671)	-	(671)	(1,224)
<b>Net movement in funds</b>		<u>(163)</u>	<u>(871)</u>	<u>(217)</u>	<u>(1,251)</u>	<u>9,793</u>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<u>163</u>	<u>(4,337)</u>	<u>24,922</u>	<u>20,748</u>	<u>10,955</u>
<b>Total funds carried forward</b>		<u>-</u>	<u>(5,208)</u>	<u>24,705</u>	<u>19,497</u>	<u>20,748</u>

*The notes form part of these financial statements.*

**PENK VALLEY ACADEMY TRUST**

**Balance Sheet**  
**For the year ended 31 August 2020**

		2020	2019
	Note	£'000	£'000
<b>Fixed assets</b>			
Tangible fixed assets	12	24,481	24,485
<b>Current assets</b>			
Debtors	13	239	559
Cash at bank		904	830
		<u>1,143</u>	<u>1,389</u>
<b>Creditors</b>			
Amounts falling due within one year	14	(819)	(756)
		<u>324</u>	<u>633</u>
<b>New current assets</b>			
		<u>324</u>	<u>633</u>
<b>Total assets less current liabilities</b>		<b>24,805</b>	<b>25,118</b>
Creditors: amounts falling due after more than one year	15	(138)	(307)
		<u>24,667</u>	<u>24,811</u>
<b>Net assets excluding pensional liability</b>		<b>24,667</b>	<b>24,811</b>
<b>Pension liability</b>	20	(5,170)	(4,063)
		<u>19,497</u>	<u>20,748</u>
<b>Total Net assets</b>		<b>19,497</b>	<b>20,748</b>
<b>Funds</b>			
Unrestricted funds:			
General fund	19	-	163
Restricted funds:			
General restricted funds	19	(38)	(274)
Restricted fixed asset funds	19	24,705	24,922
Pension reserve	19	(5,170)	(4,063)
		<u>19,497</u>	<u>20,748</u>
<b>Total funds carried forward</b>		<b>19,497</b>	<b>20,748</b>

The financial statements were approved by the Board of Trustees on 23 November 2020 and were signed on its behalf:



**M Roberts**  
**Chair of Trustees**

Company Registration Number - 1124272

*The notes form part of these financial statements.*

**PENK VALLEY ACADEMY TRUST**

**Statement of Cash Flows**  
**For the year ended 31 August 2020**

		2020	2019
	Note	£'000	£'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	567	217
		<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>		<b>567</b>	<b>217</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(453)	(471)
Capital grants from DfE/ESFA		129	866
		<hr/>	<hr/>
<b>Net cash provided by (used in) investing activities</b>		<b>(324)</b>	<b>395</b>
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(169)	(138)
		<hr/>	<hr/>
<b>Net cash provided by (used in) financing activities</b>		<b>(169)</b>	<b>(138)</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>74</b>	<b>474</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>830</b>	<b>356</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>	23	<b>904</b>	<b>830</b>
		<hr/>	<hr/>

*The notes form part of these financial statements.*

## **PENK VALLEY ACADEMY TRUST**

### **Notes to the Financial Statements** **For the year ended 31 August 2020**

#### **1 Accounting policies**

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

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Going concern**

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

##### **Income**

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Grants**

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

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

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

##### **Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

##### **Other income**

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

##### **Donated goods, facilities and services**

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

##### **Expenditure**

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

##### **Raising funds**

Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

##### **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**1 Accounting policies**

**Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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 lives, as follows:

Long leasehold buildings	- 2% straight line method
Long leasehold land	- 2% straight line method
Furniture and equipment	- 25% straight line method
Computer equipment	- 33% straight line method

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 academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Provisions**

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

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

**Leased Assets**

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

**Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Fund accounting**

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

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

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

**Taxation**

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

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**1 Accounting policies**

**Pension benefits**

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

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

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

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

**Critical accounting judgements and key sources of estimation uncertainty**

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

**Critical accounting estimates and assumptions**

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

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 20, will impact upon the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2 Donations and capital grants**

	Unrestricted	Restricted	2020	2019
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Donations and contributions from other organisations	1	-	1	62
Transfer from local authority on conversion	(11)	-	(11)	1,036
Transfer of existing academy	-	-	-	9,485
Capital grants	-	129	129	867
	<u>(10)</u>	<u>129</u>	<u>119</u>	<u>11,450</u>



**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements  
For the year ended 31 August 2020**

**3 Funding for the academy's educational operations**

			2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
<b>DfE/ ESFA grants</b>				
General annual grant	-	8,613	8,613	6,737
Other DfE/ESFA grants	-	385	385	634
<b>Other Government</b>				
Local authority grants	-	824	824	160
Nursery funding	341	-	341	246
Other income	-	32	32	206
<b>Exceptional government funding</b>				
Coronavirus exceptional support	-	135	135	-
Coronavirus Job Retention Scheme Grant	-	76	76	-
	<b>341</b>	<b>10,065</b>	<b>10,406</b>	<b>7,983</b>

The academy trust has been eligible to claim additional funding in year from government support scheme in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £135k of premises related, additional cleaning and free school meal costs. These costs are included in notes 5 and 6 as appropriate

- The Trust furloughed some of its Catering, Mini-Bus route drivers and Extended School Support staff under the government's CJRS. The funding received of £76k relates to staff costs in respect of 30 staff (on average between April and August 2020) which are included within note 8.

**4 Income from trading activities**

			2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Hire of facilities	7	-	7	9
Catering income	195	-	195	266
Other income	268	-	268	102
Departmental activities	17	-	17	20
Parental contribution to Nursery/ B&A school clubs	396	-	396	166
	<b>883</b>	<b>-</b>	<b>883</b>	<b>563</b>

**5 Expenditure**

				2020	2019
	Staff costs	Premises	Other costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
<b>Raising funds</b>					
Direct costs	206	-	264	470	-
Allocated support costs	-	-	-	-	-
<b>Academy's educational operations:</b>					
Direct costs	7,654	-	1,326	8,980	6,766
Allocated support costs	1,391	551	597	2,539	2,213
	<b>9,251</b>	<b>551</b>	<b>2,187</b>	<b>11,989</b>	<b>8,979</b>

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**5 Expenditure - continued**

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£'000	£'000
Auditors' remuneration	15	20
Auditors' remuneration for non audit work	7	11
Depreciation - owned assets	456	207
Operating lease rentals	42	33
	<u>          </u>	<u>          </u>

Included within expenditure are the following transactions:

	Total £
Unrecoverable debts	245

**6 Charitable activities - academy's educational operations**

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£'000	£'000	£'000	£'000
Direct costs	366	8,614	8,980	6,766
Support costs	-	2,539	2,539	2,213
	<u>366</u>	<u>11,153</u>	<u>11,519</u>	<u>8,979</u>

	2020	2019
	£'000	£'000
<b>Analysis of support costs</b>		
Support staff costs	1,391	935
Depreciation	65	207
Technology costs	126	177
Staff development	31	24
Telephone and broadband	37	47
Premises costs	239	115
Cleaning	29	42
Rent & rates	53	88
Energy costs	192	168
Insurance	38	37
Security and transport	63	55
Catering	-	172
Other support costs	60	33
Auditors remuneration	33	17
Legal and professional fees	182	96
	<u>2,539</u>	<u>2,213</u>

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**7 Trustees' remuneration and benefits**

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2020	2019
		£'000	£'000
P Tapp (CEO/ Accounting Officer)	Remuneration	75-80	90-95
	Employer's pension	15-20	50-55

During the year ended 31 August 2020 no Trustee expenses have been incurred (2019: £Nil)

**8 Staff costs**

	2020	2019
	£'000	£'000
Wages and salaries	6,508	5,255
Social security costs	648	456
Operating costs of defined benefit pension schemes	1,923	1,133
	<b>9,079</b>	<b>6,844</b>
Agency staff costs	167	122
Staff restructuring costs	5	-
	<b>9,251</b>	<b>6,966</b>
Staff restructuring costs comprise:		
Redundancy payments	5	-
	<b>5</b>	<b>-</b>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2020	2019	2019
	Average	FTE	Average	FTE
Teachers	109	90	95	83
Admin	265	98	259	80
Management	21	20	16	16
	<b>395</b>	<b>208</b>	<b>370</b>	<b>179</b>

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

	2020	2019
	No.	No.
£60-001 - £70,000	4	4
£70-001 - £80,000	2	-
£80-001 - £90,000	-	1

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2020 pension contributions for this employee amounted to £98,049 (2019: £57,124).

**Key management personnel**

The key management personnel of the Trust is the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £872,662 (2019: £600,546). This has increased due to an additional Headteacher and Chief Operating Officer being employed from September 2019 and the two Schools joining in August 2019 now having a full 12 months' salary included for their Headteachers.

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**9 Trustees' and officers' insurance**

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

**10 Comparatives for the statement of financial activities 31 August 2019**

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000
<b>Income and endowments from</b>				
Donations and capital grants	46	(274)	11,678	11,450
<b>Charitable activities</b>				
Funding for the academy trust's educational operations	283	7,700	-	7,983
<b>Other trading activities</b>	563	-	-	563
<b>Total income</b>	<u>892</u>	<u>7,426</u>	<u>11,678</u>	<u>19,996</u>
<b>Expenditure on</b>				
Raising funds	-	-	-	-
<b>Charitable activities</b>				
Academy trust educational operations	402	8,370	207	8,979
<b>Other expenditure</b>				
<b>Total expenditure</b>	<u>402</u>	<u>8,370</u>	<u>207</u>	<u>8,979</u>
<b>Net income/(expenditure)</b>	490	(944)	11,471	11,017
Transfers between funds	-	-	-	-
<b>Other recognised gains (losses)/ gains:</b>				
Actuarial (losses) / gains on defined benefit pension schemes	-	(1,224)	-	(1,224)
<b>Net movement in funds</b>	490	(2,168)	11,471	9,793
<b>Reconciliation of funds</b>				
<b>Total funds brought forward</b>	(327)	(2,169)	13,451	10,955
<b>Total funds carried forward</b>	<u>163</u>	<u>(4,337)</u>	<u>24,922</u>	<u>20,748</u>

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**11 Central services**

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

- \* PVAT Strategy leadership and policy setting
- \* Performance management of headteachers
- \* School Improvement
- \* Strategic Financial Management and Financial Returns
- \* Human Resources
- \* Premises/ Facilities Strategic Management
- \* Asset Registers
- \* CIF Funding applications
- \* Premises compliance duty scheduling
- \* Health & Safety support and policy development
- \* Strategic IT Development
- \* Management of cleaning and catering services
- \* Grounds management
- \* Marketing
- \* Academy Conversion Project Management

The trust charges for these services on a flat 5% (2019: 5%) of total income.

The actual amounts charged during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	<b>£'000</b>	<b>£'000</b>
Wolgarston High School	209	160
Penkridge Middle School	117	91
Marshbrook First School	44	34
Princefield First School	57	44
St John's First School	22	18
The Rural Enterprise Academy	52	5
St Mary & St Chad First School	44	3
	<hr/>	<hr/>
	<b>545</b>	<b>355</b>
	<hr/>	<hr/>

**12 Tangible fixed assets**

	<b>Long term</b>	<b>Assets</b>	<b>Furniture</b>	<b>Computer</b>	<b>Total</b>
	<b>leasehold</b>	<b>under</b>	<b>and</b>	<b>equipment</b>	<b></b>
	<b>£'000</b>	<b>construction</b>	<b>equipment</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>					
At the 1 September 2020	24,126	443	124	79	24,772
Additions	445	8	-	-	453
Transfer	443	(443)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	25,014	8	124	79	25,225
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At the 1 September 2020	248	-	9	31	288
Charge for the year	400	-	31	25	456
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	648	-	40	56	744
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NBV</b>					
At 31 August 2020	24,366	8	84	23	24,481
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	23,878	443	115	48	24,484
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**13 Debtors**

	2020	2019
	Total	Total
	funds	funds
	£'000	£'000
Trade debtors	7	14
Prepayments and accrued income	173	361
VAT recoverable	59	184
	<u>239</u>	<u>559</u>

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

	2020	2019
	Total	Total
	funds	funds
	£'000	£'000
Trade creditors	106	143
Salix loan	13	13
Other taxation and social security	136	128
Other creditors	368	343
Accruals and deferred income	196	129
	<u>819</u>	<u>756</u>

	2020	2019
	£'000	£'000
Deferred income		
At 1 September	84	19
Resources deferred	126	84
Amounts released from previous periods	(84)	(19)
	<u>126</u>	<u>84</u>

At the balance sheet date the academy trust was holding funds of £126,000 received in advance for insurance claims, pupil premium and advance payments for our 2020-2021 bus service.

**15 Creditors: falling due after more than one year**

	2020	2019
	Total	Total
	funds	funds
	£'000	£'000
Salix loan	26	40
Other creditors	112	267
	<u>138</u>	<u>307</u>

Included within creditors is a Salix loan of £40,000 from the Education and Skills Funding Agency which is provided on the following terms:

Loan duration (years):	8
First repayment date:	01/10/2015
Last repayment date:	01/04/2023
Interest rate (p.a.):	0%
Annual loan repayment:	£13,209
Total loan repayment:	£105,670

Also included within other creditors are local authority loans relating to the deficit and loans which were transferred on conversion into the academy trust.

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**16 Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	Total	Total
	funds	funds
	£'000	£'000
Within one year	18	24
Between one and five years	37	10
	<hr/>	<hr/>
	55	34
	<hr/>	<hr/>

**17 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.

**18 Analysis of net assets between funds**

	Unrestricted	Restricted	Restricted	Total
	fund	fund	fixed assets	funds
	£'000	£'000	£'000	£'000
Fixed assets	-	-	24,481	24,481
Current assets	128	752	263	1,143
Current liabilities	(16)	(790)	(13)	(819)
Non-current liabilities	(112)	-	(26)	(138)
Pension liability	-	(5,170)	-	(5,170)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	(5,208)	24,705	19,497
	<hr/>	<hr/>	<hr/>	<hr/>

	Unrestricted	Restricted	Restricted	Total
	fund	fund	fixed assets	funds
	£'000	£'000	£'000	£'000
Fixed assets	-	-	24,485	24,485
Current assets	617	282	490	1,389
Current liabilities	(187)	(556)	(13)	(756)
Non-current liabilities	(267)	-	(40)	(307)
Pension liability	-	(4,063)	-	(4,063)
	<hr/>	<hr/>	<hr/>	<hr/>
	163	(4,337)	24,922	20,748
	<hr/>	<hr/>	<hr/>	<hr/>

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**19 Movement in funds**

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and Transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(349)	8,613	(8,834)	532	(38)
Pupil premium	-	291	(291)	-	-
Other DfE group grants	-	94	(94)	-	-
Other restricted income	-	831	(831)	-	-
3G Pitch	75	25	-	(100)	-
Coronavirus exceptional costs grant	-	135	(135)	-	-
Coronavirus JRS grant	-	76	(76)	-	-
	<u>(274)</u>	<u>10,065</u>	<u>(10,261)</u>	<u>432</u>	<u>(38)</u>
<b>Restricted pension fund</b>	<u>(4,063)</u>	<u>-</u>	<u>(436)</u>	<u>(671)</u>	<u>(5,170)</u>
	<u>(4,337)</u>	<u>10,065</u>	<u>(10,697)</u>	<u>(239)</u>	<u>(5,208)</u>
<b>Restricted fixed asset funds</b>					
Fixed asset fund	24,922	129	(456)	110	24,705
	<u>24,922</u>	<u>129</u>	<u>(456)</u>	<u>110</u>	<u>24,705</u>
<b>Total restricted funds</b>	<u>20,585</u>	<u>10,194</u>	<u>(11,153)</u>	<u>(129)</u>	<u>19,497</u>
<b>Unrestricted funds</b>	<u>163</u>	<u>1,215</u>	<u>(836)</u>	<u>(542)</u>	<u>-</u>
<b>Total funds</b>	<u>20,748</u>	<u>11,409</u>	<u>(11,989)</u>	<u>(671)</u>	<u>19,497</u>

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

General Annual Grant (GAG): must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.

Other Restricted General Funds: include payments made towards Academy trips.

The Pension Fund: is the (deficit)/ surplus in the Local Government Pension Scheme.

Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation. It also includes the monies from the 3G Pitch Fund which have been set aside to support the replacement of 3G carpet and is funded by South Staffordshire District Council.

Unrestricted Funds: are all those income and expenses for general use in the Academy.

The academy trust is carrying a net deficit of £38,000 on restricted general funds (excluding pension reserve). In year surplus has reduced this deficit from £111,000 at the start of the year and the academy trust expects to return to cumulative surplus in 2020-21.



**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**19. Movement in funds - continued**

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and Transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	33	6,290	(6,672)	-	(349)
Other DfE group grants	-	113	(113)	-	-
Other restricted	-	777	(777)	-	-
Pupil premium	-	256	(256)	-	-
PE Sports grant	-	69	(69)	-	-
AEN Funding	-	184	(184)	-	-
Sixth form bursary	-	11	(11)	-	-
3G Pitch	27	48	-	-	75
	60	7,748	(8,082)	-	(274)
<b>Restricted pension fund</b>	(2,229)	(322)	(288)	(1,224)	(4,063)
	(2,169)	7,426	(8,370)	(1,224)	(4,337)
<b>Restricted fixed asset funds</b>					
Fixed asset fund	13,451	11,678	(207)	-	24,922
	13,451	11,678	(207)	-	24,922
<b>Total restricted funds</b>	11,282	19,104	(8,577)	(1,224)	20,585
<b>Unrestricted funds</b>	(327)	892	(402)	-	163
<b>Total funds</b>	10,955	19,996	(8,979)	(1,224)	20,748

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**19 Movement in funds - continued**

**Analysis by Fund balance**

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£'000	£'000
Wolgarston High School	(385)	(390)
Marshbrook First School	126	101
Penkridge Middle School	59	107
Princefield First School	30	10
St John's First School	(6)	(29)
The Rural Enterprise Academy	153	(59)
St Mary & St Chad First School	(22)	(215)
MAT central services	7	364
	<hr/>	<hr/>
Total before fixed assets and pension reserve	(38)	(111)
Restricted fixed asset fund	24,705	24,922
Pension reserve	(5,170)	(4,063)
	<hr/>	<hr/>
<b>Total</b>	<b>19,497</b>	<b>20,748</b>
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The Trust is taking the following action to return those academies in deficit to a surplus:

**St John's (CE) First School**

- Deficit on conversion of £43,036, school revenue balances now stand at £6K deficit.
- The school has a DFC balance of £0.
- Outstanding loan liabilities amount to £20K. Loan repayments included in future years' budgets, all outstanding loans will be repaid by 2022.
- Cost saving implications are being considered for this school by Finance and Resources Committee to support future financial sustainability.

**St Mary & St Chad (CE) First School**

- Deficit on conversion of £27,520 (not including pension deficit), now stands at £22K.
- The school has a DFC balance of £2K.
- Outstanding loan liabilities amount to £9K. Loan repayments included in future years' budgets, all outstanding loans will be repaid by 2023.
- Cost saving implications are being considered for this school by Finance and Resources Committee to support future financial sustainability.

**Wolgarston High School**

- Deficit on conversion of £432,635 now stands at £385K deficit.
- The school has a DFC balance of £13K.
- In line with accounting practice, £100K has now been removed from this budget to a separate fund relating to 3G.
- Outstanding loan liabilities amount to £212K. Loan repayments included in future years' budgets, all outstanding loans will be repaid by 2023.
- Budget is now financially sustainable due to growth in pupil numbers.

Wolgarston High School moved £105k in total during 2019/20, but £100K has now been allocated to the separate fund relating to the 3G pitch which is the sinking fund for pitch refurbishment, in conjunction with South Staffs District Council.

St Mary & St Chad 2019 fund balance includes the pension liability, this has now been categorised within the pension fund.

**Analysis of academies by cost**

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	Total
	£'000	£'000	£'000	£'000	£'000
Wolgarston High School	2,632	425	220	598	3,875
Marshbrook First School	609	93	122	93	917
Penkridge Middle School	1,667	232	107	310	2,316
Princefield First School	755	191	42	106	1,094
St John's First School	303	48	14	41	406
Central services	755	186	20	139	1,100
The Rural Enterprise Academy	633	69	3	255	960
St Mary & St Chad First School	610	90	19	146	865
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,964	1,334	547	1,688	11,533
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**20 Pension and similar obligations**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire County Council. 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.

Contributions amounting to £168,369 were payable to the schemes at 31 August 2020 (2019: £131,906) and are included within creditors.

**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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation are:

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

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

The pension costs paid to TPS in the period amounted to £1,033,000 (2019: £717,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £591,000 (2019: £455,000), of which employer's contributions totalled £476,000 (2019: £365,000), and employees' contributions totalled £115,000 (2019: £90,000). The agreed contribution rates for future years are 24.2% for employers and a range of 5.5% to 9.9% for employees.

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

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**20 Pension and similar obligations - continued**

The amounts recognised in the Balance Sheet are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Present value of obligations</b>	<b>(9,063)</b>	<b>(7,320)</b>
<b>Fair value of plan assets</b>	<b>3,893</b>	<b>3,257</b>
	<b>(5,170)</b>	<b>(4,063)</b>

The amounts recognised in the statement of financial activities are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Current service costs	831	582
Net interest from net defined benefit asset/liability	81	71
	<b>912</b>	<b>653</b>
Actual return on plan assets	<b>156</b>	<b>101</b>

Changes in the present value of the defined benefit obligation are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation - brought forward	7,320	4,318
Conversion of academy trusts	-	543
Transferred in on existing academies joining the trust	-	337
Current service cost	831	582
Contributions by scheme participants	115	90
Interest cost	148	137
Actuarial losses(gains)	680	1,313
Benefits paid	(31)	-
	<b>9,063</b>	<b>7,320</b>

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**20 Pension and similar obligations - continued**

Changes in the fair value of the Academy's share of scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets - brought forward	3,257	2,089
Conversion of academy trusts	-	343
Transferred in on existing academies joining the trust	-	215
Interest income	67	66
Actuarial gains	9	89
Employer contributions	476	365
Employee contributions	115	90
Benefits paid	(31)	-
	<b>3,893</b>	<b>3,257</b>

The amounts recognised in other recognised gains and losses are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial (losses)/ gains	(671)	(1,224)
	<b>(671)</b>	<b>(1,224)</b>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
Equities	68%	68%
Government bonds	20%	22%
Property	8%	8%
Cash/liquidity	4%	2%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2020</b>	<b>2019</b>
Discount rate	1.7%	1.3%
Future salary increases	2.6%	2.7%
Future pension increases (CPI)	2.2%	2.3%

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

	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
<b>Retiring today</b>		
Males	21.2	21.1
Females	23.6	23.5
<b>Retiring in 20 years</b>		
Males	22.1	22.2
Females	25.0	24.8

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**20 Pension and similar obligations - continued**

**Sensitivity analysis as at 31 August 2020**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as follows:

	2020	2019
	£'000	£'000
Discount rate +0.5%	1,234	1,118
Salary increase rate +0.5%	86	182
Pension increase rate +0.5%	1,130	913

**21 Related party disclosures**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

H Wright, a child of D Dee, a trustee, is employed by the academy trust as a teacher. H Wright is paid within normal pay scales for her role and received no special treatment as a result of her relationship with a trustee.

There were no other related party transactions for the year ended 31 August 2020 other than certain Trustees' remuneration and expenses already disclosed in note 7.

**22 Capital commitments**

	2020	2019
	£'000	£'000
Contracted for, but not provided in the financial statements	661	-

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

	2020	2019
	£'000	£'000
<b>Net income for the reporting period (as per the Statement of Financial Activities):</b>	<b>(580)</b>	<b>11,017</b>
<b>Adjustments for:</b>		
Depreciation charge	456	207
Capital grants from DfE/ESFA	(129)	(866)
Donated assets from new schools	-	(10,812)
Decrease/(increase) in debtors	320	(345)
Increase/(decrease) in creditors	64	406
Defined pension scheme obligation inherited	-	322
Defined benefit pension scheme cost less contributions payable	355	217
Defined benefit pension scheme finance cost	81	71
<b>Net cash (used in)/provided by operations</b>	<b>567</b>	<b>217</b>

**PENK VALLEY ACADEMY TRUST**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**24 Analysis of changes in net funds**

	At 1/19/19	Cash flow	Non cash	At 31/8/20
	£'000	£'000	changes	£'000
			£'000	
Cash and cash equivalents	356	74	-	430
	<hr/>	<hr/>	<hr/>	<hr/>
	356	74	-	430
Loans falling due within one year	199	-	-	199
Loans falling due after more than one year	307	-	(169)	138
	<hr/>	<hr/>	<hr/>	<hr/>
	862	74	(169)	767
	<hr/>	<hr/>	<hr/>	<hr/>

**25 Events after the end of the reporting period**

At the time of approval of these financial statements, the COVID-19 viral pandemic is one of the most significant economic events for the UK and globally. The pandemic was officially announced as being present in the UK during January 2020. Under UK GAAP, the consequences of a condition present at the balance sheet date are considered to be an adjusting post balance sheet event and therefore potentially have implications for the year-end balance sheet.

Having reviewed the operating conditions in the post balance sheet period, and in particular having considered the balance sheet carrying values of fixed assets and the recoverability of debtors, the Trustees are satisfied there are currently no indications of any material impairment.

Further details on the Trustees' assessment of the impact of COVID-19 during the year, in the period since the year end, and on the future development and performance of the Academy Trust, is detailed in the Trustees' Report.