

Company registration number 08263591 (England and Wales)

Pendle Education Trust
(A company limited by guarantee)

Annual report and accounts
For the year ended 31 August 2024

Pendle Education Trust

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Pendle Education Trust

Reference and administrative details

Members

Mr D Rothwell
Mr R Pheasey
Ms G Marsh
Ms L O'Loughlin
Ms D Corcoran

Trustees

Mr R Pheasey (Chair)
Mr O Brown
Mrs A Chambers
Mrs E Davison
Mr J Devereux (appointed 5 November 2024)
Mr S Dixon (appointed 19 September 2023)
Mrs R England (appointed 5 November 2024)
Mr D Franklin
Mr D Langton
Mrs S Mills (resigned 9 January 2024)
Mrs Y Naheed (resigned 9 January 2024)
Mrs L O'Loughlin (resigned 5 November 2024)
Mrs F Swann (appointed 5 November 2024)
Mr D Whatley

Senior management team

- Chief Executive	A Ghidotti
- Chief Financial Officer	L Wood
- Director of Education	L Blomley
- Executive Principal - Primary	S Thompson
- Director of Teaching, Learning and Professional Development	A Hundsdorfer
- Clerk	V Townsend

Company registration number 08263591 (England and Wales)

Principal and registered office Nelson and Colne College, Scotland Road, Nelson, BB9 7YT

Academies operated

Colne Primet Academy
Pendle Primary Academy
Castercliff Primary Academy
West Craven High School
Casterton Primary Academy

Location

Colne, BB8 8JF
Nelson, BB9 5AW
Nelson, BB9 8JJ
Barnoldswick, BB18 5TB
Burnley, BB10 2PZ

Principal

J Pilkington
S Thompson
M Sherwin
J Bates
P Whaling

Independent auditor

DJH Audit Limited, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

Bankers

Lloyds Bank Plc, Manchester Road, Burnley, BB1 1HT

Solicitors

Slater Gordon (UK) LLP, 58 Moseley Street, Manchester, M2 3HZ

Pendle Education Trust

Trustees' report

For the year ended 31 August 2024

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Throughout the year the Trust operated three primary and two secondary academies in the Pendle area. Its academies have a combined pupil capacity of 1,120 primary places and 1,785 secondary places and had a roll of 1,108 primary pupils and 1,473 secondary pupils in the school census in October 2024.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Trust was incorporated on 22 October 2012 and commenced trading on 1 January 2013. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as Pendle Education Trust.

The trustees of Pendle Education Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every director or other officer of the Trust shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

The academy 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 academy trust business, and provides cover up to £10,000,000.

Method of recruitment and appointment or election of trustees

Of the five members, only two sit as directors on the board; these are the chair of the trust and the chief executive/principal of the sponsor. Post year end the chief executive/principal of the sponsor has resigned from the board but remains a member. Any vacancies for directors are recruited to the board by the members, actively seeking required personnel on a skills assessment basis. The Trust undertakes a yearly skills audit to ensure an appropriate mix of skills on the board.

Policies and procedures adopted for the induction and training of trustees

All directors and governors have access to a full training programme including mandatory training. Training is available through an external provider and also through an online portal to ensure accessibility for all and is evaluated regularly. An annual skills audit is completed to identify future training needs.

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

Organisational structure

As a charity and company limited by guarantee, Pendle Education Trust is governed by a board of directors who are responsible for, and oversee, the management and administration of the company and the academies run by the company. Financial management of the academies within the Trust is undertaken by the board of directors with oversight of teaching and learning scrutinised by a Quality and Standards Committee. The number of directors has been determined as not less than three, but not subject to any maximum, unless determined by ordinary resolution.

The current constitution of the board is determined as follows:

- Senior Leader of Nelson and Colne College (representing the college as the Trust's sponsor)
- Up to eight directors nominated by Nelson and Colne College and appointed under Article 50.
- Up to three academy directors and appointed under Article 51 or 52.
- Any parent directors (if appointed under Articles 53-56 of the governing document)
- Any additional directors (if appointed under Articles 61 or 61A)
- Any further directors (if appointed under Article 62)
- Up to three co-opted directors (if appointed under Article 58).

Directors serve a term of office of four years.

The board of directors has appointed a local academy council for each academy.

Local academy councils are constituted with at least 5 members as follows:

- A chair appointed by Pendle Education Trust
- 2 parent representatives
- 4 'other' members
- 2 staff members.

Local academy council members serve a term of office of four years.

The Quality and Standards Committee is constituted of educational experts; these serve a term of office of four years.

This committee is responsible for supporting, challenging, and scrutinising the Trust's educational strategy including Safeguarding to ensure that excellent educational outcomes and performance are achieved across all academies and for all children thus ensuring that the Trust works to achieve its stated four core aims.

The committee meets three times a year and reports to the Trust Board. It is comprised of trustees with current educational expertise from across the phases, the Chief Executive and the Executive Principals. The committee also has an educational expert advisor.

The committee considers annual data reports on Safeguarding, SEND, and Pupil Premium across the Trust's academies and has a designated trustee responsible for this purpose.

The Principal/Chief Executive of the sponsoring college is a member of the Trust. During the year to August 24 they were a director, post year end they have resigned as a director but remain a member.

Arrangements for setting pay and remuneration of key management personnel

The Trust has an Executive Performance Management Committee which meets to consider the performance and remuneration of the Chief Executive Officer, Chief Financial Officer, Director of Education and the Clerk to the Trust. The committee is supported by an independent external advisor.

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	10,715,062
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1%
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Engagement with employees

The Trust has a comprehensive approach to staff communications. There is at least one weekly staff briefing in each school and the CEO communicates to all staff by email every Thursday. There is a celebratory half-termly Trust newsletter for all staff and external termly newsletters.

Staff views are sought at a Trust and School level through staff surveys, staff briefings and the CEO's weekly email.

There is an annual Trust inset event which brings together staff from all five schools and the central team. This is used as an opportunity for a Trust update, professional development and networking.

The Trust promotes wellbeing through signposting to events and support and also through activities at various times in the year. The Trust has in place an established health and wellbeing group, made up of staff from all five academies and the central team and a thorough and detailed wellbeing policy which includes stress management.

Staff-nominated Shine Awards are presented by the Chief Executive Officer throughout the year when colleagues receive nominations, this is in addition to awards at an individual academy level.

The Trust has a well-established Joint Consultation and Negotiating Committee (JCNC). This committee has met to share updates, risk assessments and any additional concerns.

The Trust welcomes applications for any vacancies from all. Any applicants with a disability which meet the essential criteria for the role are guaranteed an interview and adaptations made where required. The Trust works closely with occupational health to ensure the right support is provided for any members of its family who require adjustments to support their ability to work.

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

Related parties and other connected charities and organisations

Nelson and Colne College is the sponsor of the Trust and provided services in hospitality and reprographics at a cost for the year of £5,950.

The Trust has its central office based at a satellite site of Nelson and Colne College.

The role of Principal/Chief Executive of the Sponsoring College is a member and during year ended 2024 was also director of the Trust.

Objectives and activities

Objects and aims

The principal object of the charitable company for the period to which these financial statements relate is specifically restricted to the following:

(a) 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 schools offering a broad and balanced curriculum; and

(b) to promote for the benefit of individuals living in the United Kingdom who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In accordance with the funding agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Education and the Trust, the academies are each governed by a local governing committee which exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the academy. The funding agreement specifies the admission arrangements, amongst other things, and that the curriculum, in substance, complies with statutory requirements.

Nelson and Colne College established Pendle Education Trust in response to a request from DfE to support Walter Street Primary School and conversion took place in 2013, the school is now called Pendle Primary Academy. The college was approached by Colne Primet High School to become its sponsor and converted to Colne Primet Academy with a new mission and values and a further school within Pendle: Castercliff Primary converted to academy status and joined the Trust on 1 September 2015. West Craven High School converted to academy status and joined the Trust on 1 September 2016. Burnley Casterton Primary converted to academy status and joined the trust on 1 June 2018. the school is now called Casterton Primary Academy.

Four of the academies are in Pendle, the fifth is in Burnley and have a combined capacity of 1,120 primary places and 1,785 secondary places. The roll at October 2024 is 1,108 primary pupils and 1,473 secondary pupils.

Nelson and Colne College has a simple belief; that its excellent performance and high expectations can be applied to the schools locally through effective and uncompromising leadership, management, and governance. The college understands the factors affecting educational success for young people locally and for this reason feels that local sponsorship remains the ideal solution for the schools which surround it.

Objectives, strategies and activities

The Trust's vision is that every child should only be a short walk away from a world-class school. It exists to empower, enable and inspire schools to provide an outstanding level of education and support through exceptional leadership, collaboration, innovative thinking and understanding of local needs.

The Trust's focus is exceptional leadership and meeting the needs of local families and the community. Through close collaboration with local partners and schools, they strive to deliver an excellent education for children in East Lancashire.

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

The Trust's values are:

- Ambition for all
- Collaboration
- Individuality and diversity
- Innovation

Public benefit

The principal objective of the academy trust is to advance for the public benefit, education, by establishing, maintaining, operating and developing schools including but not limited to academies, offering a broad curriculum with a strong emphasis on the specialisms specified in the relevant funding agreements. In setting the Trust's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Each academy's admissions policy is included in its funding agreement and applications for places at the academies are made in accordance with the relevant local authority's coordinated admission arrangements.

The Trust aims to work with others to create a healthy, safe environment within which all of its pupils can enjoy learning, make progress and achieve high standards. Each pupil is encouraged to participate fully and make a positive contribution to their academy and the wider community, and ultimately become successful, motivate, well-adjusted adults who achieve economic well-being.

Strategic report

Achievements and performance

The Trust has a three-year Strategic Plan. Progress against the Plan is regularly reported at Board and Committee meetings, in line with the governance workplan. The three strategic aims are as follows:

Aim 1: Our children experience education that is ambitious, relevant and delivers positive progress at every stage - Children leave Pendle Education Trust with the qualifications, experiences and skills to lead happy and successful lives.

Aim 2: Our culture is collaborative and exceptionally led with local knowledge - Leaders at all levels are exceptional – always willing to share and able to motivate, develop and reward our people.

Aim 3: Our finance and operating model is successful - An operating model that is well- established; it recognises risk, seeks realistic growth and invests in our children's education.

Key performance indicators

On 31 August 2024 the Trust had 5 open academies. These academies, together with their current Ofsted ratings, are shown in the table below:

School	Date Joined Trust	Sponsored/ Convertor	Ofsted Grade
Castercliff Primary Academy	Sept 2015	Sponsored	Good (June 2023)
Casterton Primary Academy	June 2018	Sponsored	Good (Oct 2022)
Colne Primet Academy	Jan 2013	Convertor	Requires Improvement (Nov 2023/Feb 2024)
Pendle Primary Academy	Feb 2013	Sponsored	Good (March 2022)
West Craven High School	Sept 2016	Convertor	Requires Improvement (July 2024)

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

All schools in the Trust were impacted significantly by the COVID pandemic and all worked within communities where rates were high and measures were in place for much of pandemic. The long-term impact continued to affect into the 2023-24 Academic Year with absence and mental health impacts in particular disrupting school life and teaching and learning.

Performance

In line with the Strategic Plan the Trust aims to match or better national benchmarks for achievement and progress in all schools.

Primary performance

Combined attainment in Reading, Writing & Maths at the Expected Standard at Key Stage 2 in 2024 was approximately 17% above national averages at Casterton Primary Academy, 10% below national averages at Pendle Primary Academy, and 22% lower than national outcomes at Castercliff Primary Academy. Disadvantaged children at Pendle and Casterton performed better than the same cohort of children nationally.

Progress measures from Key Stage 1 to Key Stage 2 are not available for this cohort of children due to Key Stage 1 SATs being cancelled during the coronavirus pandemic.

At the end of Early Years Foundation Stage, the proportion of children achieving a Good Level of Development is below national outcomes in each of the primary academies, reflective of children who enter school typically well below a level of development appropriate for their age.

Secondary performance

Most key headlines are lower than 2023 and gaps have slightly widened, however these results remain close to predictions. An increase in the number of students only attending school for less than half of the GCSE course and/or not attending their actual exams have impacted negatively on all headlines.

Progress as published by the DFE for Colne Primet Academy is -0.75 and for West Craven High School is -0.93. This remains a significant area for improvement.

Both schools are below national average for attainment. Attainment 8 and the number of students attaining grade 5 or better including in English and Maths have increased at West Craven High School when compared to 2023.

There is also continued success for those students who join Primet new to the UK and new to English, with 21 grades in additional languages, of which 17 are Grades 5-9 and 11 are Grades 7-9. This sub-group have also achieved above target for their average Attainment 8, reaching 29.2 (Target was 27.5) and following discounting we expect this to be adjusted to 36.6.

Pupil numbers

The Trust is looking for growth in pupil numbers across each academy.

Academy	October 2022	October 2023	October 2024	2022 to 2024 +/-
Colne Primet	833	880	880	+47
West Craven	685	619	593	-92
Casterton Primary	299	294	296	-3
Castercliff Primary	379	408	390	+11
Pendle Primary	405	415	422	+17
	2,601	2,616	2,581	-20

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

Pay as a percentage of expenditure

The Trust targets a 78:22 split between payroll and non payroll expenditure.

Academy	Percentage (%)
Colne Primet	72%
West Craven	71%
Casterton Primary	81%
Castercliff Primary	77%
Pendle Primary	79%

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The majority of the Trust's income is obtained from the Department of Education, via the Education & Skills Funding Agency 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 2024 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice these are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2024 the Trust achieved an operating surplus of £1,235,000, excluding donation of fixed assets and actuarial adjustments made in respect of the Trust's FRS102 pensions commitments.

Total income for the period was £24,732,000 of which £18,763,000 was other revenue grants from the ESFA/DfE. £5,531,000 was received in capital grants and donations and miscellaneous other income was £438,000.

Total operating expenditure was £18,955,000. The expenditure was used to support the primary objective of the Trust in its education of pupils.

At 31 August 2024 the net book value of fixed assets was £20,935,000 and movements in tangible fixed assets are shown in note 12, Fixed assets totalling £4,542,000 have been donated in the year. This relates to a new building donated to Colne Primet Academy by Lancashire County Council.

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

Reserves policy

The Academy Trust Board reviews the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. It is the Trustees' policy to build up unrestricted reserves which can be used for future education purposes in line with each academy's development plan. The Trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academy Trust Handbook produced by the DfE.

Having taken account of the risks to which the Trust is exposed, the directors consider the appropriate target level of reserves for the Trust is £500,000. At the end of the period the level of unrestricted and restricted general reserves was a surplus of £1,068,000.

The pension value as at 31 August 2024 has been determined by the actuary which is showing the academy trust as having a pension asset of £2,842,000 (2023: £2,499,000) as at 31 August 2024. In accordance with applicable accounting standards, the asset value has been capped at an asset ceiling value of £Nil on the basis that the academy trust has minimum funding requirements existing for future service. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

At 31 August 2024 held total reserves of £22,234,000. The restricted reserves of the trust were in surplus of £1,068,000 and pension reserves at £Nil. The Trust held fixed asset reserves of £21,166,000.

At 31 August 2024 the trust restricted reserves were in surplus and did meet the reserves policy of the trust. Over the current plan period the trust has plans to ensure sustainable reserves are maintained whilst continuing strategic investment to support educational outcomes.

At 31 August 2024 Castercliff Primary Academy is carrying a net deficit reserve, the trust plan to manage this through growth in pupil numbers and ensuring appropriate cost structures has started to have an impact in the current year. The trust intend to continue to balance cost management with supporting educational outcomes with a view to eliminating the deficit over the current plan period.

At 31 August 2024 West Craven High School is carrying a net deficit reserve, effective cost management and reduction in leadership cost have already had an impact in the current year. The trust plan is to continue with careful budget management to ensure a steady reduction in the deficit whilst focusing on positive progress in education outcomes.

At 31 August 2024 the Central trust is carrying a net deficit reserve. This is a result of ongoing investment in the core support services to enable all the academies to focus on educational outcomes. Central systems have developed over the course of the year, the trust now intends to build on this progress to deliver cross trust costs savings, managing both the local academy budgets and core trust deficit position.

Investment policy

The directors have authorised the use of short-term deposit accounts and notice deposit accounts in respect of cash held which is surplus to immediate requirements.

Principal risks and uncertainties

The Trust has established a Trust Risk Management Team to review the Risk Register and ensure a risk-focused approach. The Risk Register is directly linked to the three strategic aims of the Trust. An IT system has been introduced to enhance risk management and real-time oversight.

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

The following lists the key high-level risks as identified in the risk register prior to mitigating actions:

- Educational performance
- Oversight of governance and compliance
- Recruitment and retention of the best people
- Meeting the financial obligations; financial systems and financial data integrity including end of year position
- Safeguarding of pupils
- IT Service and data integrity
- Estates

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Streamlined energy and carbon reporting

	2024	2023
	kWh	kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	2,314,180	2,268,446
- Fuel consumed for transport	11,394	11,177
- Electricity purchased	762,488	655,746
	<u>3,088,062</u>	<u>2,935,369</u>
	<u><u>3,088,062</u></u>	<u><u>2,935,369</u></u>
	2024	2023
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	423.26	408.32
- Fuel consumed for owned transport	13.65	12.41
	<u>436.91</u>	<u>420.73</u>
Scope 2 - indirect emissions		
- Electricity purchased	157.87	135.79
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust	0.77	0.81
	<u>158.64</u>	<u>136.60</u>
Total gross emissions	<u>595.55</u>	<u>557.33</u>
	<u><u>595.55</u></u>	<u><u>557.33</u></u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.23	0.21
	<u>0.23</u>	<u>0.21</u>
	<u><u>0.23</u></u>	<u><u>0.21</u></u>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2024 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Pendle Education Trust

Trustees' report (continued)

For the year ended 31 August 2024

Measures taken to improve energy efficiency

Pendle Education Trust has won a bronze award with Trident Utilities for the reduction in our carbon footprint and won the Sustainable Social Enterprise Award at the first ever Lancashire Business Environment Awards. The Trust has a strong team of staff who are committed to the Trust being carbon neutral by 2030. Everyone from the Trust Board to our Reception children are involved in this mission to become net zero. Key members of staff meet regularly to discuss the current position and map out the future, both from an environmental and financial viewpoint. These meetings are focused on evaluating baseline energy, water, waste usage, travel, food, procurement, school grounds and what is offered through the curriculum. The Trust works with local communities to partner with existing eco groups, looking at the procurement process and how deliveries to schools can be managed, whilst ensuring a sustainable approach to buying.

Plans for future periods

The Trust has plans for steady future growth and a marketing, communication and relationship management plan in place for this. The Trust Board is considering future opportunities for growth in only the primary sector currently to allow for sharing of best practice and efficiencies across a number of academies. Of particular interest to the Trust are local good and outstanding schools to add capacity to the Trust in addition to primary schools that require intensive support and rapid improvement. A number of links have been made with local schools to build working relationships and opportunities for collaboration. The Trust would welcome the opportunity to work more closely with primary schools that 'feed' the two secondary academies but geographically considers East Lancashire its locality.

The Trust recognises the significant internal growth over the last five years and it is a key strategic aim to manage growth sustainably and effectively and not to the detriment of the existing five schools.

The Trust's sponsor, Nelson and Colne College is now part of the larger Nelson and Colne College Group following its merger with Accrington and Rossendale College. This increases the geographical scope for the Trust's expansion whilst maintaining the 'local' element which is key to its purpose.

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 trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17 December 2024 and signed on its behalf by:

.....
R Pheasey
Chair of trustees

Pendle Education Trust

Governance statement

For the year ended 31 August 2024

Scope of responsibility

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

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

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

Governance

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

Trustee	Meetings attended	Out of a possible
Mr R Pheasey	7	8
Mr O Brown	6	8
Mrs A Chambers	4	8
Mr S Dixon	7	8
Mrs E Davison	8	8
Mr D Franklin	7	8
Mr D Langton	6	8
Mrs S Mills (resigned 9 January 2024)	1	4
Mrs Y Naheed (resigned 9 January 2024)	0	4
Mrs L O'Loughlin	0	8
Mr D Whatley	8	8

The Trustees are responsible for the same three core governance functions performed by the governing body in a maintained school: setting the direction, holding the Chief Executive to account and ensuring financial probity. As charity Trustees, they must also ensure that they are complying with charity law requirements. Academy Trusts are charitable companies and the Trustees are company directors and must comply with company law requirements.

Trustees develop the overall strategy and vision for the Trust and ensure it is consistently delivered within our academies and operations. Trustees meet as a Board of Trustees and also as representatives on the Quality and Standards Committee, Executive Performance Management Committee, Risk and Audit Committee, Search Committee and Pay Committee.

The Trust Board's first core function is strategic leadership. This involves setting the organisation's overall strategic framework, including its vision and strategic priorities. It also involves responsibility for setting and modelling its culture, values and ethos in addition to governance, financial and educational performance.

As the accountable body, the board is the key decision-maker. It may delegate operational matters to executive leaders and governance functions to committees, or in some cases, to individuals. However, the board as a corporate entity remains accountable and responsible for all decisions made and executive leaders operate within the autonomy, powers and functions delegated to them by the board.

The Trust Board reports to the Education and Skills Funding Agency.

Pendle Education Trust

Governance statement (continued)

For the year ended 31 August 2024

The Trust Board, Committees and Local Governing Committees have a schedule of business for the year which includes reports specifically designed to present progress against the strategic objectives set out in the 3 year Strategic Plan (2020-2023). These are data and narrative reports and include policy and strategy.

Conflicts of interest

Pendle Education Trust ensures it has processes in place to manage conflicts of interest. All trustees register their declarations of conflicts of interest at least annually, and whenever there is a change. They are published on the Trust's website. Declarations of conflicts of interest is a standing item on every meeting agenda as well as trustees being reminded to declare any interest at any point, should it arise. All conflicts of interest are handled in accordance with the Academy Trust Handbook.

Meetings

The Finance, Risk and Audit Committee operates as a sub-committee of the main board of Trustees consisting of three of the Board members. Its responsibilities included:

- Advising the Trust Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, applicable accounting standards, the current Charities Statement of Recommended Practice and the Education Agency guidance issued to academies.
- Reviewing the reports of the internal auditors on the effectiveness of the financial procedures and controls. These reports must also be reported to the full board of Trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr O Brown	4	4
Mr D Langton	3	4
Mr R Pheasey	3	4
Mr D Whatley	4	4

Governance reviews

The Trust Board has two strategic events which include reviews of governance, training and self-assessment. An external review was completed in 2023 together with a SRMA review.

Review of value for money

As accounting officer, the chief executive officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. During the year an SRMA review was completed, the results of which were shared with Trustees in early 23/24. A further SRMA review was completed in April 2024 with actions set as a result of recommendations..

Pendle Education Trust

Governance statement (continued)

For the year ended 31 August 2024

The accounting officer for the academy trust has delivered improved value for money during the year by:

- Embedding online ordering and approval processes, giving greater visibility and accountability to all those involved in purchasing and further reinforcing a value for money consideration in every purchase
- Increased collaboration across academies to develop joined up procurement and contract renewal processes
- Review of wellbeing provision in our primary settings resulting in change to inhouse provision

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pendle Education Trust for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. Processing, and therefore the controls environment, is split across a central finance function and in school office managers. In particular, it includes:

- A single, consolidated accounting software solution and bank account, integrated with comprehensive budgeting software that facilitates monthly budget monitoring reporting and ongoing reforecasting;
- Regular reviews by the Finance, Risk and Audit committee and board of monthly management reports which highlight financial performance against the forecasts and provide commentary;
- Regular budget monitoring meetings with Principals and core team budget holders;
- Clearly defined purchasing (asset purchase or capital investment) guidelines supported by online portal to implement approval thresholds and requirements;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has engaged TIAA as internal auditors to carry out a comprehensive schedule of reviews.

The schedule agreed includes scrutiny and giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. Other areas to be covered over the three years planned include:

- Governance
- Risk Management
- ICT systems
- Data collection and storage
- Operational procedures and processes

Pendle Education Trust

Governance statement (continued)

For the year ended 31 August 2024

The auditors' recommendations will be reported to the risk and audit committee for consideration and implementation. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Estates Management
- Opening Balances
- Data Migration
- End to End Payment Processing
- Student Records (Secondary Schools)

On an annual basis, the 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 financial responsibilities of the board of trustees, and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned. No significant control issues were identified.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the Local Authority safeguarding team for annual audits;
- the work of external Ofsted-trained consultants; and
- the work of the finance lead within the academy Trust who has responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Conclusion

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

Approved by order of the board of trustees on 17 December 2024 and signed on its behalf by:

.....
R Pheasey
Chair of trustees

.....
A Ghidotti-Gibson
Accounting Officer

Pendle Education Trust

Statement of regularity, propriety and compliance

For the year ended 31 August 2024

As accounting officer of Pendle Education Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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

.....
A Ghidotti-Gibson
Accounting Officer

Date: 17 December 2024

Pendle Education Trust

Statement of trustees' responsibilities

For the year ended 31 August 2024

The trustees (who are also the directors of Pendle Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 17 December 2024 and signed on its behalf by:

.....
R Pheasey
Chair of trustees

Pendle Education Trust

Independent auditor's report

To the members of Pendle Education Trust

For the year ended 31 August 2024

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Pendle Education Trust

Independent auditor's report (continued)

To the members of Pendle Education Trust

For the year ended 31 August 2024

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the accounts

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Pendle Education Trust

Independent auditor's report (continued)

To the members of Pendle Education Trust

For the year ended 31 August 2024

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

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

.....
Candice Beynon FCCA (Senior Statutory Auditor)
for and on behalf of DJH Audit Limited
Chartered Accountants
Statutory Auditor

Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date:

Pendle Education Trust

Independent reporting accountant's assurance report on regularity To Pendle Education Trust and The Education and Skills Funding Agency For the year ended 31 August 2024

In accordance with the terms of our engagement letter dated 2 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pendle Education Trust during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Pendle Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Pendle Education Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pendle Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Pendle Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Pendle Education Trust's funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Pendle Education Trust

Independent reporting accountant's assurance report on regularity (continued)

To Pendle Education Trust and The Education and Skills Funding Agency For the year ended 31 August 2024

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

.....
DJH Audit Limited
Reporting Accountant

Dated:

Pendle Education Trust

Statement of financial activities including income and expenditure account

For the year ended 31 August 2024

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from:						
Donations and capital grants	3	1	-	5,530	5,531	556
Charitable activities:						
- Funding for educational operations	4	-	18,783	-	18,783	17,106
Other trading activities	5	325	93	-	418	396
Total		<u>326</u>	<u>18,876</u>	<u>5,530</u>	<u>24,732</u>	<u>18,058</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	326	17,547	1,082	18,955	18,463
Total	6	<u>326</u>	<u>17,547</u>	<u>1,082</u>	<u>18,955</u>	<u>18,463</u>
Net income/(expenditure)		-	1,329	4,448	5,777	(405)
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(2,751)	-	(2,751)	2,765
Net movement in funds		-	(1,422)	4,448	3,026	2,360
Reconciliation of funds						
Total funds brought forward		-	2,490	16,718	19,208	16,848
Total funds carried forward		-	1,068	21,166	22,234	19,208

Pendle Education Trust

Statement of financial activities (continued) including income and expenditure account

For the year ended 31 August 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2023
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	15	-	541	556
Charitable activities:					
- Funding for educational operations	4	-	17,106	-	17,106
Other trading activities	5	346	50	-	396
Total		<u>361</u>	<u>17,156</u>	<u>541</u>	<u>18,058</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	361	16,835	1,267	18,463
Total	6	<u>361</u>	<u>16,835</u>	<u>1,267</u>	<u>18,463</u>
Net income/(expenditure)		-	321	(726)	(405)
Transfers between funds	17	-	(134)	134	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	2,765	-	2,765
Net movement in funds		-	2,952	(592)	2,360
Reconciliation of funds					
Total funds brought forward		-	(462)	17,310	16,848
Total funds carried forward		<u>-</u>	<u>2,490</u>	<u>16,718</u>	<u>19,208</u>

Pendle Education Trust

Balance sheet

As at 31 August 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		20,935		16,630
Current assets					
Debtors	13	579		489	
Cash at bank and in hand		1,745		691	
		<u>2,324</u>		<u>1,180</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(901)		(941)	
Net current assets			1,423		239
Total assets less current liabilities			22,358		16,869
Creditors: amounts falling due after more than one year	15		(124)		(160)
Net assets excluding pension asset			22,234		16,709
Defined benefit pension scheme asset	19		-		2,499
Total net assets			22,234		19,208
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			21,166		16,718
- Restricted income funds			1,068		(9)
- Pension reserve			-		2,499
Total restricted funds			22,234		19,208
Unrestricted income funds	17		-		-
Total funds			22,234		19,208

The accounts were approved by the trustees and authorised for issue on 17 December 2024 and are signed on their behalf by:

.....
R Pheasey
Chair of trustees

Company registration number 08263591 (England and Wales)

Pendle Education Trust

Statement of cash flows

For the year ended 31 August 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		947		162
Cash flows from investing activities					
Capital grants from DfE Group		978		541	
Capital funding received from sponsors and others		10		-	
Purchase of tangible fixed assets		(845)		(971)	
Net cash provided by/(used in) investing activities			143		(430)
Cash flows from financing activities					
Repayment of long term bank loan		(36)		27	
Net cash (used in)/provided by financing activities			(36)		27
Net increase/(decrease) in cash and cash equivalents in the reporting period			1,054		(241)
Cash and cash equivalents at beginning of the year			691		932
Cash and cash equivalents at end of the year			1,745		691

Pendle Education Trust

Notes to the financial statements

For the year ended 31 August 2024

1 Accounting policies

Pendle Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

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

Pendle Education Trust meets the definition of a public benefit entity.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for the issue of the financial statements.

There are net deficits in Castercliff Primary Academy, West Craven High School and central services. The historic balances reflect the impact of: strategic investment in central services capacity and systems; investment in specific academy leadership capacity; challenges with staff recruitment and absence resulting in additional agency costs and; increased SEND need.

The individual deficits have reduced significantly during the current reporting period, with a previous deficit in Casterton Primary Academy now returned to a surplus. The improvement reflects the implementation of findings from two SRMA visits alongside internal reviews. Actions taken should ensure a sustainable financial basis upon which to build and continue to address the remaining deficits.

For these reasons the Trustees 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.

1.3 Income

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

Grants

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

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

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

1 Accounting policies

(Continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use. This includes severance and redundancy payments.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

1 Accounting policies

(Continued)

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

Land and buildings	Land - 125 years, Buildings - 50 years
Assets under construction	nil until brought into use
Computer equipment	3 years
Fixtures, fittings & equipment	7 years

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

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

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

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

1.11 Fund accounting

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

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

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

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions asset at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Donated fixed assets	-	4,542	4,542	-
Capital grants	-	978	978	541
Other donations	1	10	11	15
	<u>1</u>	<u>5,530</u>	<u>5,531</u>	<u>556</u>

Donated fixed assets relate to a donated building from Lancashire County Council at Colne Primet Academy. As at 31 August 2024, being the date of transfer to Pendle Education Trust, this building was valued at £4,542,000.

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

4 Funding for the academy trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	15,579	15,579	14,205
Other DfE/ESFA grants:				
- UIFSM	-	136	136	131
- Pupil premium	-	1,001	1,001	905
- Supplementary grant	-	-	-	405
- Mainstream Schools Additional Grant	-	520	520	216
- Others	-	684	684	421
	-----	-----	-----	-----
	-	17,920	17,920	16,283
	=====	=====	=====	=====
Other government grants				
Local authority grants	-	843	843	823
	=====	=====	=====	=====
Other incoming resources	-	20	20	-
	=====	=====	=====	=====
Total funding	-	18,783	18,783	17,106
	=====	=====	=====	=====

The academy trust received £843,000 (2023: £823,000) from the local authority in the year. £63,000 (2023: £249,000) of this relates to temporary expansion funding at Colne Primet Academy. The academy also received £691,000 (2023: £488,000) of high needs funding, and £89,000 (2023: £87,000) of other local authority funding.

There were no unfulfilled conditions or other contingencies relating to grants in the year.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Income from facilities & services	11	-	11	99
Catering income	314	-	314	244
Parental contributions	-	93	93	50
Other income	-	-	-	3
	-----	-----	-----	-----
	325	93	418	396
	=====	=====	=====	=====

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2024 £'000	Total 2023 £'000
Academy's educational operations					
- Direct costs	11,928	-	1,464	13,392	12,824
- Allocated support costs	2,533	2,023	1,007	5,563	5,639
	<u>14,461</u>	<u>2,023</u>	<u>2,471</u>	<u>18,955</u>	<u>18,463</u>

Net income/(expenditure) for the year includes:

	2024 £'000	2023 £'000
Operating lease rentals	59	52
Depreciation of tangible fixed assets	1,082	1,267
Fees payable to auditor for:		
- Audit	16	15
- Other services	4	3
Net interest on defined benefit pension liability	(151)	(8)

7 Central services

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

- education improvement services
- human resources;
- financial services;
- facilities management;
- IT network management;
- legal services;
- marketing support

The academy trust charges for these services on the following basis: a flat 5% of GAG income.

The amounts charged during the year were as follows:

	2024 £'000	2023 £'000
Colne Primet Academy	285	240
Pendle Primary Academy	101	92
Castercliff Primary Academy	98	86
West Craven High School	216	188
Casterton Primary Academy	77	68
	<u>777</u>	<u>616</u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Direct costs				
Educational operations	-	13,392	13,392	12,824
Support costs				
Educational operations	326	5,237	5,563	5,639
	<u>326</u>	<u>18,629</u>	<u>18,955</u>	<u>18,463</u>
	<u><u>326</u></u>	<u><u>18,629</u></u>	<u><u>18,955</u></u>	<u><u>18,463</u></u>
Analysis of costs			2024	2023
			£'000	£'000
Direct costs				
Teaching and educational support staff costs			11,967	11,520
Staff development			31	43
Technology costs			278	120
Educational supplies and services			563	686
Examination fees			167	132
Educational consultancy			338	232
Other direct costs			48	91
			<u>13,392</u>	<u>12,824</u>
			<u><u>13,392</u></u>	<u><u>12,824</u></u>
Support costs				
Support staff costs			2,556	2,572
Depreciation			1,082	1,267
Maintenance of premises and equipment			168	176
Cleaning			46	40
Energy costs			410	163
Rent, rates and other occupancy costs			253	92
Insurance			60	53
Security and transport			19	11
Catering			737	641
Finance costs			(151)	(8)
Other support costs			350	608
Governance costs			33	24
			<u>5,563</u>	<u>5,639</u>
			<u><u>5,563</u></u>	<u><u>5,639</u></u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

9 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2024	2023
	£'000	£'000
Wages and salaries	10,715	10,073
Social security costs	1,084	1,030
Pension costs	2,244	2,148
	<u> </u>	<u> </u>
Staff costs - employees	14,043	13,251
Agency staff costs	399	750
Staff restructuring costs	19	17
	<u> </u>	<u> </u>
	14,461	14,018
Staff development and other staff costs	93	117
	<u> </u>	<u> </u>
Total staff expenditure	<u>14,554</u>	<u>14,135</u>
Staff restructuring costs comprise:		
Severance payments	<u>19</u>	<u>17</u>

Severance payments

The academy trust paid 2 severance payments in the year, disclosed in the following bands:

£0 - £25,000	2
--------------	---

Special staff severance payments

Included in staff restructuring costs are non-contractual special staff severance payments totalling £19,093 (2023: £1,485). Individually the payments were £13,921 & £5,172.

Staff numbers

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

	2024	2023
	Number	Number
Teachers	123	121
Administration and support	221	218
Management	36	35
	<u> </u>	<u> </u>
	380	374
	<u> </u>	<u> </u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

9 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2024 Number	2023 Number
Teachers	113	114
Administration and support	157	145
Management	34	32
	<u>304</u>	<u>291</u>

Higher paid staff

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

	2024 Number	2023 Number
£60,001 - £70,000	8	6
£70,001 - £80,000	5	4
£80,001 - £90,000	3	-
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
	<u>18</u>	<u>12</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £556,000 (2023: £395,000).

10 Trustees' remuneration and expenses

No members of staff served as trustees during the year to 31 August 2024. The non-staff trustees did not receive any payments or expenses from the trust in respect of their role as trustees. Other related party transactions involving trustees are set out in the related parties note.

11 Trustees' and officers' insurance

The academy 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 academy 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.

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

12 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2023	15,441	-	402	6,025	21,868
Additions	4,542	293	78	474	5,387
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	19,983	293	480	6,499	27,255
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 September 2023	2,589	-	324	2,325	5,238
Charge for the year	309	-	43	730	1,082
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	2,898	-	367	3,055	6,320
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 August 2024	17,085	293	113	3,444	20,935
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	12,852	-	78	3,700	16,630
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of land and buildings comprises:

	2024 £'000	2023 £'000
Long leaseholds (over 50 years)	17,085	12,852
	<u> </u>	<u> </u>

Buildings additions relate to a donated building from Lancashire County Council at Colne Primet Academy. As at 31 August 2024, being the date of transfer, this building was valued at £4,542,000.

13 Debtors

	2024 £'000	2023 £'000
Trade debtors	4	6
VAT recoverable	21	24
Prepayments and accrued income	554	459
	<u> </u>	<u> </u>
	579	489
	<u> </u>	<u> </u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

14 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Government loans	35	35
Trade creditors	51	93
Other taxation and social security	-	3
ESFA creditors	9	-
Other creditors	278	250
Accruals and deferred income	528	560
	<u>901</u>	<u>941</u>

15 Creditors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Government loans	124	160
	<u>124</u>	<u>160</u>
	2024	2023
	£'000	£'000
Analysis of loans		
Wholly repayable within five years	159	195
Less: included in current liabilities	(35)	(35)
	<u>124</u>	<u>160</u>
Amounts included above	<u>124</u>	<u>160</u>
	2024	2023
	£'000	£'000
Loan maturity		
Debt due in one year or less	35	35
Due in more than one year but not more than two years	31	35
Due in more than two years but not more than five years	81	88
Due in more than five years	12	37
	<u>159</u>	<u>195</u>

Included within creditors are fifteen Salix and CIF loans all granted as part of the Capital Improvement Funding.

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

16 Deferred income

	2024	2023
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	105	164
	<u> </u>	<u> </u>
Deferred income at 1 September 2023	164	413
Released from previous years	(164)	(413)
Resources deferred in the year	105	164
	<u> </u>	<u> </u>
Deferred income at 31 August 2024	105	164
	<u> </u>	<u> </u>

Deferred income as at 31 August 2024 relates to to funds received in advance for Universal Infant Free School Meals £80,000 (2023: £79,000), expansion grant at Colne Primet £nil (2023: £63,000) and other deferred income £25,000 (2023: £22,000).

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

17 Funds

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2024 £'000
Restricted general funds					
General Annual Grant (GAG)	(9)	15,579	(14,502)	-	1,068
UIFSM	-	136	(136)	-	-
Pupil premium	-	1,001	(1,001)	-	-
Other DfE/ESFA grants	-	1,204	(1,204)	-	-
Other government grants	-	843	(843)	-	-
Other restricted funds	-	113	(113)	-	-
Pension reserve	2,499	-	252	(2,751)	-
	<u>2,490</u>	<u>18,876</u>	<u>(17,547)</u>	<u>(2,751)</u>	<u>1,068</u>
Restricted fixed asset funds					
Inherited on conversion	12,614	-	(321)	-	12,293
DfE group capital grants	3,773	978	(745)	-	4,006
Capital expenditure from GAG	331	-	(15)	-	316
Donated assets	-	4,552	(1)	-	4,551
	<u>16,718</u>	<u>5,530</u>	<u>(1,082)</u>	<u>-</u>	<u>21,166</u>
Total restricted funds	<u>19,208</u>	<u>24,406</u>	<u>(18,629)</u>	<u>(2,751)</u>	<u>22,234</u>
Unrestricted funds					
General funds	-	326	(326)	-	-
Total funds	<u>19,208</u>	<u>24,732</u>	<u>(18,955)</u>	<u>(2,751)</u>	<u>22,234</u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

17 Funds

(Continued)

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

The pension value as at 31 August 2024 has been determined by the actuary which is showing the academy trust as having a pension asset as at 31 August 2024. In accordance with applicable accounting standards, the asset value has been restricted to £nil (2023: £2,499,000) on the basis that the asset is not deemed to be realisable.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy. The difference between the fund and the NBV of assets relates to unspent capital income.

Unrestricted funds are funds which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024.

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

17 Funds

(Continued)

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

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	(272)	14,205	(13,808)	(134)	(9)
UIFSM	-	131	(131)	-	-
Pupil premium	-	905	(905)	-	-
Other DfE/ESFA grants	-	1,042	(1,042)	-	-
Other government grants	-	823	(823)	-	-
Other restricted funds	-	50	(50)	-	-
Pension reserve	(190)	-	(76)	2,765	2,499
	<u>(462)</u>	<u>17,156</u>	<u>(16,835)</u>	<u>2,631</u>	<u>2,490</u>
Restricted fixed asset funds					
Inherited on conversion	12,923	-	(309)	-	12,614
DfE group capital grants	4,150	541	(918)	-	3,773
Capital expenditure from GAG	211	-	(14)	134	331
Private sector capital sponsorship	26	-	(26)	-	-
	<u>17,310</u>	<u>541</u>	<u>(1,267)</u>	<u>134</u>	<u>16,718</u>
Total restricted funds	<u>16,848</u>	<u>17,697</u>	<u>(18,102)</u>	<u>2,765</u>	<u>19,208</u>
Unrestricted funds					
General funds	-	361	(361)	-	-
	<u>-</u>	<u>361</u>	<u>(361)</u>	<u>-</u>	<u>-</u>
Total funds	<u>16,848</u>	<u>18,058</u>	<u>(18,463)</u>	<u>2,765</u>	<u>19,208</u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

17 Funds

(Continued)

Total funds analysis by academy

	2024	2023
	£'000	£'000
Fund balances at 31 August 2024 were allocated as follows:		
Colne Primet Academy	1,373	1,129
Pendle Primary Academy	624	524
Castercliff Primary Academy	(296)	(483)
West Craven High School	(472)	(916)
Casterton Primary Academy	18	(67)
Central services	(179)	(196)
	<u>1,068</u>	<u>(9)</u>
Total before fixed assets fund and pension reserve	1,068	(9)
Restricted fixed asset fund	21,166	16,718
Pension reserve	-	2,499
	<u>22,234</u>	<u>19,208</u>
Total funds	<u><u>22,234</u></u>	<u><u>19,208</u></u>

Castercliff Primary Academy is carrying a net deficit of £296,000, a notable improvement against the prior year. The deficit is largely a result of historic cost challenges and investment as pupil capacity expanded. The current year improvement reflects the impact of a period of stability. The current plan period continues to forecast a steady reduction of the deficit whilst balancing ongoing need for investment in educational outcomes.

West Craven High School is carrying a net deficit of £472,000, a further notable improvement against the prior year. The deficit has been the result of strategic investment to support strong education for pupils with the added challenge of operating in a catchment with falling pupil numbers. Curriculum offer, staffing and cost structures have all been reviewed contributing to the positive improvement in the financial position this year. The deficit will continue to be addressed over the current plan period but this will be balanced against the ongoing strategic investment in education outcomes.

Pendle Education Trust (central services) is carrying a net deficit of £179,000. This is the result of ongoing investment to enable the core team to establish a robust controls environment and support our academies allowing them to focus on educational outcomes.

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Colne Primet Academy	4,358	698	571	672	6,299	5,401
Pendle Primary Academy	1,650	358	110	258	2,376	2,276
Castercliff Primary Academy	1,594	292	140	263	2,289	2,243
West Craven High School	2,729	680	420	583	4,412	4,406
Casterton Primary Academy	1,436	241	95	214	1,986	1,856
Central services	199	420	60	86	765	950
	<u>11,966</u>	<u>2,688</u>	<u>1,396</u>	<u>1,925</u>	<u>17,975</u>	<u>17,132</u>

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	20,935	20,935
Current assets	-	2,093	231	2,324
Current liabilities	-	(901)	-	(901)
Non-current liabilities	-	(124)	-	(124)
Total net assets	<u>-</u>	<u>1,068</u>	<u>21,166</u>	<u>22,234</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	16,630	16,630
Current assets	-	1,092	88	1,180
Current liabilities	-	(941)	-	(941)
Non-current liabilities	-	(160)	-	(160)
Pension scheme asset	-	2,499	-	2,499
Total net assets	<u>-</u>	<u>2,490</u>	<u>16,718</u>	<u>19,208</u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

19 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £276,000 (2023: £245,000) were payable to the schemes at 31 August 2024 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 academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,670,000 (2023: £1,449,000).

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

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

19 Pension and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.2 to 19.6% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2024	2023
	£'000	£'000
Employer's contributions	677	685
Employees' contributions	217	208
	<u> </u>	<u> </u>
Total contributions	894	893
	<u> </u>	<u> </u>

Principal actuarial assumptions	2024	2023
	%	%
Rate of increase in salaries	4.1	4.3
Rate of increase for pensions in payment/inflation	2.7	2.9
Discount rate for scheme liabilities	5.0	5.3
Inflation assumption (CPI)	2.6	2.8
	<u> </u>	<u> </u>

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

	2024	2023
	Years	Years
Retiring today		
- Males	21.0	21.0
- Females	23.5	23.4
Retiring in 20 years		
- Males	22.2	22.2
- Females	25.3	25.2
	<u> </u>	<u> </u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

19 Pension and similar obligations (Continued)

Sensitivity analysis

Scheme liabilities would have been affected by changes in assumptions as follows:	2024	2023
	£'000	£'000
Discount rate + 0.1%	(271)	(236)
Discount rate - 0.1%	277	241
Mortality assumption + 1 year	299	253
Mortality assumption - 1 year	(293)	(248)
CPI rate + 0.1%	277	241
CPI rate - 0.1%	(271)	(237)
	<u> </u>	<u> </u>

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

	2024	2023
	Fair value	Fair value
	£'000	£'000
Equities	8,154	7,304
Government bonds	17	60
Other bonds	17	-
Cash	239	91
Property	1,453	1,434
Other assets	7,213	6,202
	<u> </u>	<u> </u>
Total market value of assets	17,093	15,091
	<u> </u>	<u> </u>

The actual return on scheme assets was £1,156,000 (2023: £1,907,000).

Amount recognised in the statement of financial activities

	2024	2023
	£'000	£'000
Current service cost	554	748
Interest income	(827)	(551)
Interest cost	676	543
Benefit changes, curtailments and settlements gains or losses	22	21
	<u> </u>	<u> </u>
Total amount recognised	425	761
	<u> </u>	<u> </u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

19 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2024	2023
	£'000	£'000
At 1 September 2023	12,592	12,625
Current service cost	554	748
Interest cost	676	543
Employee contributions	217	208
Actuarial loss/(gain)	3,080	(1,409)
Benefits paid	(26)	(123)
	<u> </u>	<u> </u>
At 31 August 2024	<u>17,093</u>	<u>12,592</u>
	<u> </u>	<u> </u>
Changes in the fair value of the academy trust's share of scheme assets	2024	2023
	£'000	£'000
At 1 September 2023	15,091	12,435
Interest income	827	551
Actuarial gain	329	1,356
Employer contributions	677	685
Employee contributions	217	208
Benefits paid	(26)	(123)
Effect of non-routine settlements and administration expenses	(22)	(21)
	<u> </u>	<u> </u>
At 31 August 2024	<u>17,093</u>	<u>15,091</u>
	<u> </u>	<u> </u>

The pension value as at 31 August 2024 has been determined by the actuary which is showing the academy trust as having a pension asset of £2,842,000 (2023: £2,499,000) as at 31 August 2024. In accordance with applicable accounting standards, the asset value has been capped at an asset ceiling value of £nil (2023: £2,499,000) on the basis the asset is not deemed to be realisable.

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Notes	2024 £'000	2023 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		5,777	(405)
Adjusted for:			
Capital grants from DfE and other capital income		(5,530)	(541)
Defined benefit pension costs less contributions payable	19	(101)	84
Defined benefit pension scheme finance income	19	(151)	(8)
Depreciation of tangible fixed assets		1,082	1,267
(Increase)/decrease in debtors		(90)	65
(Decrease) in creditors		(40)	(300)
		<u>947</u>	<u>162</u>
Net cash provided by operating activities		<u><u>947</u></u>	<u><u>162</u></u>

21 Analysis of changes in net funds

	1 September 2023 £'000	Cash flows £'000	31 August 2024 £'000
Cash	691	1,054	1,745
Loans falling due within one year	(35)	-	(35)
Loans falling due after more than one year	(160)	36	(124)
	<u>496</u>	<u>1,090</u>	<u>1,586</u>
	<u><u>496</u></u>	<u><u>1,090</u></u>	<u><u>1,586</u></u>

22 Long-term commitments

Operating leases

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

	2024 £'000	2023 £'000
Amounts due within one year	47	50
Amounts due in two and five years	84	130
	<u>131</u>	<u>180</u>
	<u><u>131</u></u>	<u><u>180</u></u>

Pendle Education Trust

Notes to the financial statements (continued)

For the year ended 31 August 2024

23 Capital commitments

	2024 £'000	2023 £'000
Expenditure contracted for but not provided in the accounts	-	952

The academy trust has total capital commitments of £nil at the balance sheet date. In 2022/23 capital commitments totalled £952,000 at the balance sheet date, being ongoing CIF projects completed in 2023/24.

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the ATH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period:

Nelson & Colne College is a related party by way of being the academy trust's sponsor. During the year, the academy trust purchased hospitality, reprographics and training from the college at a total cost of £5,949 (2023: £6,560). At the balance sheet date, the academy trust owed £10,012 (2023: £5,000).

O Brown, a trustee of Pendle Education Trust, is also a director of Crow Wood Leisure Limited. During the year the academy trust procured services at a total cost of £nil (2023: £689) from Crow Wood Leisure Limited. No amounts were owed at the balance sheet date.

In entering into these transactions, the academy trust has complied with the requirements of the Academy Trust Handbook 2023.

25 Members' liability

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