

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 2023

PENDLE EDUCATION TRUST

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PENDLE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr D Rothwell Ms D Corcoran Ms G Marsh (appointed 13 March 2023) Mrs L O'Loughlin (appointed 13 March 2023) Mr R Pheasey Mr M Phelan (resigned 19 January 2023)	
Trustees	Mr R Pheasey Mr O Brown Mrs A Chambers Mrs E Davison Mr S Dixon (appointed 19 September 2023) Mr D Franklin Mr D Langton Mrs S Mills Mrs Y Naheed (appointed 30 March 2023) Mrs L O'Loughlin (appointed 13 March 2023) Mr D Roberts (resigned 27 March 2023) Mr D Whatley Mr W Yasin (resigned 13 May 2023)	
Senior management team		
Chief Executive	A Ghidotti-Gibson	
Executive Principal – Primary	J Burnside (resigned 31 December 2022)	
Executive Principal – Secondary	L Blomley	
Clerk	V Townsend	
Finance Manager	D Rudman (resigned 31 August 2023)	
Chief Financial Officer	L Wood (appointed 17 April 2023)	
Company name	Pendle Education Trust	
Principal and Registered Office	Nelson and Colne College, Scotland Road, Nelson, BB9 7YT	
Company registration number	08263591 (England and Wales)	
Independent auditor	DJH Mitten Clarke 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	
Academies operated	Location	Principal
Colne Primet Academy	Colne, Lancashire, BB8 8JF	J Pilkington
Pendle Primary Academy	Nelson, Lancashire, BB9 5AW	S Thompson
Castercliff Primary Academy	Nelson, Lancashire, BB9 8JJ	M Sherwin
West Craven High School	Barnoldswick, Lancashire, BB18 5TB	J Bates
Casterton Primary Academy	Burnley, Lancashire, BB10 2PZ	P Whaling

PENDLE EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of Pendle Education Trust for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Throughout the year the Trust operated three primary and two secondary academies in the Pendle and Burnley area. Its academies have a combined pupil capacity of 1,120 primary places and 1,751 secondary places and had a roll of 1,117 primary pupils and 1,499 secondary pupils in the school census in October 2023.

Structure, governance and management

Constitution

Pendle Education 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 Trust. The Trustees of Pendle Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Pendle Education Trust. Details of the directors who served during the year are included in the References 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.

In the year to 31 August 2023 members or directors did not enter into any qualifying third-party indemnity provisions.

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. Any vacancies for directors are recruited to the board by the sponsor, 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.

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 additional financial oversight scrutinised by the Finance and Resources Committee. Oversight of teaching and learning is 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:

- Chief executive/principal 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)

PENDLE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 and director of the Trust.

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, Executive Principal and the Clerk to the Trust. The committee is supported by an independent external advisor.

Trade union facility time

1. Relevant union officials

Number of employees who were relevant trade union officials during the relevant period	FTE employee number
2	2

2. Percentage of time spent on facility time

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

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3. Percentage of pay bill spent on facility time

The total cost of facility time	£377.64
The total pay bill	£10,000,062
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	£8,727,000.00 0.00001%

4. Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	1%
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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, as well as facilities at a cost for the year of £6,560.

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 director of the Trust.

Engagement with employees (including disabled persons)

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 whole Trust inset day 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) which meets termly. 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.

Objectives and activities

Objectives and aims

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

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and

PENDLE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

- (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 have a local academy council which works at a community level supporting the purpose of the school. The Trust has Trust Board Committees which exercise powers and functions in line with the scheme of delegation to assist the Trust Board 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 the 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 1,751 secondary places. The roll at October 2023 is 1,117 primary pupils and 1,499 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.

The Trust's values are:

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

Public benefit

The principle 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.

PENDLE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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, motivated, well-adjusted adults who achieve economic well-being.

Strategic report

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

Achievements and performance

On 31 August 2023 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	Good (April 2018)
Pendle Primary Academy	Feb 2013	Sponsored	Good (March 2022)
West Craven High School	Sept 2016	Convertor	Requires Improvement (June 2022)

All schools in the Trust have been 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 impact into the 2022-23 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

The three primaries in the Trust all completed the Key Stage 2 SATs, the school-level data for which will be published online for the first time since the coronavirus pandemic.

Combined attainment in Reading, Writing & Maths at the Expected Standard at Key Stage 2 in 2023 was broadly in line with national averages at Casterton Primary Academy (3% below national) and Pendle Primary Academy (equal to national), and significantly lower than national outcomes at Castercliff Primary Academy (18% below national). Disadvantaged children in all 3 primary academies performed better than the same cohort of children nationally.

Progress from Key Stage 1 to Key Stage 2 was in line with or above the national average at Casterton Primary Academy and Pendle Primary Academy in all 3 subject areas; at Castercliff Primary Academy progress was significantly below the national average in Reading, above the national average in Writing, and below the national average in Maths.

PENDLE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

At Key Stage 1, attainment in each of Reading, Writing and Maths were above national averages at Casterton Primary Academy and below national outcomes at Pendle Primary Academy; at Castercliff Primary Academy both Reading and Maths were above national averages, whilst Writing was slightly below.

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

Colne Primet Academy predictions across all headline figures were close to the actual figures and results for high prior attaining students have improved.

Progress as published by the DFE was -0.63 and remains a significant area for improvement.

West Craven High School results were largely as predicted but some needed to be closer to predictions.

Progress as published by the DFE was -0.75 and remains a significant area for improvement.

Both schools are below national average for attainment but they have both narrowed the attainment gaps between boys and girls. Both schools made improvements in results for English and Maths. The attainment and progress gaps between non-disadvantaged and disadvantaged have widened slightly compared to previous years.

It is difficult to compare 2023 results to other years because the journey children have been on is very different and not reflective of the pre-pandemic landscape and the cohort for Colne Primet Academy has changed significantly due to the growth in the school.

Pupil numbers

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

Academy	October 2022	October 2023	+/-
Colne Primet	833	880	+47
West Craven	685	619	-66
Casterton Primary	299	294	-5
Castercliff Primary	379	408	+29
Pendle Primary	405	415	+10
	2601	2616	+ 15

Pay as a percentage of expenditure

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

Academy	Percentage (%)
Colne Primet	73%
West Craven	73%
Casterton Primary	79%
Castercliff Primary	75%
Pendle Primary	76%

Going concern

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

Financial review

The majority of the Trust's income is obtained from the Department for 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 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023 the Trust achieved an operating deficit of £405,000, excluding actuarial adjustments made in respect of the Trust's FRS102 pensions commitments.

Total income for the period was £18,059,000 of which £17,107,000 was other revenue grants from the ESFA/DfE. £556,000 was received in capital grants and donations and miscellaneous other income was £396,000.

Total operating expenditure was £18,464,000. The expenditure was used to support the primary objective of the Trust in its education of pupils.

At 31 August 2023 the net book value of fixed assets was £16,630,000 and movements in tangible fixed assets are shown in note 12.

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 in deficit of £9,000. The aim is to increase the reserves to reach this level over the current plan period to ensure a sustainable financial position.

Under Accounting Standard FRS102, a pension scheme asset should be recognized as the lower of the pension surplus and the asset ceiling value in the Restricted General Fund for those pension schemes where the assets and liabilities of the scheme can be separately identified. This has resulted in an increase in restricted reserves to £2,499,000. It should be noted that this does not create an immediately realizable asset and has no immediate impact on the Academy Trust's liquidity.

At 31 August 2023 held total reserves of £19,208,000. The restricted reserves of the trust were in deficit of £9,000 and pension reserves surplus of £2,499,000. The Trust held fixed asset reserves of £16,718,000.

At 31 August 2023 the trust level of reserves were in deficit and did not meet the reserves policy of the trust. The Trust has worked with an SRMA to develop an action plan with the purpose of eliminating the deficit position and achieving target reserves over the current financial planning period.

At 31 August 2023 Castercliff Primary Academy is carrying a net deficit of reserves. Staffing structures in the school are now stable with all roles recruited. Ongoing stability and active cost management will be used to reduce the deficit over the coming years.

At 31 August 2023 West Craven High School is carrying a net deficit of reserves. The Trust will address this by undertaking a curriculum and staffing review to ensure an appropriate cost base whilst balancing the focus on quality of education provision.

At 31 August 2023 Casterton Primary Academy is carrying a net deficit reserve. This has reduced over the year and the Trust will continue to manage this to return to a surplus over the current financial year. Stability in the cost base and pupil numbers will support this plan.

At 31 August 2023 the Central trust is carrying a net deficit reserve. This is a result of strategic investment in central services to develop robust controls and efficient operating systems. As these processes are established, efficiencies in both cost and capacity will support trust wide efficiencies and ensure the Trust is well positioned for future growth opportunities.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Investments 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.

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.

Sustainability

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.

PENDLE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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.

This Trustees report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on and signed on the board's behalf by:

.....
Rob Pheasey
Chair of Trustees

PENDLE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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. The role includes 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. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met seven 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	7
Mr O Brown	5	7
Mrs A Chambers	3	3
Mr S Dixon (appointed 19 September 2023)	N/A	N/A
Mrs E Davison	4	7
Mr D Franklin	7	7
Mr D Langton	5	7
Mrs S Mills	4	7
Mrs Y Naheed	2	4
Mrs L O'Loughlin	3	4
Mr D Roberts (resigned 27 March 2023)	3	4
Mr D Whatley	7	7
Mr W Yasin (resigned 13 May 2023)	2	4

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, Audit and Risk Committee and Finance and Resources Committee. From January 2023 to August 2023, the Board also introduced additional extra-ordinary finance committee meetings.

PENDLE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 includes 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.

The Trust Board, Committees and Local Academy Councils 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.

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.

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.

The Audit and Risk 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	3	3
Mr D Whatley	3	3
Mr W Yasin	0	1

Review of value for money

As accounting officer, the Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, 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.

PENDLE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

- Developing the central finance team and processes generating greater capacity to identify and address opportunities for consolidated purchasing.
- Preferred supplier arrangements for agency supply staff
- Extending capped energy supply contracts to protect against increasing energy costs

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and mid year reforecast which are reviewed and agreed by the board of Trustees;
- regular reviews by the Finance & Risk committee and board of monthly management reports which highlight financial performance against the forecasts and provide commentary;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- 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

The auditors' recommendations will be reported to the Audit and Risk 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:

- Complaints
- External Audit Management Letter
- Marketing
- ICT network cyber security
- Equality and Diversity

PENDLE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

In addition to the internal scrutiny provided by TIAA, the Trust commissioned the following reviews:

- Independent review of the finance systems, processes and structure
- Independent review of finance accounting and procedures including data integrity

On an annual basis, the auditor reports to the board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities 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.

Review of effectiveness

As accounting officer, the Chief Executive 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 and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

.....
Rob Pheasey
Chair of Trustees

.....
Anita Ghidotti-Gibson
Accounting Officer

PENDLE EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022, 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 2022.

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.

.....
Anita Ghidotti-Gibson
Accounting Officer

Date:

PENDLE EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2022 to 2023;
- 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 and signed on its behalf by:

.....
Rob Pheasey
Chair of Trustees

PENDLE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENDLE EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Pendle Education Trust for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023.

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 TO THE MEMBERS OF PENDLE EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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:

- Identify and assess the risks of material misstatement of the group's or the parent charitable company's 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.

PENDLE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

- 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 group'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 group's or parent 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 group or parent 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).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Mitten Clarke 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 2023

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 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 TO PENDLE EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
DJH Mitten Clarke Audit Limited
Reporting Accountant

Dated:

PENDLE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Donations and capital grants	3	15	-	541	556	1,332
Charitable activities:						
- Funding for educational operations	4	-	17,107	-	17,107	14,614
Other trading activities	5	346	50	-	396	289
Total		<u>361</u>	<u>17,157</u>	<u>541</u>	<u>18,059</u>	<u>16,235</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	361	16,836	1,267	18,464	17,022
Total	6	<u>361</u>	<u>16,836</u>	<u>1,267</u>	<u>18,464</u>	<u>17,022</u>
Net income/(expenditure)		-	321	(726)	(405)	(787)
Transfers between funds	17	-	(134)	134	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	2,765	-	2,765	9,239
Net movement in funds		-	2,952	(592)	2,360	8,452
Reconciliation of funds						
Total funds brought forward		-	(462)	17,310	16,848	8,396
Total funds carried forward		<u>-</u>	<u>2,490</u>	<u>16,718</u>	<u>19,208</u>	<u>16,848</u>

PENDLE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds £'000	General £'000	Fixed asset £'000	2022 £'000
Income and endowments from:					
Donations and capital grants	3	20	-	1,312	1,332
Charitable activities:					
- Funding for educational operations	4	-	14,614	-	14,614
Other trading activities	5	100	189	-	289
Total		<u>120</u>	<u>14,803</u>	<u>1,312</u>	<u>16,235</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	9	16,220	793	17,022
Total	6	<u>9</u>	<u>16,220</u>	<u>793</u>	<u>17,022</u>
Net income/(expenditure)		111	(1,417)	519	(787)
Transfers between funds	17	(286)	224	62	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	9,239	-	9,239
Net movement in funds		<u>(175)</u>	<u>8,046</u>	<u>581</u>	<u>8,452</u>
Reconciliation of funds					
Total funds brought forward		<u>175</u>	<u>(8,508)</u>	<u>16,729</u>	<u>8,396</u>
Total funds carried forward		<u>-</u>	<u>(462)</u>	<u>17,310</u>	<u>16,848</u>

PENDLE EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £'000	£'000	2022 £'000	£'000
Fixed assets					
Tangible assets	12		16,630		16,926
Current assets					
Debtors	13	489		554	
Cash at bank and in hand		691		932	
		<u>1,180</u>		<u>1,486</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(941)		(1,234)	
Net current assets			239		252
Total assets less current liabilities			16,869		17,178
Creditors: amounts falling due after more than one year	15		(160)		(140)
Net assets excluding pension asset/(liability)			16,709		17,038
Defined benefit pension scheme asset/(liability)	19		2,499		(190)
Total net assets			<u>19,208</u>		<u>16,848</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			16,718		17,310
- Restricted income funds			(9)		(272)
- Pension reserve			2,499		(190)
Total restricted funds			<u>19,208</u>		<u>16,848</u>
Unrestricted income funds	17		-		-
Total funds			<u>19,208</u>		<u>16,848</u>

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

.....
Rob Pheasey
Chair of Trustees

Company registration number 08263591 (England and Wales)

PENDLE EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	£'000	2022 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		162		141
Cash flows from investing activities					
Capital grants from DfE Group		541		1,312	
Purchase of tangible fixed assets		(971)		(990)	
Net cash (used in)/provided by investing activities			(430)		322
Cash flows from financing activities					
Movement in loans		27		(28)	
Net cash provided by/(used in) financing activities			27		(28)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(241)		435
Cash and cash equivalents at beginning of the year			932		497
Cash and cash equivalents at end of the year			691		932

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 Casterton Primary Academy, Castercliff Primary Academy, West Craven High School and central services. These are a result of: strategic investment in capacity in the central services; ongoing reliance on agency staff to cover both absence and long-term vacancies as a result of recruitment challenges; increased need for SEND support and alternative provision and; the time being taken to ensure staffing structures are aligned with current pupil numbers. During the current reporting period steps have been taken to address the prior year deficit reserves and the Trust has undertaken a SRMA review. The findings of the SRMA alongside internal reviews and projected pupil numbers form the basis of a detailed action plan underpinning the current financial planning period assumptions.

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.

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.

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

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.

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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 - 2% straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	7 years straight line

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

1.6 Liabilities

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

1.7 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.

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.

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

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.

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

(Continued)

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 2023. 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 2023 £'000	Total 2022 £'000
Capital grants	-	541	541	1,312
Other donations	15	-	15	20
	<u>15</u>	<u>541</u>	<u>556</u>	<u>1,332</u>

4 Funding for the academy trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	14,205	14,205	12,372
Other DfE/ESFA grants:				
- UIFSM	-	131	131	126
- Pupil premium	-	905	905	815
- Supplementary grant	-	405	405	-
- Others	-	638	638	492
	<u>-</u>	<u>16,284</u>	<u>16,284</u>	<u>13,805</u>
Other government grants				
Local authority grants	-	823	823	777
	<u>-</u>	<u>823</u>	<u>823</u>	<u>777</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	-	-	32
	<u>-</u>	<u>-</u>	<u>-</u>	<u>32</u>
Total funding	<u>-</u>	<u>17,107</u>	<u>17,107</u>	<u>14,614</u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the academy trust's charitable activities (Continued)

The academy trust received £823,000 (2022: £777,000) from the local authority in the year. £249,000 (2022: £336,000) of this relates to temporary expansion funding at Colne Primet Academy. The academy also received £488,000 (2022: £406,000) of high needs funding, and £87,000 (2022: £122,000) 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 2023 £'000	Total 2022 £'000
Income from facilities & services	99	-	99	43
Catering income	244	-	244	177
Parental contributions	-	50	50	19
Other income	3	-	3	50
	<u>346</u>	<u>50</u>	<u>396</u>	<u>289</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure		Total 2023 £'000	Total 2022 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	11,447	-	1,146	12,593	11,475
- Allocated support costs	2,572	1,791	1,508	5,871	5,547
	<u>14,019</u>	<u>1,791</u>	<u>2,654</u>	<u>18,464</u>	<u>17,022</u>

Net income/(expenditure) for the year includes:

	2023 £'000	2022 £'000
Operating lease rentals	52	22
Depreciation of tangible fixed assets	1,267	793
Fees payable to auditor for:		
- Audit	15	15
- Other services	3	3
Net interest on defined benefit pension liability	(8)	139
	<u> </u>	<u> </u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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:

	2023	2022
	£'000	£'000
Colne Primet Academy	240	198
Pendle Primary Academy	92	96
Castercliff Primary Academy	86	79
West Craven High School	188	176
Casterton Primary Academy	68	67
	<u>674</u>	<u>616</u>

8 Charitable activities

	Unrestricted	Restricted	Total	Total
	funds	funds	2023	2022
	£'000	£'000	£'000	£'000
Direct costs				
Educational operations	-	12,593	12,593	11,475
Support costs				
Educational operations	361	5,510	5,871	5,547
	<u>361</u>	<u>18,103</u>	<u>18,464</u>	<u>17,022</u>
	<u><u>361</u></u>	<u><u>18,103</u></u>	<u><u>18,464</u></u>	<u><u>17,022</u></u>
Analysis of costs			2023	2022
			£'000	£'000
Direct costs				
Teaching and educational support staff costs			11,521	10,095
Staff development			43	92
Technology costs			120	97
Educational supplies and services			686	1,008
Examination fees			132	135
Other direct costs			91	48
			<u>12,593</u>	<u>11,475</u>
			<u><u>12,593</u></u>	<u><u>11,475</u></u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities	(Continued)	
	2023	2022
	£'000	£'000
Support costs		
Support staff costs	2,572	2,906
Depreciation	1,267	793
Maintenance of premises and equipment	176	234
Cleaning	40	31
Energy costs	163	206
Rent, rates and other occupancy costs	92	69
Insurance	53	42
Security and transport	11	10
Catering	641	357
Finance costs	(8)	139
Other support costs	840	738
Governance costs	24	22
	5,871	5,547

9 Staff		
Staff costs		
Staff costs during the year were:		
	2023	2022
	£'000	£'000
Wages and salaries	10,074	8,727
Social security costs	1,030	886
Pension costs	2,148	2,654
Staff costs - employees	13,252	12,267
Agency staff costs	750	505
Staff restructuring costs	17	19
	14,019	12,791
Staff development and other staff costs	117	302
Total staff expenditure	14,136	13,093
Staff restructuring costs comprise:		
Severance payments	17	19

Severance payments

The academy trust paid 3 severance payments in the year, disclosed in the following bands:

£0 - £25,000	3
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Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs are special severance payments totalling £1,485 (2022: £16,000). Individually, there was 1 payment of £1,485.

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Staff numbers

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

	2023 Number	2022 Number
Teachers	121	139
Administration and support	218	209
Management	35	5
	<u>374</u>	<u>353</u>

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

	2023 Number	2022 Number
Teachers	114	129
Administration and support	145	130
Management	32	5
	<u>291</u>	<u>264</u>

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	6	8
£70,001 - £80,000	4	1
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
	<u>12</u>	<u>11</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 £395,000 (2022: £455,000).

10 Trustees' remuneration and expenses

No members of staff served as trustees during the year to 31 August 2023. 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.

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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.

12 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 September 2022	15,441	359	5,130	20,930
Additions	-	76	895	971
Disposals	-	(33)	-	(33)
	<u>15,441</u>	<u>402</u>	<u>6,025</u>	<u>21,868</u>
At 31 August 2023	15,441	402	6,025	21,868
Depreciation				
At 1 September 2022	2,265	236	1,503	4,004
On disposals	-	(33)	-	(33)
Charge for the year	324	121	822	1,267
	<u>2,589</u>	<u>324</u>	<u>2,325</u>	<u>5,238</u>
At 31 August 2023	2,589	324	2,325	5,238
Net book value				
At 31 August 2023	<u>12,852</u>	<u>78</u>	<u>3,700</u>	<u>16,630</u>
At 31 August 2022	<u>13,176</u>	<u>123</u>	<u>3,627</u>	<u>16,926</u>

The net book value of land and buildings comprises:

	2023 £'000	2022 £'000
Long leaseholds (over 50 years)	<u>12,852</u>	<u>13,176</u>

13 Debtors

	2023 £'000	2022 £'000
Trade debtors	6	10
VAT recoverable	24	279
Prepayments and accrued income	459	265
	<u>489</u>	<u>554</u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

14 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Government loans	35	28
Trade creditors	93	481
Other taxation and social security	3	-
Other creditors	250	211
Accruals and deferred income	560	514
	<u>941</u>	<u>1,234</u>

15 Creditors: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Government loans	160	140
	<u>160</u>	<u>140</u>
Analysis of loans	2023	2022
	£'000	£'000
Wholly repayable within five years	195	168
Less: included in current liabilities	(35)	(28)
	<u>160</u>	<u>140</u>
Amounts included above	<u>160</u>	<u>140</u>
Loan maturity		
Debt due in one year or less	35	28
Due in more than one year but not more than two years	35	28
Due in more than two years but not more than five years	88	72
Due in more than five years	37	40
	<u>195</u>	<u>168</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 2023

16 Deferred income

	2023	2022
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	164	413
	<u>164</u>	<u>413</u>
Deferred income at 1 September 2022	413	171
Released from previous years	(413)	(171)
Resources deferred in the year	164	413
	<u>164</u>	<u>413</u>
Deferred income at 31 August 2023	<u>164</u>	<u>413</u>

Deferred income as at 31 August 2023 relates to funds received in advance for Universal Infant Free School Meals £79,000 (2022: £92,000), expansion grant at Colne Primet £63,000 (2022: £249,000) and other deferred income £22,000 (2022: £90,000).

17 Funds

	Balance at			Gains,	Balance at
	1 September	Income	Expenditure	losses and	31 August
	2022	£'000	£'000	transfers	2023
	£'000			£'000	£'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	-	1,043	(1,043)	-	-
Other government grants	-	823	(823)	-	-
Other restricted funds	-	50	(50)	-	-
Pension reserve	(190)	-	(76)	2,765	2,499
	<u>(462)</u>	<u>17,157</u>	<u>(16,836)</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>17,698</u>	<u>(18,103)</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>18,059</u>	<u>(18,464)</u>	<u>2,765</u>	<u>19,208</u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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.

A transfer of £134,000 has been made to the restricted fixed asset fund representing assets funded by GAG income.

The pension value as at 31 August 2023 has been determined by the actuary which is showing the academy trust as having a pension asset as at 31 August 2023. In accordance with applicable accounting standards, the asset value has been recognised at the lower of the pension surplus and the asset ceiling value. 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.

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 2023.

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

(Continued)

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	-	12,372	(12,868)	224	(272)
UIFSM	-	126	(126)	-	-
Pupil premium	-	815	(815)	-	-
Other DfE/ESFA COVID-19 funding	-	32	(32)	-	-
Other DfE/ESFA grants	-	492	(492)	-	-
Other government grants	-	777	(777)	-	-
Other restricted funds	-	189	(189)	-	-
Pension reserve	(8,508)	-	(921)	9,239	(190)
	<u>(8,508)</u>	<u>14,803</u>	<u>(16,220)</u>	<u>9,463</u>	<u>(462)</u>
Restricted fixed asset funds					
Inherited on conversion	13,298	-	(375)	-	12,923
DfE group capital grants	3,221	1,312	(383)	-	4,150
Capital expenditure from GAG	159	-	(10)	62	211
Private sector capital sponsorship	51	-	(25)	-	26
	<u>16,729</u>	<u>1,312</u>	<u>(793)</u>	<u>62</u>	<u>17,310</u>
Total restricted funds	<u>8,221</u>	<u>16,115</u>	<u>(17,013)</u>	<u>9,525</u>	<u>16,848</u>
Unrestricted funds					
General funds	175	120	(9)	(286)	-
	<u>175</u>	<u>120</u>	<u>(9)</u>	<u>(286)</u>	<u>-</u>
Total funds	<u>8,396</u>	<u>16,235</u>	<u>(17,022)</u>	<u>9,239</u>	<u>16,848</u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

(Continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£'000	£'000
Colne Primet Academy	1,129	714
Pendle Primary Academy	524	428
Castercliff Primary Academy	(483)	(351)
West Craven High School	(916)	(802)
Casterton Primary Academy	(67)	(159)
Central services	(196)	(102)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	(9)	(272)
	<hr/>	<hr/>
Restricted fixed asset fund	16,718	17,310
Pension reserve	2,499	(190)
	<hr/>	<hr/>
Total funds	<u>19,208</u>	<u>16,848</u>

Castercliff Primary Academy is carrying a net deficit of £483,000. This is primarily a result of agency supply costs incurred due to long term vacancies and absence. The staffing has been reviewed and the current structure is fully recruited and aligned to current pupil numbers and income levels. With ongoing stability the deficit position will be managed and reduced over the current financial plan period.

West Craven High School is carrying a net deficit of £916,000. This is a result of ongoing strategic investment to support strong education for the pupils and additional leadership capacity. Future pupil numbers in the catchment area are challenging and a curriculum review is underway. Over the current plan period, steps will be taken to ensure appropriate curriculum and staffing structures are in place to balance education provision with financial stability moving towards addressing the ongoing deficit position.

Casterton Primary Academy is carrying a net deficit of £67,000, although this reflects a reduction against prior year. In year revenue surplus has been achieved, with ongoing stability in structures and pupil numbers the deficit will be addressed over the current financial plan period.

Pendle Education Trust (central services) is carrying a net deficit of £196,000. This is a result of investment in central services to develop robust trust wide controls environments, reporting and systems to ensure effective and efficient operations. As these processes are established, efficiencies, both financial and capacity, will ensure the Trust is well positioned to focus on educational outcomes and future growth plans.

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2023 £'000	Total 2022 £'000
Colne Primet Academy	3,888	590	376	547	5,401	4,716
Pendle Primary Academy	1,608	333	127	208	2,276	2,303
Castercliff Primary Academy	1,626	264	112	241	2,243	2,015
West Craven High School	2,797	730	275	604	4,406	3,926
Casterton Primary Academy	1,347	225	104	180	1,856	1,719
Central Services	255	397	35	263	950	1,549
	<u>11,521</u>	<u>2,539</u>	<u>1,029</u>	<u>2,043</u>	<u>17,132</u>	<u>16,228</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 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>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	16,926	16,926
Current assets	-	1,102	384	1,486
Current liabilities	-	(1,234)	-	(1,234)
Non-current liabilities	-	(140)	-	(140)
Pension scheme liability	-	(190)	-	(190)
Total net assets	<u>-</u>	<u>(462)</u>	<u>17,310</u>	<u>16,848</u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

Contributions amounting to £245,000 (2022: £62,000) were payable to the schemes at 31 August 2023 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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,449,000 (2022: £1,302,000).

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

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

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

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	2023	2022
	£'000	£'000
Employer's contributions	685	624
Employees' contributions	208	181
	<hr/>	<hr/>
Total contributions	893	805
	<hr/>	<hr/>

Principal actuarial assumptions	2023	2022
	%	%
Rate of increase in salaries	4.3	4.3
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	5.3	4.3
Inflation assumption (CPI)	2.8	2.8
	<hr/>	<hr/>

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

	2023	2022
	Years	Years
Retiring today		
- Males	21.0	22.3
- Females	23.4	25.0
Retiring in 20 years		
- Males	22.2	23.7
- Females	25.2	26.8
	<hr/>	<hr/>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023	2022
	£'000	£'000
Discount rate + 0.1%	(236)	(270)
Discount rate - 0.1%	241	276
Mortality assumption + 1 year	253	257
Mortality assumption - 1 year	(248)	(252)
CPI rate + 0.1%	241	276
CPI rate - 0.1%	(237)	(270)
	<u> </u>	<u> </u>

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

	2023	2022
	Fair value	Fair value
	£'000	£'000
Equities	7,304	5,870
Other bonds	60	547
Cash	91	199
Property	1,434	1,355
Other assets	6,202	4,464
	<u> </u>	<u> </u>
Total market value of assets	15,091	12,435
	<u> </u>	<u> </u>

The actual return on scheme assets was £1,907,000 (2022: £838,000).

Amount recognised in the statement of financial activities

	2023	2022
	£'000	£'000
Current service cost	748	1,406
Interest income	(551)	(193)
Interest cost	543	332
Benefit changes, curtailments and settlements gains or losses	21	-
	<u> </u>	<u> </u>
Total operating charge	761	1,545
	<u> </u>	<u> </u>

Changes in the present value of defined benefit obligations

	2023	2022
	£'000	£'000
At 1 September 2022	12,625	19,568
Current service cost	748	1,406
Interest cost	543	332
Employee contributions	208	181
Actuarial gain	(1,409)	(8,594)
Benefits paid	(123)	(268)
	<u> </u>	<u> </u>
At 31 August 2023	12,592	12,625
	<u> </u>	<u> </u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2023 £'000	2022 £'000
At 1 September 2022	12,435	11,060
Interest income	551	193
Actuarial gain	1,356	645
Employer contributions	685	624
Employee contributions	208	181
Benefits paid	(123)	(268)
Effect of non-routine settlements and administration expenses	(21)	-
	<u>15,091</u>	<u>12,435</u>
At 31 August 2023	<u>15,091</u>	<u>12,435</u>

The pension value as at 31 August 2023 has been determined by the actuary which is showing the academy trust as having a pension asset as at 31 August 2023. In accordance with applicable accounting standards, the asset value has been recognised at the lower of the pension surplus and the asset ceiling value. 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.

20 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per the statement of financial activities)		(405)	(787)
Adjusted for:			
Capital grants from DfE and other capital income		(541)	(1,312)
Defined benefit pension costs less contributions payable	19	84	782
Defined benefit pension scheme finance (income)/cost	19	(8)	139
Depreciation of tangible fixed assets		1,267	793
Decrease in debtors		65	143
(Decrease)/increase in creditors		(300)	383
		<u>162</u>	<u>141</u>
Net cash provided by operating activities		<u>162</u>	<u>141</u>

21 Analysis of changes in net funds

	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash	932	(241)	691
Loans falling due within one year	(28)	(7)	(35)
Loans falling due after more than one year	(140)	(20)	(160)
	<u>764</u>	<u>(268)</u>	<u>496</u>
	<u>764</u>	<u>(268)</u>	<u>496</u>

PENDLE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£'000	£'000
Amounts due within one year	50	7
Amounts due in two and five years	130	1
	<u>180</u>	<u>8</u>

23 Capital commitments

	2023	2022
	£'000	£'000
Expenditure contracted for but not provided in the accounts	952	-
	<u>952</u>	<u>-</u>

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 £6,560 (2022: £5,799) to the trust. The balance outstanding at year end was £5,000 (2022: £Nil).

O. Brown a trustee is also a director of Crow Wood Leisure Limited. During the year the academy trust procured services at a total cost of £689 (2022: £790) 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 2022.

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.