



Annual Report and Financial Statements Year ended 31 August 2021



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

A Company Limited by Guarantee

Company Registration Number: 07599308 (England and Wales)

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South Pennine Academies

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South Pennine Academies

Reference and Administrative Details

Members

D Kriens (appointed 14/06/2021)
D O'Hara
D Smith (resigned 28/02/2021)
G Smith
T Thornton
P Wheeliker

Trustees

P Wheeliker (Chairman)
J Acklam (Chief Executive Officer and Accounting Officer)
C Bond
G Charles
S Gray (resigned 16/11/2021)
C Hewitt (appointed 14/06/2021)
Z Holland (appointed 14/06/2021)
A Iredale (resigned 16/12/2020)
M Kay
R Khan (resigned 30/06/2021)
T Lindley
R Mitchell (appointed 20/07/2021)
G Raymond (resigned 30/06/2021)

Company Secretary

R Batley

Senior Management Team:

Chief Executive Officer
Director of Standards and Continuous Improvement
Finance Director
Operations Director
Principal – Moor End Academy
Principal – Park Lane Academy
Executive Principal – Park Lane Academy
Head of School – Park Lane Academy
Principal – Waterhead Academy
Principal – Brambles Primary Academy
Principal – Beaumont Primary Academy
Principal – Greenacres Primary Academy
Headteacher – Hillside Primary School
Headteacher – Kirkheaton Primary Academy
Principal – Orchard Primary Academy
Principal – Willowpark Primary Academy
Principal – Woodlands Primary Academy

J Acklam
A Black
K Rushton
R Batley
K Rafiq
D Atkinson (to 8/10/21)
A Black (from 1/11/2020)
S Hillary (from 1/12/2020)
D Lyon
S Dodd
D Kelly
K Thornton
N Sadler
S Gallant (converted 1/2/21)
M Carbutt
L Hayes
C Sharpe

South Pennine Academies

Reference and Administrative Details (continued)

Company Name	South Pennine Academies
Principal and Registered Office	Pennine House 87 Dryclough Road Crosland Moor Huddersfield HD4 5JA
Company Registration Number	07599308 (England and Wales)
Independent Auditor	Clive Owen LLP Chartered Accountants Statutory Auditors 140 Coniscliffe Road Darlington DL3 7RT
Bankers	Lloyds Bank 1 Westgate Huddersfield HD1 2DN
Solicitors	Stone King LLP 1 Park Row Leeds LS1 5HN

South Pennine Academies

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

South Pennine Academies ("The Trust") operates three secondary academies, eight primary academies and a SCITT in the Calderdale, Kirklees and Oldham areas. Its academies have a combined pupil capacity of 6,054 and had a roll of 5,501 in the school census on 7th October 2021.

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

Structure, Governance and Management

Constitution

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Recruitment has taken place via the Academies Ambassadors programme, and through advertising amongst selected businesses. Applicants provide a CV and have an initial telephone conversation prior to full interview taking place. A recommendation is then taken to members. New Trustees have been appointed to meet a required skill set. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustee

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

We aim to hold full Trustee and LAB Members conference when possible. Additional training is provided during the year as need arises.

South Pennine Academies

Trustees' Report (continued)

Organisational Structure

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

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

Arrangements for setting pay and remuneration of key management personnel

All teachers, including Principals, are paid in accordance with the school teachers pay and conditions document (STPCD), the Trust has its own pay scales which are based on the STPCD. All scale points were increased in line with the DfE proposal in September 2020. Each academy has an ISR calculated in accordance with this policy which takes into consideration pupil numbers, number of SEND pupils and other key factors. Principals are allocated a scale within this range. Other leadership roles not covered by STPCD are calculated according to levels of responsibility and ensuring that there is no overlap between the scales. Other Trust senior staff not covered by STPCD have a scale which is subject to any annual increment in line with the School Teachers Review Body for the leadership scale and agreed by Trustees. The Trust has had in place a policy for Determining Executive and Senior Staff Pay. This is reviewed annually in line with ESFA guidance and approved by the Performance and Pay Committee.

Teachers progress through their relevant pay scale subject to successful performance in their role. Associate/Support staff progress through their relevant pay scale on an annual basis.

The Principals' and other key management personnel performance management is carried out by the CEO. The CEO's appraisal is carried out by a subcommittee of Trustees who include an external advisor. Pay recommendations are then taken to the Finance and Resources committee.

South Pennine Academies

Trustees' Report (continued)

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, require us to collate and publish data on the amount and cost of facility time within our organization, our data for 2020/21 is detailed below.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
8	7.1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1 – 50%	1
51 – 99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£895
Provide the total pay bill	£22,333,037
Provide the percentage of total pay bill spent on facility time, calculated as: (total cost facility time / total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	0%
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Trustees should refer to statutory instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements) Regulations 2017 for calculation details

South Pennine Academies

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations

The following Academies are part of South Pennine Academies: -

Secondary

- Moor End Academy.
- Waterhead Academy.
- Park Lane Academy.

Primary

- Beaumont Primary Academy.
- Orchard Primary Academy.
- Willowpark Primary Academy.
- Woodlands Primary Academy.
- Greenacres Primary Academy.
- Brambles Primary Academy.
- Hillside Primary School.
- Kirkheaton Primary School (converted 01/02/2021).

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

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

Related parties

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

Engagement with employees (including disabled persons)

Annually since 2018 During the year the Trust has participated in the Edurio nationally benchmarked staff engagement survey. Outcomes from this are thoroughly encouraging and support our strategic objectives and KPIs.

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

Participation rates are very high across all staff.

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

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

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

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

South Pennine Academies

Trustees' Report (continued)

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

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

Objectives and Activities

Objects and Aims

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

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

The main objectives of the Trust during the year ended 31 August 2021 are as summarised below:

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

Objectives, Strategies and Activities

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

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

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

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

Vision

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

Values

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

South Pennine Academies

Trustees' Report (continued)

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

In prioritising South Pennine Academies work over the three-year period from 2018 - 2021 we are focusing on the areas in which we believe we can make the strongest contributions to the communities we serve, drawing on our unique role as system leaders. We have designed this contribution in terms of four strategic objectives.

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

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

(1) Learning and Teaching

- a. Invest in professional development for all staff, at all stages of their careers. focused on improving outcomes for children and becoming an employer of choice.
- b. Continue to improve employee retention, as strong relationships are essential to sustain improvements in student outcomes.
- c. Build high performing teams in all academies, managing talent, and providing effective successions plans.
- d. Invest in innovation and research to ensure our learners are developed in world class centres of excellence, and they are able compete post 16.
- e. Disadvantaged learners are a significant group within our Trust. By improving learning and teaching, we will diminish the difference in outcomes, so that each individual is given the best possible life chances.
- f. Continue to ensure our curriculum, careers and personal guidance are embedded with a strong local rationale /intent, and all our learners can access a wide range of rich pathways.

(2) Stakeholders

- a. Ensure that effective communication with all stakeholders is a priority for all leaders. Acting on feedback to improve the quality of the service and education we provide, whilst valuing their role in academy improvement.
- b. Ensure continued staff well-being, through meaningful supervision and support, with an effective mindful employer strategy.
- c. Place staff wellbeing and creative solutions to flexible working at the forefront of our practice.
- d. Principals in our academies are recognised as specialists in their fields and their skills are used beyond their own academies to influence system wide improvements.
- e. Continue to develop our Local Academy Boards assuring a strong local offer is assured for all learners.
- f. Extend our reach, reputation and impact so we increase first choice admissions to all our academies.

(3) Growth

- a. Communicate our vision and values effectively to a range of good and outstanding potential new partners, to facilitate the growth in our converter portfolio.
- b. Support local authorities through physical expansion in our current academies where there are areas of basic need.
- c. Continue to develop our strategy of providing the highest quality education from the age of 2 to 16, in the most vulnerable communities.
- d. Ensure all our academies have effective marketing strategies and their student roll continues to rise.

South Pennine Academies

Trustees' Report (continued)

- e. Where the best solution is additional provision, in dialogue with local authorities submit applications to open further free schools in our three partner local authorities.
- f. Appropriate expansion of Trust teams in supporting our academies to rapidly improve, in line with growth, offering seconded positions to our academies and high performing staff, where appropriate.

(4) Financial sustainability

- a. Diversify and grow revenue streams to ensure inclusion and equality of access within our academies.
- b. Ensure that the disciplines of good financial planning, that is curriculum led, is effectively managed by leaders across the Trust.
- c. Use financial benchmarking effectively to inform South Pennine Academies long term planning.
- d. Ensure all academies have established capital plans to support improving learning and teaching.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between 2 and 16 years.

Public Benefit

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

South Pennine Academies

Strategic Report

Achievements and Performance

Key stage 4 Data

The 2021 outcomes and four-year trend data evidence year on year improvement in all secondary academies.

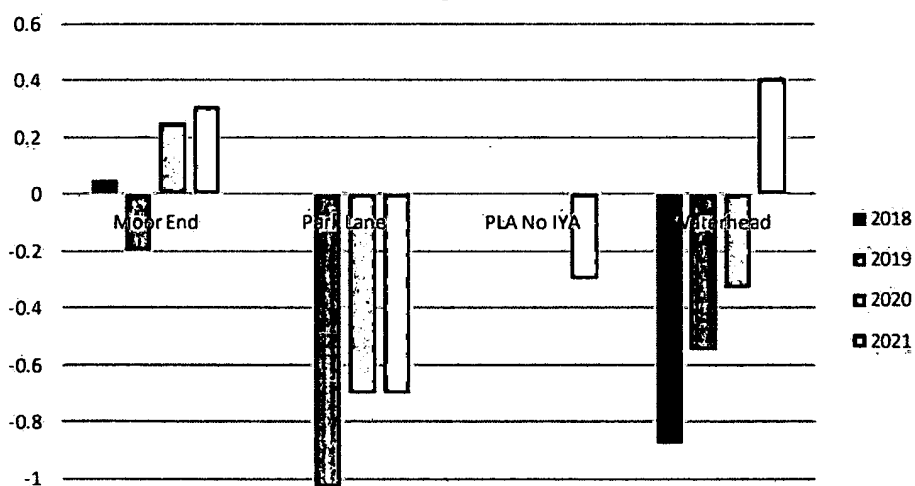
As with 2020, the DfE has agreed not to produce our published performance data for 2021. P8 is for internal analysis only as last national benchmarking data was published 2019.

Attainment 8 data also shows clear improvement, with Moor End Academy moving above national and Waterhead Academy moving over 40%. Park Lane Academy data evidences the impact of high KS4 in-year admissions on outcomes.

% of students making better than average progress

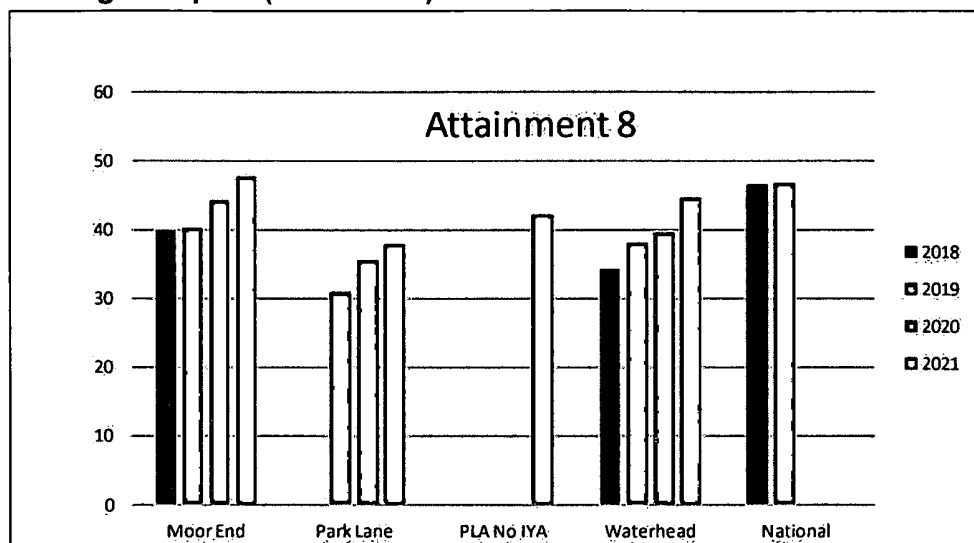
Waterhead 2021		Park Lane 2021		Moor End 2021	
%+P8	66.4%	%+P8	32.2%	%+P8	60.1%
%+P8 dis	54.1%	%+P8 dis	17.8%	%+P8 dis	47.6%
%+P8 English	57.4%	%+P8 English	32.2%	%+P8 English	57.2%
%+P8 Maths	52.4%	%+P8 Maths	32.2%	%+P8 Maths	51.3%
%+P8 Ebacc	55.3%	%+P8 Ebacc	32.2%	%+P8 Ebacc	55.3%
%+P8 Open	70.5%	%+P8 Open	32.2%	%+P8 Open	55.4%
All 4		All 4		All 4	
%+P8 elements	39.4%	%+P8 elements	17.8%	%+P8 elements	32.2%

Progress 8



South Pennine Academies

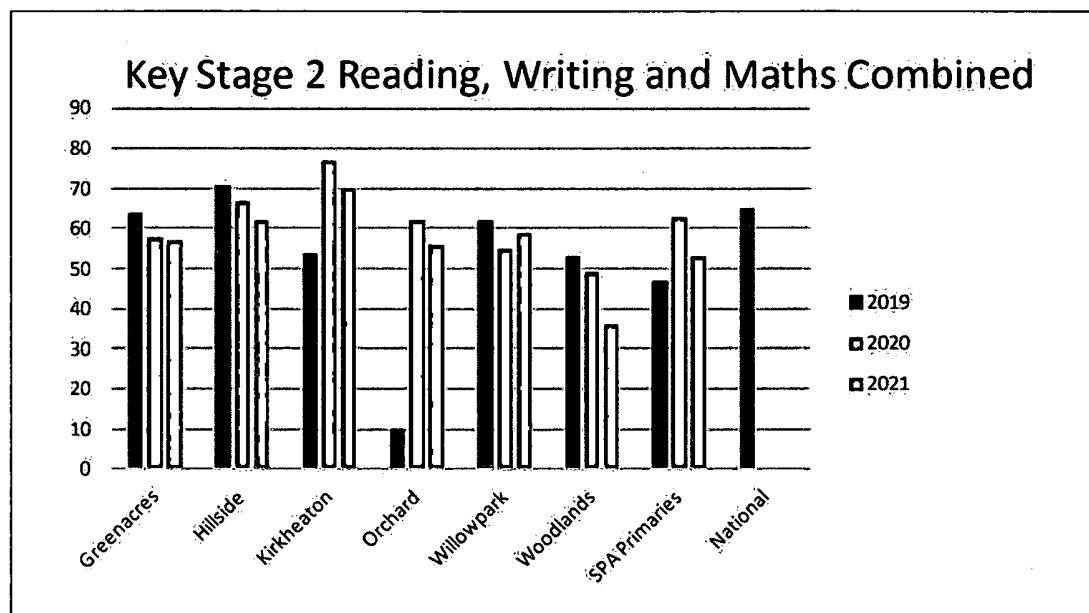
Strategic Report (continued)



Primary Summary Data

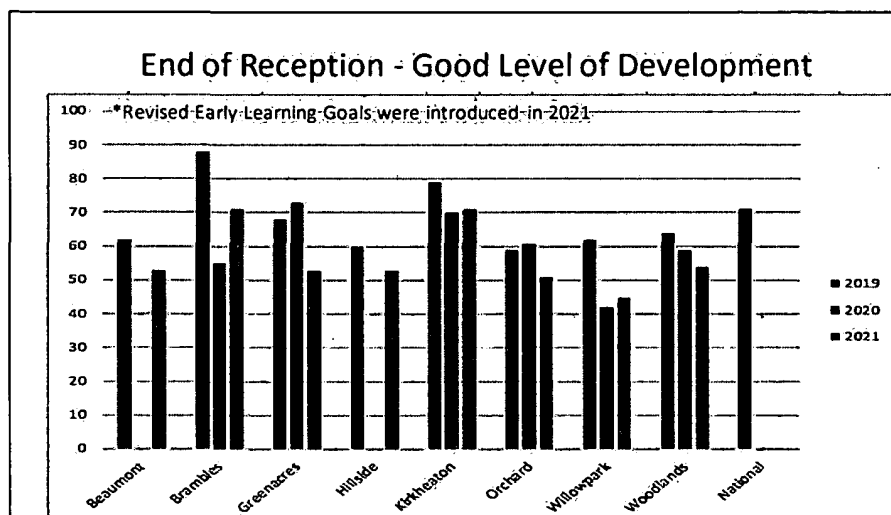
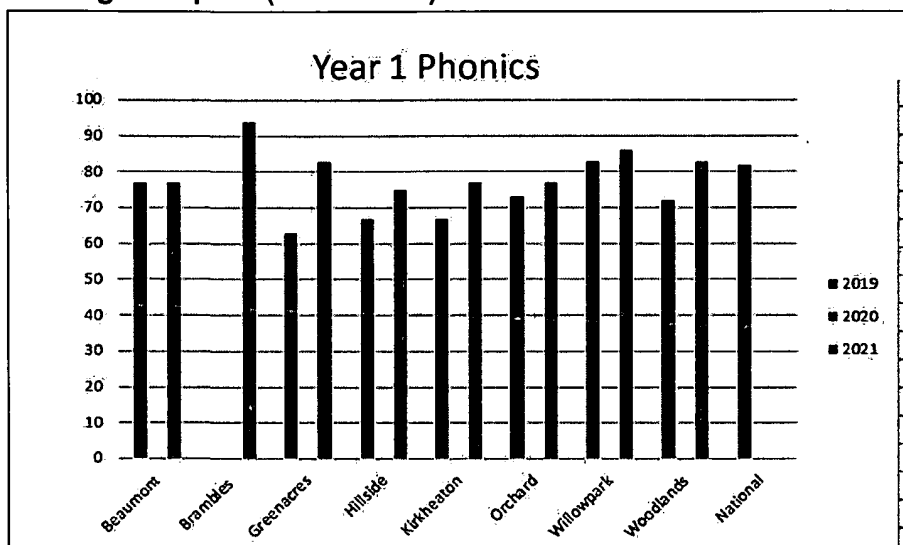
All primary external data collection was cancelled in both 2020 and 2021, with the exception of the requirement to submit an additional phonics check (unpublished) in Autumn 2021 for Year 2 to replace the Year 1 phonics check.

Outcomes for 2020 and 2021 are derived from internal teacher assessment. Improved phonics data evidences our focus on early reading and phonics during lockdown and return to school. Year 6 end of KS2 data shows a decline in 2021 in majority of academies due to the impact of the Covid-19 closures on attainment in writing.



South Pennine Academies

Strategic Report (continued)



South Pennine Academies

Strategic Report (continued)

Key Performance Indicators

	Strategic objective
Retention of high quality leaders	1,2,3
Transition to national funding formula and financial sustainability	4
Recruiting, retaining and development of all employees	2†
Capacity and Number of SLEs across all phases	1,2
Development of Local Academy Boards	3
Growth; in student numbers, physical expansion, free schools, and possible converters	3

	Strategic objective
Financial Capacity - staffing across all academies	4†
SCITT Recruitment - Year 2 Number of Trainees	1,2,3
Staff wellbeing and Resilience Strategy	2
Impact of Academy Effectiveness Team	1,2,3,4
Financial efficiencies and gaining best value	3,4

	Strategic objective
%Good/Outstanding Academies OR On track to be by next OFSTED	2,3†
%/Numbers of First Choice Admissions	3
Attendance and PA Measures of disadvantaged students	2,4
MAT aggregated learner performance	1,2,3,4
Improving position in comparison to similar schools (DfE) / FFT rank	2,3,4
Academies are national average or better in all aspects	1,2,3,4

Financial Key Performance Indicators

- Payroll as a percentage of income – excluding restricted fixed asset funds (target 70%, actual 72%).
- Payroll as a percentage of costs – excluding pension reserve and restricted fixed asset funds (target 75%, actual 77%).
- Cash days in hand (target 60 days, actual 108 days).
- Reserves days in hand (target 30 days, actual 85 days).

Going concern

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

Promoting the success of the company

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

South Pennine Academies

Strategic Report (continued)

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

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

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

Financial Review

Most of the Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

In addition, the Trust receives other Government grants from the local authorities it operates within. These grants are shown as restricted funds in the Statement of Financial Activities and received £522,000 of unrestricted funds the use of which is for the Trust's educational purposes.

During the year ended 31 August 2021, total expenditure of £36,200,000 was exceeded by recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset funds) was £2,142,000.

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

At 31 August 2021 net book value of fixed assets was £72,844,000 and movements in tangible fixed assets are shown in note 11 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £18,943,000 recognised on the Balance Sheet.

The Trust held fund balances as at 31 August 2021 of £62,407,000 comprising £4,416,000 of restricted general funds, £73,944,000 of restricted fixed asset funds, a pension deficit of £18,943,000 and £2,990,000 of unrestricted funds

Reserves Policy

At the 31 August 2021 the Trust has Unrestricted Reserves of £2,990,000 and Restricted General Reserves of £4,416,000 that in total equate to approximately three months of expenditure excluding depreciation. These free reserves totalling £7,406,000 are backed by cash at year end of £9,407,000. In addition, the Trust has a Fixed Asset Fund of £73,494,000 that includes £1,100,000 of Capital Grant Funding received not yet spent. The remaining balance can only be realised by disposing of tangible fixed assets.

South Pennine Academies

Strategic Report (continued)

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £18,943,000 recognised on the Balance Sheet.

The Trust held fund balances as at 31 August 2020 of £61,838,000 comprising £2,744,000 of restricted general funds, £71,146,000 of restricted fixed asset funds, a pension deficit of £14,572,000 and £2,520,000 of unrestricted funds (free reserves).

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

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

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

The target level was reviewed in 2020/21 to assess if achievable in the longer term in light of budget constraints on all our academies and investment required, and was reduced from 2 months to 1 month to enable continued investment in our academies. Actual reserves at 85 days compare favourably with this policy. The Trust has committed £1.4m of expenditure in 2021/22 to invest surplus reserves in capital projects, staffing costs, curriculum materials and information technology. Further plans are being developed for further investment to meet future strategic objectives.

Investment Policy

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

Principal Risks and Uncertainties

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

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

The Trust has fully implemented the requirements of the Safer Recruitment procedures and all staff have received training in this area in addition to training on Child Protection. The Trust is subject to a number of risks and uncertainties in common with other academies. The Trust has in place procedures to identify and mitigate financial risks.

South Pennine Academies

Strategic Report (continued)

Fundraising

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

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

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

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

South Pennine Academies

Strategic Report (continued)

Streamlined Energy and Carbon

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	6,280,626	6,312,514
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> gas, electricity, transport fuel 		
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	656.93	597.62
Owned transport – mini-buses	1.77	1.96
Total scope 1	658.70	599.58
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	572.01	713.94
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	1.56	8.91
Total gross emissions	1,232.27	1,322.43
Intensity ratio – Tonnes CO2e per pupil	0.271	0.311

Quantification and Reporting Methodology: -

- We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites. New buildings are being built as energy efficient with renewable energy where possible.

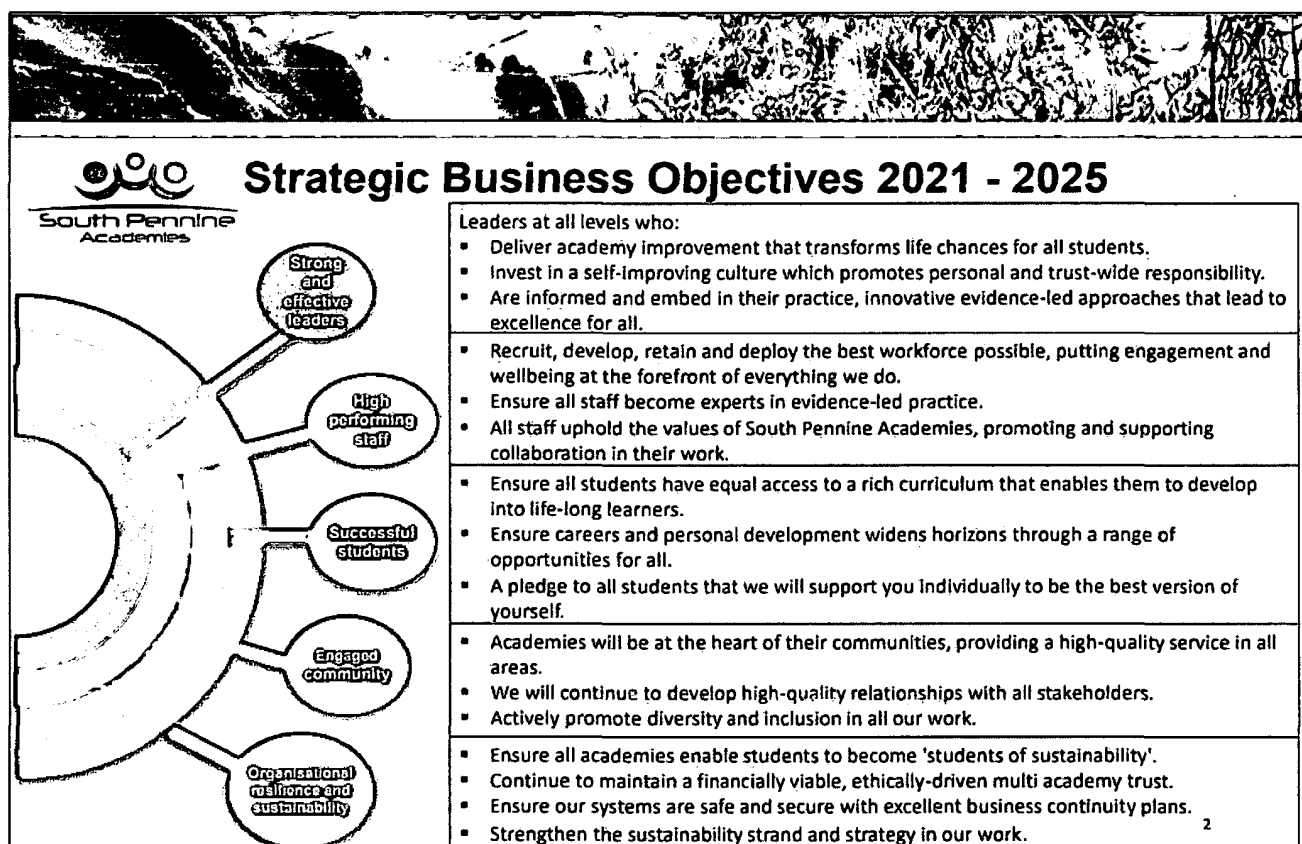
South Pennine Academies

Strategic Report (continued)

Plans for Future Periods

During the year the Trust has successfully on boarded Kirkheaton Primary School in Huddersfield. The continued integration of this school into the Trust will remain a priority for 2021/22. We have added 2-year-old provision to Woodlands Primary Academy, this is in line with the growth plan agreed with the Regional Schools Commissioner. Moving forward we will look to strengthen the Trust by considering physical expansion projects and new academies where appropriate.

Our Strategic Business Objectives 2021 -25, are



South Pennine Academies

Strategic Report (continued)

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Trustees, on 14th December 2021 and signed on the board's behalf by:



P Wheeliker
Chair of Trustees

14th December 2021

South Pennine Academies

Governance Statement

Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South Pennine Academies and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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 five times during the year, Members were invited to observe these meetings to enable them to undertake their role as a Member but were not required to attend. Attendance during the year at meetings of the Boards was as follows:

Members observing meetings but not required to attend	Meetings Attended	Possible Meetings
Denise Kriens (appointed 14/06/21)	0	2
David O'Hara	5	5
Darren Smith (resigned 28/02/21)	1	3
Graham Smith	5	5
Tim Thornton	5	5
Phil Wheeliker	5	5

Board of Trustees	Meetings Attended	Possible Meetings
Jane Acklam	5	5
Chris Bond	4	5
Glyn Charles	3	5
Simon Gray (resigned 16/11/21)	4	5
Claire Hewitt (appointed 14/06/21)	2	2
Zoe Holland (appointed 14/06/21)	0	0
Alison Iredale (resigned 16/12/20)	1	2
Mick Kay	4	5
Rohema Khan (resigned 30/06/21)	2	4
Tom Lindley	5	5
Roger Mitchell (appointed 20/07/21)	0	0
Gina Raymond (resigned 30/06/21)	1	4
Phil Wheeliker	5	5
Finance & Audit Committee	Meetings Attended	Possible Meetings
John Anchor, Waterhead Academy LAB Member	4	4
Glyn Charles	3	4
Simon Gray	4	4
Tom Lindley	4	4
Pay & Performance Committee	Meetings Attended	Possible Meetings
Jane Acklam	3	3
Rohema Khan (resigned 30/06/21)	2	3
Gina Raymond (resigned 30/06/21)	2	3
Phil Wheeliker	3	3
Glyn Charles (co-opted to Committee June 2020)	1	1
Health & Safety Committee	Meetings Attended	Possible Meetings
Chris Bond	2	2
Julie Anderson, Hillside Primary School LAB Member	2	2
Gemma Crispin, Oldham Primary Academies LAB Member (resigned 24/05/21)	1	1
Hayley Gec, Brambles Primary Academy LAB Member	1	2
Amir Khan, Waterhead Academy LAB Member	2	2
Adam McNeely, Kirkheaton Primary School LAB Member (appointed 16/03/21)	1	1
Joseph Prescott, Orchard Primary Academy LAB Member (appointed 08/10/20)	2	2
Paul Turner, Dryclough Road Campus LAB Member	1	2
Neil Watkiss, Park Lane Academy LAB Member	2	2

Brambles Primary Academy LAB	Meetings Attended	Possible Meetings
Amy Batley	4	4
Sallie Dodd	4	4
Hayley Gec	4	4
Lee Haughton (appointed 04/05/21)	2	2
Morgan Quirke	3	4
Jill Webster (appointed 09/02/21)	2	3
Russell White	3	4
Asia Yousaf	2	4
Brambles Primary Academy LAB Sub-Committee	Meetings Attended	Possible Meetings
Amy Batley	2	3
Sallie Dodd	3	3
Morgan Quirke	2	3
Russell White	3	3
Dryclough Campus Local Academy Board (Beaumont Primary Academy and Moor End Academy)	Meetings Attended	Possible Meetings
Mohammed Afzal (appointed 14/10/20)	3	3
Sarah Cunningham (appointed 28/04/21)	2	2
Zillah Doyle	3	4
Richard Edgington (appointed 19/01/21)	3	3
Kevin Johns	4	4
Debbie Kelly	4	4
Kash Rafiq	4	4
Angela Robinson (appointed 28/04/21)	1	2
Mohammed Shafiq (appointed 14/09/20)	4	4
Fiona Thompson	4	4
Paul Turner	4	4
Hafiz Ur Rehman (resigned 04/12/20)	0	1
Dryclough Campus Local Academy Board Sub Committees (Beaumont Primary Academy and Moor End Academy)	Meetings Attended	Possible Meetings
Zillah Doyle	3	3
Kevin Johns	3	3
Debbie Kelly	3	3
Kash Rafiq	1	3
Mohammed Shafiq (appointed 14/10/20)	1	3
Fiona Thompson	2	3
Paul Turner	3	3

Hillside Primary School Local Academy Board	Meetings Attended	Possible Meetings
Julie Anderson	4	4
Alison Black	4	4
Kamran Bostan (appointed 24/11/20)	1	3
Cynthia Dawson (resigned 12/07/21)	4	4
Maryam Ilyas (resigned 01/04/21)	2	2
Nadine Sadler	4	4
Simon Thomson	4	4
Ian Thwaites	4	4
Stan White	4	4
Hillside Primary School Local Academy Board Sub-Committee	Meetings Attended	Possible Meetings
Cynthia Dawson	3	3
Maryam Ilyas	1	2
Nadine Sadler	3	3
Simon Thompson	3	3
Kirkheaton Primary School Local Academy Board	Meetings Attended	Possible Meetings
Kelly Barron (appointed 16/03/21)	2	2
Leigh Blanchard (appointed 16/03/21)	2	2
Caroline Fowler (appointed 17/05/21)	2	2
Sam Gallant	2	2
Dominic Holroyd (resigned 11/06/2021; resigned 11/06/21)	0	1
Hazel Mackay (appointed 16/03/21)	1	2
Adam McNeely (appointed 16/03/21)	2	2
Gillian Starke (appointed 16/03/21)	1	2
James Wilson (appointed 22/06/2021; resigned 05/07/21)	0	1
Kirkheaton Primary School Local Academy Board Sub-Committee	Meetings Attended	Possible Meetings
Leigh Blanchard (appointed 16/03/21)	1	1
Sam Gallant	1	1
Adam McNeely (appointed 16/03/21)	1	1
Gillian Starke (appointed 16/03/21)	1	1

Oldham Primary Academies Local Academy Board (Greenacres Primary Academy, Willowpark Primary Academy, and Woodlands Primary Academy)	Meetings Attended	Possible Meetings
Emily Beach (appointed 04/05/21)	2	2
Gemma Crispin (appointed 20/10/20, resigned 24/05/21)	2	3
Christine Chadderton	4	4
Christine Duffy (term of office ended 22/05/21)	3	3
Jodie Hawkins	4	4
Louise Hayes	4	4
Sadia Hussain	2	4
Kash Rafiq	3	4
Keith Rushton	4	4
Catherine Sharpe	4	4
Katie Thornton	4	4
Heather Woodall (resigned 29/03/21)	1	2
Oldham Primary Academies Local Academy Board Sub-Committee (Greenacres Primary Academy, Willowpark Primary Academy, and Woodlands Primary Academy)	Meetings Attended	Possible Meetings
Emily Beach (appointed 04/05/21)	0	1
Christine Chadderton	2	3
Louise Hayes	3	3
Sadia Hussain	1	3
Kash Rafiq	2	3
Keith Rushton	2	2
Catherine Sharpe	3	3
Katie Thornton	3	3
Heather Woodall (resigned 29/03/21)	1	1
Orchard Primary Academy Local Academy Board	Meetings Attended	Possible Meetings
Matthew Carbutt	4	4
Barbara Cunningham	4	4
Malcolm Ellis	4	4
Danielle Fisher	4	4
Rob Furniss (appointed 20/05/21)	2	2
Jonny Mitchell	2	4
Joseph Prescott (appointed 08/10/20)	4	4
Martin Wakefield	4	4
Orchard Primary Academy Local Academy Board Sub-Committee	Meetings Attended	Possible Meetings
Matt Carbutt	3	3
Barbara Cunningham	3	3
Malcolm Ellis	3	3
Jonny Mitchell	2	3

Park Lane Academy Local Academy Board	Meetings Attended	Possible Meetings
Darren Atkinson (resigned 31/10/20)	0	1
Alison Black (appointed 02/11/20)	4	4
Amanda Blackett	4	4
Justine Bowman (appointed 12/05/21)	2	2
Abigail Cox	4	4
Danielle Durrans	1	4
Kate Lunn (appointed 07/10/20)	4	4
Rebecca Robertshaw (resigned 18/09/20)	0	0
Jonathan Rudge (appointed 07/10/20)	4	4
Neil Watkiss	4	4
James Wilson (appointed 07/10/20)	4	4
Park Lane Academy Local Academy Board Sub-Committee	Meetings Attended	Possible Meetings
Alison Black	3	3
Amanda Blackett	3	3
Danielle Durrans	2	3
Jonathan Rudge (appointed 07/10/20)	3	3
James Wilson (appointed 07/10/20)	3	3
Waterhead Academy Local Academy Board	Meetings Attended	Possible Meetings
John Anchor	4	4
Martine Browne (appointed 05/02/21)	2	2
Amir Khan	4	4
Doug King (appointed 11/02/21)	2	3
Sarah Knaggs (appointed 05/02/21)	2	2
Gordon Leach	1	4
David Long	4	4
Darren Lyon	4	4
Nick Middleton	4	4
Tariq Rafique	2	4
Waterhead Academy Local Academy Board Sub-Committee	Meetings Attended	Possible Meetings
Doug King (appointed 11/02/21)	1	1
Gordon Leach	1	2
Darren Lyon	2	2
Nick Middleton	2	2

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

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

South Pennine Academies

Governance Statement (continued)

The Finance and Audit committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- As a Finance Committee to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity in line with the ESFA guidelines, the Academies Financial Handbook and Academies Accounts Direction Documents.
- As an Audit Committee to maintain an oversight of the Trust's governance, risk management, internal control and value for money.

Governance reviews

During the year Trustees have reviewed the committee structure and have introduced a new structure for 2021 – 22. This will separate Audit and Risk from Finance and Resources. An external review of Governance will take place Spring 2022.

Review of Value for Money

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

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

- Ensuring that the Trusts Finance Handbook is adhered to as part of procurement procedures. These include the need to obtain comparative quotes and approval of the Finance and Audit committee for expenditure over pre-determined levels. Internal audit work was undertaken in year to confirm compliance with these procedures.
- We have appointed a procurement officer to support the Trust, and to ensure best value for money.
- The Trust Finance Handbook has been issued, strengthening procurement procedures, and highlighting the Buying for Schools DfE website.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Pennine Academies for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

South Pennine Academies

Governance Statement (continued)

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- regular reviews by the Finance and Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties.
- identification and management of risks.

The Board of Trustees has decided to appoint Wheawill and Sudworth as Internal Auditor.

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

- testing of payroll systems
- testing of purchase systems
- Integration of new academies

On a termly basis, the auditor reports to the Board of Trustees, through the Finance & Audit 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 CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor.
- the work of the external auditor.
- the financial management and governance self-assessment process.
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

South Pennine Academies


Governance Statement (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit 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 14th December 2021 and signed on its behalf by:



P Wheeliker
Trustee



J Acklam
Accounting Officer

South Pennine Academies

Statement of Regularity, Propriety and Compliance

As Accounting Officer of South Pennine Academies I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I can confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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



J Acklam

Accounting Officer

Date: 14 December 2021

South Pennine Academies

Statement of Trustees' Responsibilities

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

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

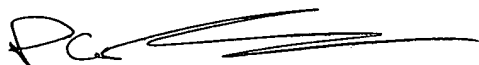
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on its behalf by:



P Wheeliker
Chair of Trustees

South Pennine Academies

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

Opinion

We have audited the financial statements of South Pennine Academies (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

South Pennine Academies

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

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

South Pennine Academies

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

South Pennine Academies

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

Use of our report

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



Christopher Beaumont BA(Hons) FCA DChA (Senior statutory auditor)
for and on behalf of

Clive Owen LLP

Chartered Accountants & Statutory Auditors
140 Coniscliffe Road

Darlington
Co Durham

DL3 7RT

Date: 17 Dec 2021

South Pennine Academies

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Pennine Academies during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of South Pennine Academies' Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of South Pennine Academies' funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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.

South Pennine Academies

Independent Reporting Accountant's Assurance Report on Regularity to South Pennine Academies and the Education & Skills Funding Agency (continued)


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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes.
- Review of Internal Assurance reports.
- Completion of self-assessment questionnaire by Accounting Officer.
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities.
- Obtain formal letters of representation detailing the responsibilities of Trustees.
- Review of payroll, purchases and expenses claims on a sample basis.
- Confirmation that the lines of delegation and limits set have been adhered to.
- Evaluation of internal control procedures and reporting lines.
- Review cash payments for unusual transactions.
- Review of credit card transactions.
- Review of registers of interests.
- Review related party transactions.
- Review of borrowing agreements.
- Review of land and building transactions.
- Review of potential and actual bad debts.
- Review an instance of gifts/hospitality to ensure in line with policy.
- Review whistleblowing procedures.
- Review pay policy and factors determining executive pay.
- Review of staff expenses.
- Review other income to ensure is in line with funding agreement.
- Review governance structure and number of meetings held.
- Review whether there is a risk register in place.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Clive Owen LLP

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date: 17 December 2021

South Pennine Academies

Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
	Notes	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	2	-	36	1,075	1,111	528
Transfers from local authority on conversion	2,29	1	(655)	3,580	2,926	5,443
Charitable activities:						
Funding for the Trust's educational operations	3	350	34,000	-	34,350	29,134
Other trading activities	4	167	-	-	167	218
Investments	5	4	-	-	4	11
Total		522	33,381	4,655	38,558	35,334
Expenditure on:						
Charitable activities:						
Trust educational operations	6	52	33,703	2,445	36,200	31,519
Total		52	33,703	2,445	36,200	31,519
Net income / (expenditure)		470	(322)	2,210	2,358	3,815
Transfers between funds	16	-	(588)	588	-	-
Other recognised gains:						
Actuarial (losses) on defined benefit pension schemes	16,25	-	(1,789)	-	(1,789)	(2,677)
Net movement in funds		470	(2,699)	2,798	569	1,138
Reconciliation of funds						
Total funds brought forward	16	2,520	(11,828)	71,146	61,838	60,700
Total funds carried forward	16	2,990	(14,527)	73,944	62,407	61,838

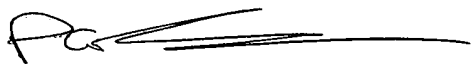
South Pennine Academies

Balance Sheet as at 31 August 2021

Company Number 07599308

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	11		72,844		70,383
Investments	12		<u>25</u>		<u>25</u>
			72,869		70,408
Current assets					
Debtors	13	1,082		920	
Cash at bank and in hand	23	<u>9,407</u>		<u>7,138</u>	
		10,489		8,058	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(2,002)</u>		<u>(2,049)</u>	
Net current assets			8,487		6,009
Total assets less current liabilities			81,356		76,417
Creditors: Amounts falling due after more than one year	15		<u>(6)</u>		<u>(7)</u>
Net assets excluding pension liability			81,350		76,410
Defined benefit pension scheme liability	25		<u>(18,943)</u>		<u>(14,572)</u>
Total assets			62,407		61,838
Funds of the Trust:					
Restricted funds					
Fixed asset fund	16	73,944		71,146	
Restricted income fund	16	4,416		2,744	
Pension reserve	16	<u>(18,943)</u>		<u>(14,572)</u>	
Total restricted funds			59,417		59,318
Unrestricted income funds	16		<u>2,990</u>		<u>2,520</u>
Total funds			62,407		61,838

The financial statements on pages 39 - 67 were approved by the Trustees, and authorised for issue on 14th December 2021 and are signed on their behalf by:



P Wheeliker
Chair of Trustees

South Pennine Academies

Statement of Cash Flows for the year ended 31 August 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	2,749	1,465
Cash transferred on conversion from local authority		1	280
Cash flows from investing activities	22	(480)	56
Cash flows from financing activities	21	(1)	(1)
Change in cash and cash equivalents in the reporting period		2,269	1,800
Cash and cash equivalents at 1 September 2020		7,138	5,338
Cash and cash equivalents at the 31 August 2021	23	9,407	7,138

South Pennine Academies

Notes to the Financial Statements for the period ended 31 August 2021

1 Statement of accounting policies

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

Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

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

Subsidiary undertaking

For the current year, in line with guidance set out in the Academies Accounts Direction 2020 - 2021 the Trust has not consolidated Moor End Educational Services Limited on the grounds that the transactions are immaterial.

South Pennine Academies

Notes to the Financial Statements for the period ended 31 August 2021

Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

The conversion of the maintained school or school to the Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

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

- **Donated fixed assets**

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

South Pennine Academies

Notes to the Financial Statements for the period ended 31 August 2021

Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

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

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

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

South Pennine Academies

Notes to the Financial Statements for the period ended 31 August 2021

Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased assets

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

Investments

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

Taxation

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

South Pennine Academies

Notes to the Financial Statements for the period ended 31 August 2021

Fund accounting

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

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

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due from the Trust's wholly owned subsidiary are held at face value less any impairment.

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £2,355,000.

Critical areas of judgement

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

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

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

2 Donations and capital grants

		Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital grants		-	752	752	516
Transfers from local authority on conversion	29	1	2,925	2,926	5,443
Donations		-	359	359	12
		<u>1</u>	<u>4,036</u>	<u>4,037</u>	<u>5,971</u>
2020 Total		-	5,971	5,971	

3 Funding for the Trust's educational operations

		Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 as restated*
DfE / ESFA grants					
General Annual Grant (GAG)		-	26,436	26,436	23,291
Other DfE/ESFA grants					
UIFSM		-	308	308	276
Pupil Premium		-	2,319	2,319	1,981
Others		-	1,745	1,745	1,273
Other DfE Group grants		-	334	334	265
		<u>-</u>	<u>31,142</u>	<u>31,142</u>	<u>27,086</u>
Other Government grants					
Local authority grants		-	2,247	2,247	1,613
Special educational projects		-	24	24	-
		<u>-</u>	<u>2,271</u>	<u>2,271</u>	<u>1,613</u>
Other income from the trust's educational operations		350	2	352	392
COVID-19 additional funding (DfE/ESFA)					
Catch up Premium		-	396	396	43
Other DfE/ESFA COVID-19 funding		-	163	163	-
COVID-19 additional funding (non-DfE/ESFA)					
Other COVID-19 funding			26	26	-
		<u>350</u>	<u>34,000</u>	<u>34,350</u>	<u>29,134</u>
2020 Total		<u>372</u>	<u>28,762</u>	<u>29,134</u>	

*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Trust's funding for Universal Free School Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grant heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year figures have been reclassified.

The Trust received £585,000 of funding for catch-up premium and other DfE/ ESFA COVID-19 funding and costs incurred in respect of this funding totalled £504,000, with the remaining £81,000 to be spent in 2021/22.

The Trust did not furlough any staff in the year.

Costs relating to this income are included in notes 6 and 7 below as appropriate

4 Other trading activities

		Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities		45	-	45	25
Income from other charitable activities		-	-	-	-
Income from ancillary trading activities		122	-	122	193
		<u>167</u>	<u>-</u>	<u>167</u>	<u>218</u>
2020 Total		<u>216</u>	<u>2</u>	<u>218</u>	

5 Investment income

		Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2021 £000
Short term deposits		4	-	4	11
		<u>4</u>	<u>-</u>	<u>4</u>	<u>11</u>
2020 Total		<u>11</u>	<u>-</u>	<u>11</u>	

South Pennine Academies
Notes to the Financial Statements for the year ended 31 August 2021
(continued)

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2021	2020
	£000	£000	£000	£000	£000
Trust's educational operations:					
Direct costs	20,764	-	1,914	22,678	20,355
Allocated support costs	5,533	3,723	4,266	13,522	11,164
	26,297	3,723	6,180	36,200	31,519
2020 Total	23,033	4,306	4,180	31,519	

Net expenditure for the period includes:

	2021	2020
	£000	£000
Operating lease rentals	164	152
Depreciation	2,355	1,996
Gain / Loss on disposal of fixed assets	-	-
Fees payable to auditor for:		
- audit	21	18
- other services	3	3

Included within expenditure are the following transactions:

	Total £'000	Individual items above £5,000	
		Amount £	Reason
Compensation payments	-	-	N/A
Gifts made by the Trust	-	-	N/A
Fixed asset losses	-	-	N/A
Stock losses	-	-	N/A
Unrecoverable debts	15	-	N/A
Cash losses	-	-	N/A
Ex-gratia payments	-	-	N/A

South Pennine Academies
Notes to the Financial Statements for the year ended 31 August 2021
(continued)

7 Charitable activities

	Total	Total
	2021	2020
	£000	£000
Direct costs – educational operations	22,678	20,355
Support costs – educational operations	13,522	11,164
	36,200	31,519

Analysis of support costs	Educational	Total	Total
	operations	2021	2020
	£000	£000	£000
Support staff costs	5,533	5,533	3,787
Technology costs	226	226	515
Premises costs	1,657	1,657	2,406
Depreciation	2,066	2,066	1,996
Other support costs	4,000	4,000	2,433
Governance costs	40	40	27
Total support costs	13,522	13,522	11,164

South Pennine Academies **Notes to the Financial Statements for the year ended 31 August** **2021 (continued)**

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2021 £000	Total 2020 £000
Wages and salaries	18,232	16,082
Social security costs	1,784	1,507
Operating costs of defined benefit pension schemes	5,256	4,354
	25,272	21,943
Agency staff costs	914	996
Staff restructuring costs	111	94
	26,297	23,033
Staff restructuring costs comprise:		
Redundancy payments	49	44
Severance payments	62	50
	111	94

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,683 (2020: £15,510). Individually, the 2021 payments were £5,683 and £5,000.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	291	272
Administration and support	418	329
Management	15	17
	724	618

d Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	8	10
£70,001 - £80,000	6	3
£80,001 - £90,000	2	1
£90,001 - £100,000	1	2
£100,001 - £110,000	2	-
£170,001 - £180,000*	1	-
£200,001- £210,000*	-	1

*Includes salary in lieu of employer pension cost.

Excluding salary in lieu of employer contributions basic pay would fall in the banding £140,001 - £150,000 (2020: £160,001 - £170,000) .

e Key management personnel

The key management personnel of the 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 NI contributions) received by key management personnel for their services to the Trust was £1,663,783 for 16 people (2020: £1,527,914 for 17 people).

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021

(continued)

9 Related party transactions - Trustees' remuneration and expenses

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

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

J Acklam:

- Remuneration (basic) £140,000 - £145,000 (2020: £160,000 - £165,000)
- Remuneration (in lieu of employer pension contribution) £30,000 to £35,000 (2020: £35,000 - £40,000)
- Remuneration (mileage allowance) £1,450 (2020: £1,800)
- Employer's pension contributions paid £Nil (2020: £Nil)

During the period ended 31 August 2021, travel and subsistence expenses totalling £225 were reimbursed or paid directly to one Trustee (2020: £1,486 to one Trustee).

10 Trustees' and officers' insurance

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

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

11 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Furniture and equipment	Computer hardware	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2020	16,880	61,058	1,480	3,048	1	82,467
Additions	8	-	440	790	-	1,238
Transfer on conversion	-	3,580	-	-	-	3,580
Disposals	-	-	(2)	-	-	(2)
At 31 August 2021	16,888	64,638	1,918	3,838	1	87,283
Depreciation						
At 1 September 2020	731	7,691	764	2,897	1	12,084
Charged in year	566	1,231	269	289	-	2,355
Disposals	-	-	-	-	-	-
Transfer	391	(391)	-	-	-	-
At 31 August 2021	1,688	8,531	1,033	3,186	1	14,439
Net book values						
At 31 August 2020	16,149	53,367	716	151	-	70,383
At 31 August 2021	15,200	56,107	885	652	-	72,844

Review of fixed asset registers identified £391,000 of cumulative depreciation incorrectly classed as leasehold land and buildings and adjustment has been made to correct this. It has no impact on the NBV of tangible fixed assets.

South Pennine Academies
Notes to the Financial Statements for the year ended 31 August 2021
(continued)

	2021	2020
	£000	£000
12 Investments		
Investments in wholly owned subsidiaries	25	25
	<u>25</u>	<u>25</u>

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

13 Debtors

	2021	2020
	£000	£000
Trade debtors	39	71
Less: potential bad debts	-	(20)
VAT recoverable	144	131
Other debtors	4	75
Prepayments and accrued income	895	663
	<u>1,082</u>	<u>920</u>

South Pennine Academies **Notes to the Financial Statements for the year ended 31 August 2021** **(continued)**

14 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	604	57
Other taxation and social security	288	347
Loans	1	1
Other creditors	355	453
Accruals and deferred income	754	1,191
	2,002	2,049

Deferred income	2021	2020
	£000	£000
Deferred income at 1 September 2020	205	138
Released from previous years	(205)	(138)
Resources deferred in the year	235	205
Deferred Income at 31 August 2021	235	205

At the balance sheet date the Trust was holding £235,000 of funds received in advance relating Universal Infant Free School Meals, Rates Relief and School Trip income received in advance for the financial year 2021.

SALIX loans of £6,000 (2020: £7,000) were received in respect of the Condition Improvement Fund project at Waterhead Academy. This is repayable over 8 years commencing September 2019. The loan is interest free.

15 Creditors : amounts falling due in greater than one year

	2021	2020
	£000	£000
Loans	6	7
	6	7

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

16 Funds

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

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

	Balance at 1 September 2019				Balance at 31 August 2020
	£000	Transfers in £000	Income £000	Expenditure £000	Gains losses and transfers £000
Restricted general funds					
General Annual Grant (GAG)	-	-	23,291	(22,995)	(296)
Pupil Premium	-	-	1,981	(1,981)	-
Other grants	1,880	-	3,786	(2,922)	-
Pension reserve	(9,347)	(1,077)	-	(1,471)	(2,677)
	(7,467)	(1,077)	29,058	(29,369)	(2,973)
Restricted fixed asset funds					
Transfer on conversion	63,805	6,240	-	(1,638)	-
DfE capital grants	1,765	54	516	(232)	-
Capital expenditure from GAG	364	-	-	(171)	296
Private sector capital sponsorship	152	-	-	(5)	-
	66,086	6,294	516	(2,046)	296
Total restricted funds	58,619	5,217	29,574	(31,415)	(2,677)
Total unrestricted funds	2,081	226	317	(104)	-
Total funds	60,700	5,443	29,891	(31,519)	(2,677)

Restricted general funds

These funds have arisen from revenue funding provided by the ESFA and local authority and are all to be used for educational purposes in accordance with the Trust's objects and its funding agreement with the Secretary of State and the terms of the grants themselves where stated. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2021. The restricted Pension Reserve is in deficit to the value of £18,943k (2020: £14,572k). The Trustees will continue to monitor the situation. £588k of funding was transferred from GAG to fund fixed asset additions in the year.

Restricted fixed asset funds

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

Unrestricted funds

The surplus has arisen from activities for generating funds.

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

16 Funds (continued)

Analysis of academies by fund balance

	2021	2020
	£000	£000
Moor End Academy	1,474	1,124
Orchard Primary Academy	489	247
Beaumont Primary Academy	421	284
Greenacres Primary Academy	86	24
Waterhead Academy	1,582	770
Willowpark / Woodlands Primary Academy	577	392
Park Lane Academy	795	527
Brambles Primary Academy	166	99
Hillside Primary School	290	230
Kirkheaton Primary School	(27)	-
Central Services	1,553	1,567
Total before fixed assets and pension reserve	7,406	5,264
Restricted fixed asset fund	73,944	71,146
Pension reserve	(18,943)	(14,572)
Total	62,407	61,838

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

	Teaching & educational support staff	Other support staff	Educational supplies	Other costs (excluding depreciation)	Depreciation	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Moor End Academy	4,776	593	199	1,462	391	7,421	6,871
Orchard Primary Academy	1,445	176	55	391	185	2,252	1,893
Beaumont Primary Academy	1,478	199	120	352	207	2,356	1,518
Waterhead Academy	4,787	1,589	245	1,312	621	8,554	8,531
Willowpark / Woodlands Primary Academy	2,056	175	130	604	143	3,108	2,990
Greenacres Primary Academy	850	117	21	246	76	1,310	1,315
Central Services	586	2,132	100	708	100	3,626	3,045
Brambles Primary Academy	425	55	31	108	5	624	429
Park Lane Academy	2,167	235	132	809	455	3,798	3,820
Hillside Primary School	1,366	184	57	287	115	2,009	1,107
Kirkheaton Primary School	828	78	15	164	57	1,142	-
	20,764	5,533	1,105	6,443	2,355	36,200	31,519

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

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

17 Analysis of Net assets between Funds

Fund balances at 31 August 2021 are represented by:

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	25	-	70,383	70,408
Current assets	2,495	4,800	763	8,058
Current liabilities	-	(2,049)	-	(2,049)
Creditors > 1yr	-	(7)	-	(7)
Pension scheme liability	-	(14,572)	-	(14,572)
Total net assets	2,520	(11,828)	71,146	61,838

18 Capital commitments

There were £383,656 capital commitments, for Condition Improvement Funding, contracted for but not provided for in the financial statements (2020: £114,529).

19 Commitments under operating leases

At 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	119	141
Amounts due between one and five years	130	133
	249	274

South Pennine Academies
Notes to the Financial Statements for the year ended 31 August 2021
(continued)

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

	2021	2020
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	2,358	3,815
Adjusted for:		
Depreciation charges (note 11)	2,355	1,996
Loss on disposal of tangible fixed assets	-	-
Net surplus on transfer from local authority	(2,926)	(5,443)
Capital grants from DfE and other capital income	(752)	(516)
Interest receivable (note 5)	(4)	(11)
Defined benefit pension scheme cost less contributions payable (note 25)	1,674	1,281
Defined benefit pension scheme finance cost (note 25)	253	190
(Increase) / decrease in debtors	(162)	19
(Decrease) / Increase in creditors	(47)	134

Net cash provided by operating activities

2,749 **1,465**

21 Cash flows from financing activities

	2021	2020
	£000	£000
Repayment of borrowing	(1)	(1)
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	(1)	(1)

22 Cash flows from investing activities

	2021	2020
	£000	£000
Interest from investments	4	11
Proceeds from sale of tangible fixed assets	2	-
Purchase of tangible fixed assets	(1,238)	(471)
Capital grants from DfE/ESFA/Local authority	752	516
Net cash used in investing activities	(480)	56

23 Analysis cash and cash equivalents

	At 31 August	At 31 August
	2021	2020
	£000	£000
Cash in hand and at bank	9,407	7,138
Total cash and cash equivalents	9,407	7,138

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021

(continued)

24 Members' liability

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

South Pennine Academies

Notes to the Financial Statements for the period ended 31 August 2021

(continued)

25 Pension and similar obligations

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

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

There were £287,000 of outstanding contributions and are included in creditors at the end of the financial year (2020: 375,000) . These related to deductions paid over in September 2021. There were no prepaid contributions.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £2,580,736 (2020: £2,244,131).

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

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

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021

(continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme ("LGPS")

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

The total contribution made for the year ended 31 August 2021 was £1,334,000 (2020: £1,116,000), of which employer's contributions totalled £992,000 (2020: £820,000) and employees' contributions totalled £342,000 (2020: £293,000). The total LGPS pension scheme liability at 31 August 2020 was £18,943,000 (2020: £14,572,000) of which £10,950,000 related to the WYPF and £7,993,000 the GMPF (2020: £8,694,000 WYPF and GMPF £5,878,000). Details of the assumptions supporting these calculations and the overall liability are shown below.

The agreed contribution rates for future years are detailed below.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of transfers into the trust, as described in note 29, and new employees who were eligible to, and did, join the Scheme. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

GMPF contribution rates

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

Up to 31 March 2021

From 1 April 2021

Pay bands	Contribution rate	Pay bands	Contribution rate
Up to £14,600	5.50%	Up to £14,600	5.50%
£14,601 - £22,800	5.80%	£14,601 - £22,900	5.80%
£22,801 - £37,100	6.50%	£22,901 - £37,200	6.50%
£37,101 - £46,900	6.80%	£37,201 - £47,100	6.80%
£46,901 - £65,600	8.50%	£47,101 - £65,900	8.50%
£65,601 - £93,000	9.90%	£65,901 - £93,400	9.90%
£93,001 - £109,500	10.50%	£93,401 - £110,000	10.50%
£109,501 - £164,200	11.40%	£110,001 - £165,000	11.40%
£164,201 or more	12.50%	£165,001 or more	12.50%

GMPF principal actuarial assumptions

At 31 August 2021

At 31 August 2020

Rate of increase in salaries	3.65%	3.00%
Rate of increase for pensions in payment/inflation	2.90%	2.20%
Discount rate for scheme liabilities	1.65%	1.70%
Inflation assumption (CPI)	2.90%	2.20%
Commutation of pensions to lump sums	55%	55%

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	20.5	20.5
Females	23.3	23.1
<i>Retiring in 20 years</i>		
Males	21.9	22.0
Females	25.3	25.0
GMPF sensitivity analysis	At 31 August	At 31 August
(Approximate increase to defined benefit obligation)	2021	2020
	£'000	£'000
Discount rate -0.5%	N/A	2,239
Salary increase Rate +0.5%	N/A	161
Pension increase rate +0.5%	N/A	2,042
Real discount rate -0.1%	553	N/A
1 year increase in member life expectancy	883	N/A
Salary increase Rate +0.1%	37	N/A
Pension increase rate+0.1%	508	N/A

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021

(continued)

25 Pension and similar obligations (continued)

WYPF contribution rates

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

Up to 31 March 2021		From 1 April 2021	
Pay bands	Contribution rate	Pay bands	Contribution rate
Up to £14,600	5.50%	Up to £14,600	5.50%
£14,601 - £22,800	5.80%	£14,601 - £22,900	5.80%
£22,801 - £37,100	6.50%	£22,901 - £37,200	6.50%
£37,101 - £46,900	6.80%	£37,201 - £47,100	6.80%
£46,901 - £65,600	8.50%	£47,101 - £65,900	8.50%
£65,601 - £93,000	9.90%	£65,901 - £93,400	9.90%
£93,001 - £109,500	10.50%	£93,401 - £110,000	10.50%
£109,501 - £164,200	11.40%	£110,001 - £165,000	11.40%
£164,201 or more	12.50%	£165,001 or more	12.50%

WYPF principal actuarial assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.85%	3.45%
Rate of increase for pensions in payment/inflation	2.60%	2.20%
Discount rate for scheme liabilities	1.70%	1.70%
Inflation assumption (CPI)	2.60%	2.20%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.9	21.8
Females	24.7	24.6
<i>Retiring in 20 years</i>		
Males	22.6	22.5
Females	25.8	25.7

WYPF sensitivity analysis (Approximate change to defined benefit obligation)	At 31 August 2021	At 31 August 2020
	£'000	£'000
Discount rate +0.1%	(620)	(465)
Discount rate -0.1%	643	482
Mortality Assumption- 1 year increase	(873)	(619)
Mortality Assumption- 1 year decrease	873	619
Increase in salaries +0.1%	92	69
Increase in salaries -0.1%	(92)	(69)
Rate of increase for pensions in payment/inflation +0.1%	528	396
Rate of increase for pensions in payment/inflation -0.1%	(528)	(396)

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021

(continued)

25 Pension and similar obligations (continued)

	Fair value at 31 August 2021 £000	Fair value at 31 August 2020 £000
Equity instruments	19,632	14,341
Bonds	3,602	3,067
Property	1,442	1,161
Cash	1,250	1,167
Other assets	168	128
Total market value of assets	26,094	19,864

The actual return on scheme assets was minus £4,914,000 (2020: Minus £400,000).

Amounts recognised in the statement of financial activities

	2021 £000	2020 £000
Current service cost	2,666	2,099
Past Service Cost	-	2
Net interest cost	253	190
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	2,919	2,291

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

	2021 £'000	2020 £'000
At 1 September	34,436	26,965
Upon conversion	1,464	2,774
Current service cost	2,666	2,099
Past service cost	-	2
Interest cost	608	552
Employee contributions	342	293
Actuarial (gain) / loss due to changes in financial assumptions	6,056	2,138
Actuarial (gain) / loss due to changes in demographic assumptions	115	(95)
Actuarial (gain) / loss due to liability experience	(318)	(11)
Benefits paid	(332)	(281)
At 31 August	45,037	34,436

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

	2021 £'000	2020 £'000
At 1 September	19,864	17,618
Upon conversion	809	1,697
Interest income	355	362
Actuarial gain	4,064	(645)
Employer contributions	992	820
Employee contributions	342	293
Benefits paid	(332)	(281)
At 31 August	26,094	19,864

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

26 Related party transactions

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

Expenditure related party transactions

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

- Purchases, excluding VAT, totalling £5,988 (2020: £12,613) during the period. There were amounts outstanding of £Nil at 31 August 2021 (2020: £2,190)
- The Trust made the purchase at arms' length following a purchasing procedures in accordance with its financial regulations which Ms Acklam did not participate.
- The element above £2,500 has been provided 'at no more than cost' and Signs Xtra Ltd has provided a statement of assurance confirming this.

In entering into the transactions with Signs Xtra the Trust has complied with the requirements of ESFA's Academies Financial Handbook 2020.

In addition transactions totalling £21,100 (2020: £2,520) with Ethos Academy Trust, where Ms Acklam was also a trustee and is now a member, were made in the year. In accordance with the Charities SORP (appendix 1) this is not a related party transaction as Ms Acklam does not control by herself or with others both entities. However these have been disclosed for transparency purposes. Ms Acklam is also a Trustee at Tapton School Academy Trust, no transactions were made with this Trust.

27 Agency arrangements

The Trust receives funding from the DfE in respect of Initial Teacher Training Bursaries. These bursaries are held under agency arrangements and paid to the Trainees. They do not form part of the income of expenditure of the Trust. In 2021 we received and paid out £264,000 of funding (2020:£315,300).

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

28 Central services

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

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

The Trust charges for these services on the following basis:

- flat percentage of GAG income at 5% from January 2017. In addition the Trust charged agreed fees to Little Jacks and Woodside, pre schools operated by its subsidiary company Moor End Educational Services Limited in 2020. These activities are now operated within Orchard Primary Academy and Beaumont Primary Academy respectively

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

	2021	2020	
	£000	£000	
Beaumont Primary Academy	71	45	
Moor End Academy	299	287	
Greenacres Primary Academy	49	46	
Orchard Primary Academy	76	71	
Waterhead Academy	394	370	
Willowpark Primary Academy / Woodlands Primary Academy	114	111	
Little Jacks	-	5	
Park Lane Academy	146	148	
Brambles Primary Academy	28	20	
Hillside Primary School	76	44	From 1st Feb 2020
Woodside Pre School	-	5	
Kirkheaton Primary School	42	-	From 1st Feb 2021
	1,295	1,152	

South Pennine Academies

Notes to the Financial Statements for the year ended 31 August 2021

(continued)

29 Transfers to the Trust

Transfers from a local authority

On 1st February 2021 Kirkheaton Primary School converted as an academy under the Academies Act 2010 and all the operations and assets and liabilities were transferred to South Pennine Academies from Kirklees Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer on conversion. The book value of assets transferred for Kirkheaton Primary School was equal to the fair value.

The following table sets out the fair values of the identifiable assets and liabilities transferred.

	Unrestricted General Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Freehold land and buildings	-		-	-
Leasehold land and buildings	-		3,580	3,580
Furniture and equipment	-		-	-
Computer hardware	-		-	-
Current assets				
Debtors	-		-	-
Cash at bank and in hand	1		-	1
Liabilities				
Creditors less than one year	-		-	-
Pension scheme liability		(655)	-	(655)
Net assets	1	(655)	3,580	2,926

An analysis of the net assets recognised in the SOFA is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Funds £,000	Total £000
Kirkheaton Primary School	1	(655)	3,580	2,926
Transfers from a local authority	1	(655)	3,580	2,926