

PENK VALLEY ACADEMY TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements for
the year ended 31 August 2023

Company Registration Number: 11124272 (England and Wales)

PENK VALLEY ACADEMY TRUST

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Reference and Administrative Details
for the year ended 31 August 2023

Members	M Roberts C Shaw C Bolivar J Jeffries
Trustees	M Roberts (Chair of Trustees) S Blackburn- retired 31/08/2023 C Noak – retired 31/08/2023 D Shipman C MacColl C Griffiths H Blaikie B Evans S Williams
Senior Leadership Team:	
CEO	B Evans
Headteacher (Wolgarston High School)	J Fairclough
Headteacher (Penkridge Middle School)	A Grocutt
Headteacher (The Rural Enterprise Academy)	A Corrigan
Headteacher (Princefield First School)	H Barron
Headteacher (Marshbrook First School)	D Spiers – left 31/08/2022 R Nixon – from 01/09/2023
Headteacher (St Johns (CE) First School)	E Challiner
Headteacher (St Mary & St Chad (CE) First School)	S Lamond
Chief Finance Officer	J Marson
Chief Operating Officer	L Metcalfe-Chase
HR Manager	D Harrison
Director of Governance and Communications	M Smith – left 30/09/2022 C Harley – started 01/01/2023
Registered Office	Penk Valley Academy Trust Cannock Road Penkridge Stafford ST19 5RX
Academies Operated	Marshbrook First School Princefield First School St John's CE First School St Mary & St Chad CE First School Penkridge Middle School The Rural Enterprise Academy Wolgarston High School
Company Registration Number	11124272 (England and Wales)
Auditors	Cooper Parry Group Limited Cubo Birmingham Office 401, 4 th Floor Two Chamberlain Square B3 3AX
Bankers	Lloyds Bank Plc Queen Square Wolverhampton WV1 1RF
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES

PENK VALLEY ACADEMY TRUST

Trustees' Report for the year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2023. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

Structure, Governance and Management

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

Penk Valley Academy Trust has a combined pupil capacity of 2,280 and had a roll of 2,134 in the school census on 4th October 2023.

Constitution

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

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

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

Members' Liability

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

Trustees' Indemnities

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

Principal Activities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

As a Trust with two church schools, we also have a duty to ensure sufficient diocesan representation at Governor and Trustee level through the appointment of foundation Governors and Trustees in accordance with our Church Supplemental Funding Agreements.

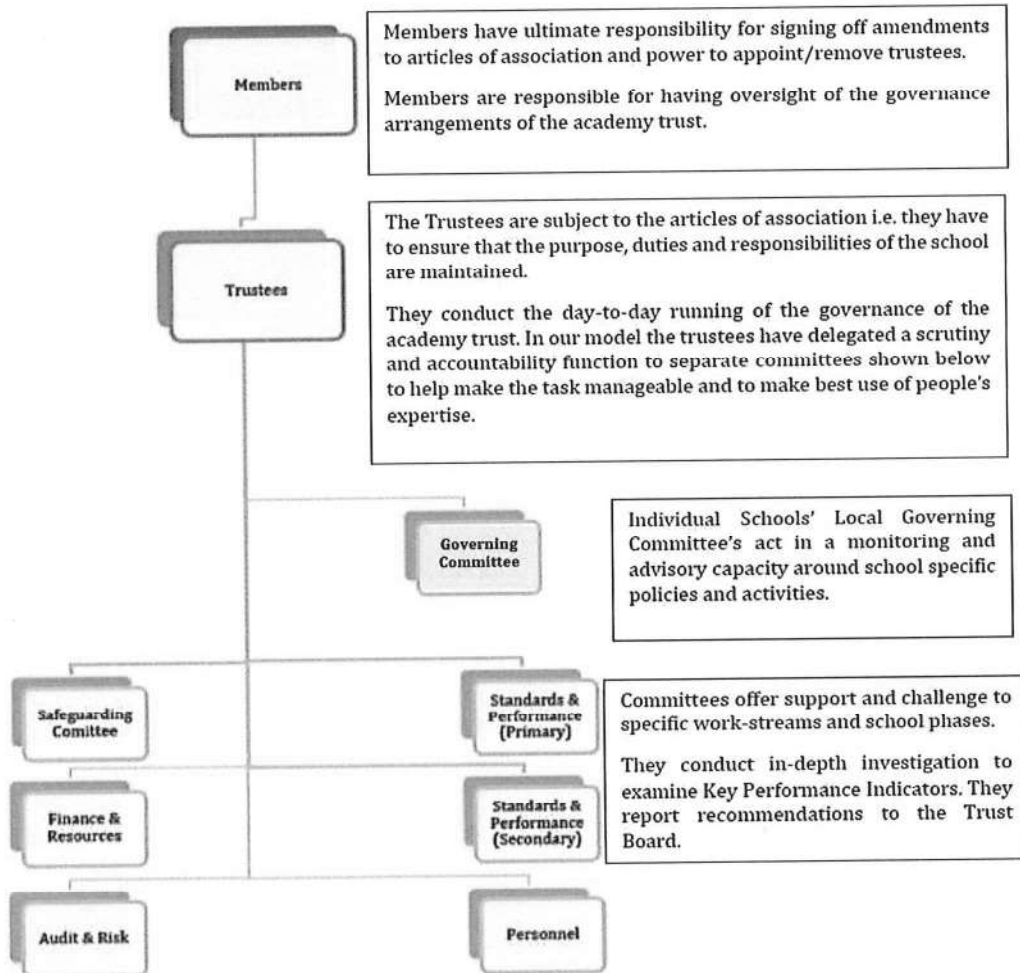
Policies and Procedures Adopted for the Induction and Training of Trustees

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

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued)
for the year ended 31 August 2023

Structure, Governance and Management (continued)
Organisational Structure



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

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

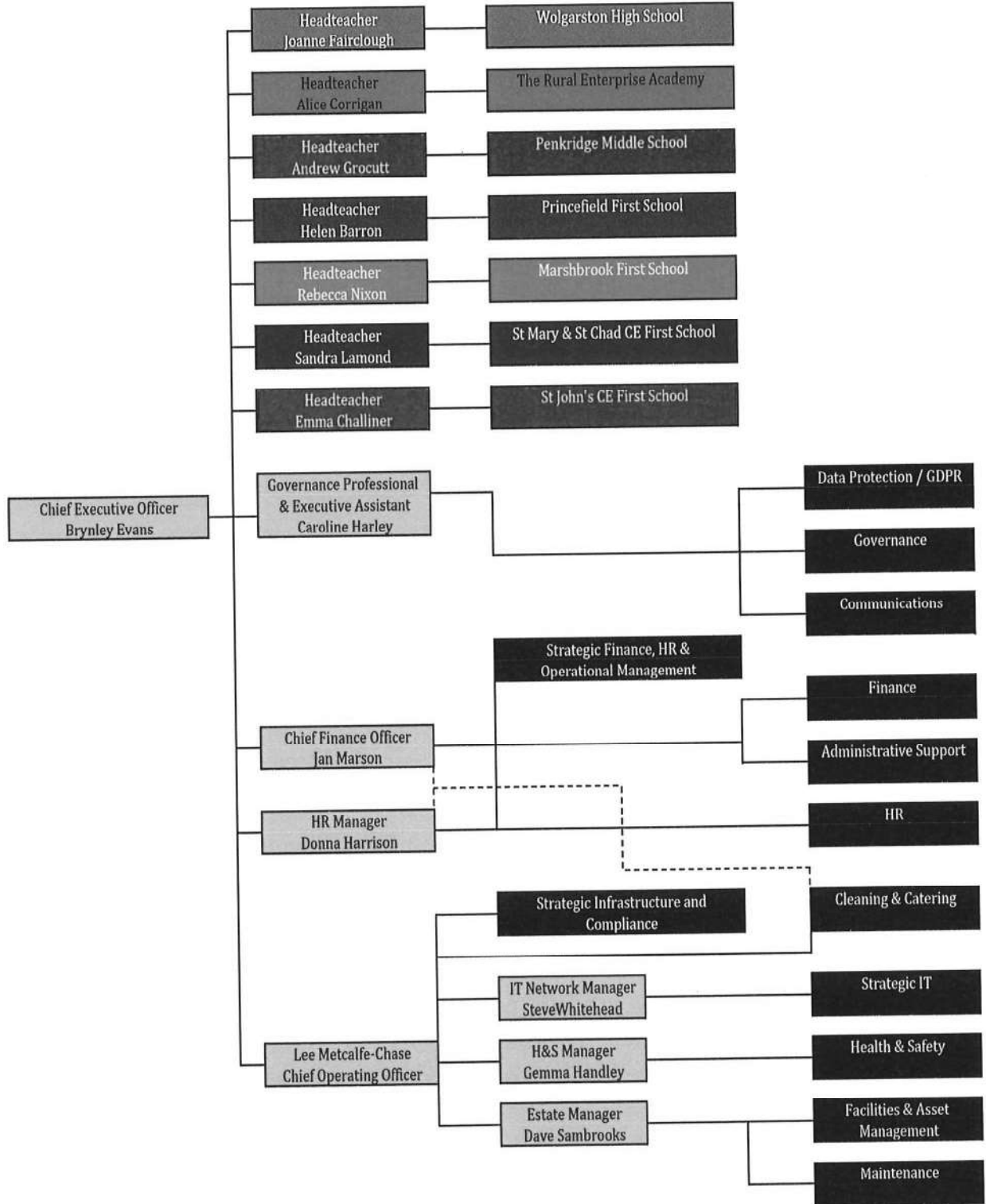
Each school Local Governing Committee has been established to support individual schools with the day-to-day scrutiny of the school(s) along with several other related responsibilities included within the Governance Scheme of Delegation.

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

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued)
for the year ended 31 August 2023

Structure, Governance and Management (continued)
 Penk Valley Academy Trust – Senior Leadership Team



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Trustees' Report (continued) for the year ended 31 August 2023

Structure, Governance and Management (continued)

Arrangements for setting pay and remuneration of key management personnel

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

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

Related parties and other connected charities and organisations

Penk Valley Academy Trust is currently working with Manor Teaching Hub in the delivery of training programmes for:

- Early Career Teachers (ECT)
- National Professional Qualification (NPQ)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full time equivalent employee number	1.32

Percentage of time spent of facility time

	No of employees
0%	2
1% - 50%	-
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£0.412k
Total pay bill	£10,863k
Percentage of total pay bill spent on facility time	0.0038%

Paid trade union activities

-

Engagement with employees (including disabled persons)

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

- Communication is key and employees are kept informed of performance and strategy via regular staff, departmental and management meetings; Senior Leadership within each School have a close working relationship with the Trust Leadership Team and operate an 'open-door' policy
- Whole staff well-being and engagement surveys which include workload, workplace relationships, training and support are undertaken with results reported back to Leadership and Trustees, which enable the Trust to review and refine its provision
- Penk Valley Academy Trust has a Health and Safety Committee that ensures compliance regarding employee safety and well-being
- Regular correspondence is issued from the HR and Payroll department to all staff regarding remuneration Penk Valley Academy Trust operates an Employee Assistance Programme (EAP) to which employees can self—refer
- A standardised performance management system which ensures all employees have access to support, professional development and career advancement opportunities. Annual targets are set in conjunction with the goals and ambitions of the Trust/School
- Penk Valley Academy Trust has adopted an Equality Policy and a Recruitment and Selection Policy
- The Academy Trust has approved Public Sector Equality Duty Objectives
- New staff members go through an induction process where all relevant policies and procedures are disseminated; staff are aware of who to ask for assistance
- Staff can access information from the Trust SharePoint sites (HR, Estates, Administrative Support and Finance) acting as a Trust intranet
- Recruitment and HR software packages have been procured and will be fully implemented across the Trust by August 2024 further developing the culture of communication and transparency

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued) for the year ended 31 August 2023

Engagement with employees (including disabled persons) (continued)

The Academy Trust considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust aims to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. Policy and its implementation are reviewed by the Personnel Committee.

In accordance with the Academy Trust's Equality policy and Public Sector Equality Duty Objectives, the Academy Trust has established fair employment practices in recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

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

PVAT recognises that it has a duty to act in a professional and ethical manner with everyone we engage with. As a charitable company, and a public sector body, we are acutely aware that we have multiple stakeholders. These include:

- Children in our schools
- The parents, carers and families of children in our schools
- The Trust's employees
- The wider communities within which our schools operate
- The Department for Education and its agencies (ESFA, Ofsted)
- Other government departments to whom the electorate and the taxpayer are accountable
- The Members of the Trust
- Commercial and non-commercial partners and suppliers

The Trust is underpinned by the National Standards for Teachers, the National Standards for Headteachers, the Nolan Principles for Public Life and statute, and we will engage with stakeholders using these principles. Should the Trust, or an employee within it, exceed or fall short of these standards, PVAT's Complaints Policy is available for stakeholders to express satisfaction or seek redress. This policy can be viewed on the Trust's website.

Objectives and Activities

a) Objectives and Aims

To provide an excellent broad and balanced curriculum for all learners in MAT academies that ensures each individual achieves stretching personal goals and fulfils their potential. The principal objective and activity of the charitable company is the operation of Penk Valley Academy Trust to advance education in the UK for the public benefit. In particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

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

Our overall strategic aims include: -

- Children are well prepared for the next stage of their lives through experience best learning opportunities through exceptional teaching and support, and access to high quality resources and provision in and beyond the classroom.
- Children achieve more and make better progress by attending a PVAT academy than would otherwise be expected. We add value.
- Our academies are close to full because of their popularity, reputation and success.
- Our academies are staffed with high performing professionals, exhibiting passion and taking pride in their work, in a context of effective support and challenge.
- Accommodation and premises are safe, well maintained, and with facilities which are constantly improving
- Infrastructure is both effective and efficient, underpinned by sound financial management practices whereby value for money is always given due regard.
- Management systems are coherent and cohesive.
- We uphold and promote the religious character of our Church Schools.

b) Public Benefit

The Trustees have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support wider educational objectives via a strong community role.

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued) for the year ended 31 August 2023

Equality Statement

The Academy Trust seeks to achieve the objectives set down in the Equality Act 2010.

- As part of its accommodation strategy the Trust updates its access audit as required
- The Trust has, in each Academy, an appointed SEND Co-ordinator (or a role with this responsibility contained within it), who provides information, advice and arranges support where necessary for students with disabilities
- Specialist equipment is made available for use by pupils and a range of assistive technology
- The policy for admittance of all pupils is described in the Trust's Admissions Policy. Appeals against a decision not to offer a place are dealt with under the appeals procedure outlined in the Admissions policy
- We inform pupils and parents, at the point of transfer to Academies within the MAT, of the Academy's pastoral system and identified staff e.g. House leader, tutor, to whom they can go to if they require support or assistance of any kind

Strategic Report

a) Achievements and Performance

Achievements & performance in the year

All schools in the Trust are currently rated 'Good' by Ofsted. Wolgarston High School, Penkridge Middle School, Princefield First School, Marshbrook First School and St John's (CE) First School were all inspected during the 2021/2022 academic year and retained their 'Good' rating. St Mary and St Chad CE First School was inspected early in the 2023/2024 academic year and retained its 'Good' rating. The Rural Enterprise Academy is likely to be inspected later in the 2023/2024 academic year.

St Mary & St Chad CE First School received a SIAMs inspection early in the 2023/2024 academic year and passed. St John's CE First School is scheduled for a SIAMs inspection during the 2024/2025 academic year.

b) Key Performance Indicators

Formal public examinations and government tests (SATS) resumed two years ago. This year saw: -

- Wolgarston High School secured further improvements in their GCSE and A Level results
- Penkridge Middle School also received improved SATS results in Reading and Maths, although there remains some work to be done with pupils' writing
- GCSE results at The Rural Enterprise Academy were still below national averages and expected standards. However, there was a slight improvement in pupil progress and there is a robust support plan in place by both Trust and school leaders
- All four First Schools KS1 SATS results were broadly in line with pre-COVID standards

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

Governance KPIs

1. All schools to have a full complement for their School Governing Committee, with an appropriate set of skills and experiences to undertake defined responsibilities
2. All Members, Trustees and Directors fully understand their duties as laid out in the Companies Act 2006 and Charity Commission guidance as exemplified in a skills audit
3. Church schools Local Governing Committees and the Board of Trustees to have a full complement of foundation governors and directors to fulfil the terms of the Church Supplemental Agreement and the Articles of Association

Finance KPIs

1. Ensure economy, efficiency and effectiveness over the use of Trust funds (value for money) to enable a balanced budget to be set and the outturn to be within budget
2. Assurance received that annual financial accounts have been properly prepared and are free of material misstatements
3. Monthly management accounts are available to all Trustees on a school and Trust level
4. Accounts are filed with Companies House for public access by 31 December each year and on the Trust website by 31 January of the following year
5. All statutory returns are submitted in a timely manner

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued) for the year ended 31 August 2023

b) Key Performance Indicators (continued)

6. Total staffing costs should be no more than 80% of total income (excluding restricted fixed asset funds)
7. % leadership costs within schools are kept below 15% of total income
8. Alternative sources of funding are pursued, consistent with the Trust's core competencies
9. Sources of funding are pursued for capital development projects
10. Achieve Reserve policy levels (5% of GAG for revenue reserves and 3% of GAG for Capital reserves)

Human Resources KPIs

1. All MAT schools are fully staffed with high calibre staff, following safer recruitment guidance
2. Pupil-teacher ratios are in line with or better than national averages and benchmarks
3. Staff attendance to be in line with pupil attendance (95%)
4. Professional Development opportunities are made available to all staff
5. All newly appointed teachers and support staff will be appropriately inducted
6. All school and Trust line managers will receive appropriate management training
7. There is a performance management process for 100% of staff across all MAT schools

School Standards KPIs

1. School academic standards show an improvement trend and exceed national averages
2. School pastoral and academic data show a narrowing of the gap between vulnerable/disadvantaged/SEND pupils and that of other pupils
3. All MAT schools retain or improve their current Ofsted inspection rating
4. Parent, staff and student surveys illustrate approval of school activities and leadership
5. All schools are fully compliant with health and safety, safeguarding, data and other statutory requirements
6. Our church schools meet the requirements of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) inspection

Going Concern

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

Funds in deficit

Overall, the Trust reported a slight decrease in surplus at 31 August 2023 along with reduced provision for future capital projects. One of the academies remains in deficit, but the Trust is taking the following action to return them to a surplus:

St Mary & St Chad (CE) First School

- School revenue balances now stand at £97k deficit
- The school has a DFC balance of £4k
- All outstanding loans have been repaid in 2023
- A full review of staffing and all other expenditure and income generation has been undertaken and some voluntary redundancies have been accepted in year to secure long term sustainability
- A balanced budget has been set for 2023/2024 and the deficit will be reduced by August 2024
- The Trust continues to support St Mary & St Chad strategically and financially to ensure the deficit is reduced and the reserves policy criteria achieved

Promoting the success of the company (Section 172 Statement)

The Trust Board and its Directors are acutely aware of the impact of their decisions upon the success of the company, and the consequent impact the Trust's success has on the lives, outcomes, and life chances of the children we make provision for. Clear moral purpose, combined with financial prudence and informed and effective strategic risk management combine to ensure decisions made regarding growth, investment, and organisational change are taken with due sobriety and measurement. The Trust's risk management strategy is evolving and becoming a model of effective practice.

All associated with the Trust are aware of its reputational value, and that individual and corporate actions will enhance or erode that value. Reputational value assists the Trust in securing pupil admissions by gaining and retaining the parental confidence of the communities we serve. It helps to ensure the recruitment of high calibre professionals who have ambitions to work for a highly regarded employer.

We endeavour to assure the Department for Education and other governmental agencies that the Trust is worthy of serious consideration for new strategic growth opportunities and consequent funding streams.

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued) for the year ended 31 August 2023

Financial Review

Most of the Trust's income is obtained from the Education, Skills and Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Total expenditure during the financial year 2022/23 was £15M and was funded by a combination of revenue grants, capital grants, and self-generated income.

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

General funds (revenue funds)

Setting aside the pension fund and the fixed asset fund, the underlying operational position of the Trust's general revenue funds was a deficit of £28k for the year.

At the start of the year, the opening position on the accumulated general funds was a surplus of £509k but at the year end the Trust is now carrying forward a cumulative surplus of £481k. This is represented by a cumulative surplus on unrestricted general funds of £157k and a cumulative surplus on restricted general funds of £324k.

Further details are shown within the notes to the accounts.

Pension deficit fund

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

The movement on the pension deficit valuation for the year, as notified by the scheme actuary, was a surplus of £1.13M, from £1.57M at the beginning of the year to £0.44M at the end of the year. The movement in the year is principally due to actuarial gains of some £1.24M. Further details are shown in note 20 of the accounts.

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

Fixed assets fund

Capital grant of £2.8M was received from the DfE group for the year made up of £2.6M CIF funding, £0.06M DFC income and £0.12 additional capital income. Also, during the year, capital funds held amounting to £25k which relate to future works to be carried out on the '3G' sports pitch at Wolgarston High School, were transferred to the fixed asset fund.

After charging depreciation for the year of £518k the fixed asset fund balance increased overall by £1.2M from £29.2M at the beginning of the year to £30.4M at the end of the year. This increase is primarily due to the completion of Condition Improvement Funding bids in year.

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

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued) for the year ended 31 August 2023

Financial Review (continued)

Reserves Policy

The Trust continues to develop its reserves policy alongside the budget attaining a cumulative surplus. See Financial KPIs above.

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

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

Instead of procuring new IT hardware, Trustees made the decision to acquire a 3-year operating lease to replace most of the hardware, including servers, within the Trust. The Trust has transferred £74k from capital for future projects back into revenue to offset the initial operating lease payment. All future operating lease payments will be included in revenue expenditure. The Trust has also contributed £299k to CIF projects this year and now has a capital provision for future projects of £177k remaining.

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

Investment Policy

The Academy Trust adopted an Investment Policy in January 2021. The policy indicates that:

- A maximum of £750k with any authorised institution by the Bank of England
- 2 authorised signatures are required prior to investment
- A monitoring report is presented at each Audit & Risk Committee for review

A small investment of £10k was made in August 2022 that came to fruition in August 2023. The Investment Policy was adhered to.

Principal Risks and Uncertainties

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

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

This risk is mitigated in a number of ways:

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

Estate Management is a priority for the trust to ensure that the trust is not vulnerable area a result of non-compliance; regular strategic oversight is used to ensure that the sites are all safe, well maintained and compliant with relevant regulations.

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued)
for the year ended 31 August 2023

Principal Risks and Uncertainties (continued)

Financial and risk management objectives and policies

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

The MATs strategic risk register is presented at the Audit & Risk Committee each term, it is then reviewed at the Trust Board Meetings and mitigating actions agreed as required and all changes documented.

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

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

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

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

Our risk scores are RAG rated as per the table below:

IMPACT	Extreme / Catastrophic 5	10	15	20	25	30
	Major 4	8	12	16	20	24
	Moderate 3	6	9	12	15	18
	Minor 2	4	6	8	10	12
	Insignificant 1	2	3	4	5	6
		1 <i>Remote</i>	2 <i>Unlikely</i>	3 <i>Possible</i>	4 <i>Probable</i>	5 <i>Highly Probable</i>
		LIKELIHOOD / PUBLIC PERCEPTION				

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued)
for the year ended 31 August 2023

Principal Risks and Uncertainties (continued)

Principle risks and uncertainties currently scoring 18 and above are:

Risk Category	Risk	School(s) / Trust	Risk Score	Comments	Summary of key actions
Operational	MIS failure	Trust	20	MIS migrated to the cloud, only partially successful due to data connectors required to remain on site.	Migrate connectors to the cloud; possible review of MIS and plan for data outages process
Operational	Switching equipment failure	Trust	20	Identified issue with switching at 6 schools; new hardware and increase in online resources require greater through-put to the internet and distribution within the schools	Switching hardware being identified and procured
Operational	Pupil transport issues	Trust	20	Issues around reliability, logistics, finance, behaviour and safety	CFO has been very proactive - Discussions with service providers; some changes to service providers; some route changes; new office manager managing buses at WHS; New Transport policy to be introduced.
Strategic & Reputation al risks	Failure to recruit & retain sufficient pupils to meet targets	School(s)	20	18 pupils have left various year groups in 2022-23 Only 30 pupils (1 class) are due to arrive in Y7 in September Reduced numbers in Reception classes	1. Analysis of why pupils are leaving and/or not coming 2. Continue with school improvement work 3. Launch new marketing campaign to increase pupil numbers 4. Careful financial planning; CFO working closely with HTs
Financial	Increase cost of goods and services (cost of living rises)	Trust	20	Concern about energy costs, staff pay as well as general inflation. Facing cuts in school funding in real terms of at least 2%	Monitoring government policy; monitoring PVAT budget forecasts and taking actions to reduce expenditure (incl. reducing staffing)
Strategic & Reputation al risks	Failure to meet school progress & attainment targets	School(s)	18	Decline in 2022 & 2023 GCSE & vocational results from the standards of both 2019 and 2018. 2023 GCSE results showed slight increase in progress score.	Action plan to raise exam results for current Y11 in place. Academic curriculum is being refined and re-planned.
Strategic & Reputation al risks	Poor Ofsted judgment	School(s)	18	School is improving but a lot of academic and pastoral data is lower than National Average. Also, some pastoral /SEND parental complaints. Some small, early signs of improvement in Sept- Feb 2022	A clear school improvement plan is being implemented. Additional support from PVAT is being provided.

Fundraising

No fundraising was undertaken in the year for the benefit of the Trust however, Penkridge Middle School held fundraising events with stakeholders to raise funds to refurbish their library. This project is on-going at the time of publishing these accounts.

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued)
for the year ended 31 August 2023

Streamlined Energy and Carbon Reporting 2022/2023

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 – 31 August 2023	Current reporting year 2022/2023	Comparison reporting year 2021/2022	Comparison reporting year 2020/2021	Comparison reporting year 2019/2020
Energy consumption used to calculate emissions (kWh)	2,286,135	2,705,361	2,268,199	2,324,853
Scope 1 - emissions in metric tonnes CO ₂ e Gas consumption Gas Oil consumption LPG consumption Owned transport Total Scope 1	270.40 14.17 0 <u>18.74</u> 303.31	325.40 25.07 0 <u>30.78</u> 381.25	246.92 20.32 0 <u>22.95</u> 290.19	265.7 22.8 0 <u>11.88</u> 300.38
Scope 2 - emissions in metric tonnes CO ₂ e Purchased electricity	143.10	175.63	156.07	147.75
Scope 3 - emissions in metric tonnes CO ₂ e Business travel in employee-owned vehicles	3.54	2.24	2.67	1.61
Total gross emissions in metric tonnes CO ₂ e	449.95	559.12	448.93	449.74
Intensity ratio Tonnes CO ₂ e per pupil	0.24	0.30	0.24	0.28

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.

PENK VALLEY ACADEMY TRUST

Trustees' Report (continued)
for the year ended 31 August 2023

Measures taken to improve energy efficiency

The Trust has now embarked on a specific strategy to improve energy efficiency based on Good Estates Management System (GEMS). It does have an awareness of the need to reduce its energy use, and this is a major consideration when carrying out improvements to school buildings. Examples of this can be evidenced with works such as the replacement of lighting for new energy efficient LED lighting, the replacement/rationalisation of boilers and replacement and reinsulating of roofs within the schools. Awareness of the need to save energy within the school environment, and the Trust, continues to be promoted from both an education and financial perspective.

The Trust aims to source locally for service and compliance provision to reduce emissions. The Trust also recycles furniture wherever possible.

It is planned that St John's CE First School will be our flagship school for renewable energy with the intention of it being self-sufficient and 'off grid' by 2024/2025.

Plans for Future Periods

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

Our five strategic Trust priorities for 2023-24 include: -

1. Securing high quality, inclusive education
2. Securing further school improvement
3. Further development of our workforce
4. Further development of finance and operations
5. Further development of leadership and governance

Funds held as Custodian Trustee on behalf of others

Wolgarston High School has an agreement with South Staffordshire District Council to maintain the 3G pitch. Funds held are carried within the fixed asset fund and as at 31 August 2023 were £197,000.

Auditor

In so far as the Trustees are aware:

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

The audit business of Haines Watts Birmingham LLP was acquired by Cooper Parry Group Limited on 14 November 2023. Haines Watts Birmingham LLP has resigned as auditor and Cooper Parry Group Limited has been appointed in its place.

The auditors, Cooper Parry Group Limited, will be proposed for reappointment.

This report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 11th December 2023 and signed on its behalf by:



M Roberts

Chair of Trustees

PENK VALLEY ACADEMY TRUST

Governance Statement for the year ended 31 August 2023

Scope of Responsibility

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

As Trustees, we have reviewed and taken account of the guidance in the DfEs 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 propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Penk Valley Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses in internal control.

Governance

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

Attendance at Penk Valley Academy Trust Board and are listed below for the period 1 September 2022 – 31 August 2023.

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

Name	Meetings attended	Out of a possible
Mark Roberts	3	3
Simon Blackburn	2	3
Brynley Evans	3	3
Clare MacColl	3	3
David Shipman	3	3
Clive Noak	3	3
Helen Blaikie	1	3
Craig Griffiths	3	3
Scott Williams	1	3

The Board is presented with papers either direct from the Committees or from the Trust Executive Team.

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

PENK VALLEY ACADEMY TRUST

Governance Statement (continued)
for the year ended 31 August 2023

Governance (continued)

Attendance at the meetings for the period 1 September 2022 – 31 August 2023 is as follows:

Secondary standards

Name	Meetings Attended	Out of a possible
Mark Roberts	2	3
Simon Blackburn	3	3
Scott Williams	3	3
Kevin Maycock	3	3
Debbie Wynn Jones	0	3

Primary standards

Name	Meetings Attended	Out of a possible
Simon Blackburn	3	3
Craig Griffiths	3	3
Sally Griffin	3	3
Kevin Maycock	2	3

The **Audit & Risk Committee** is a sub-Committee of the main Board of Trustees. The remit of this Committee is to review Trust wide finances, sign off ESFA returns and whole Trust budget, review the Trust risk register, estates safety and management and receive external audit reports and action plans. This Committee reports direct to the Trust Board with recommendations.

Attendance during the period 1 September 2022 – 31 August 2023 was as follows:

Name	Meetings Attended	Out of a possible
Mark Roberts	4	4
Helen Blaikie	2	4
Clive Noak	3	4
Dawn Tuck	3	4

The Audit & Risk Committee focussed on improving the Trust risk register and internal audit procedures. In the year ending 31st August 2023, internal scrutiny audits were carried out on Core Financials, Risk Management and Safeguarding across the Trust.

CIF funding via 6 individual projects has enabled the Trust to insulate and recover rooves on 4 of our academies and replace 2 boilers during 2022/2023.

The Trust continues to have a scheduled plan for maintenance to ensure the stakeholders are warm, safe and dry.

PENK VALLEY ACADEMY TRUST

Governance Statement (continued)
for the year ended 31 August 2023

The **Finance & Resources Committee** is a sub-Committee of the main Board of Trustees. The performance of each school is analysed, and priorities and actions determined depending upon what the data shows. This Committee reports direct to the Trust Board with recommendations.

The Finance & Resources Committee focussed on ensuring a continuation of sound financial management procedures and monitoring individual school budgets.

Attendance during the period 1 September 2022 — 31 August 2023 was as follows:

Name	Meetings Attended	Out of a possible
Mark Roberts	2	3
David Shipman	3	3
Helen Blaikie	2	3
Kevin Maycock	3	3
Ian Wood	1	3

The Board of Trustees have a SharePoint site that has the Management Accounts uploaded to it every month. All Trustees have access to this site and there is open and regular dialogue with the Board throughout the year. The Chair of Trustees, CEO and CFO meet each month, either face-to-face or via TEAMS, when there is not a scheduled meeting.

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

Attendance at the meeting for the period 1 September 2022 – 31 August 2023 is as follows:

Name	Meetings Attended	Out of a possible
Clare MacColl	2	3
David Shipman (joined this committee 01/04/22)	1	3
Clive Noak	3	3

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

Attendance at the meeting for the period 1st September 2022 – 31st August 2023 is as follows:

Name	Meetings Attended	Out of a possible
Mark Roberts	3	3
Clive Noak	3	3
Brynley Evans	3	3
Sally Griffin	3	3

PENK VALLEY ACADEMY TRUST

Governance Statement (continued)
for the year ended 31 August 2023

Governance (continued)

Local Governing Committee Members

Name	Role	Appt Date	Committees Sept 2022 – Aug 2023
Debbie Wynn-Jones		01/04/2018	3, 2
Dawn Tuck		01/04/2018	2
Scott Williams		21/09/2020	2
Kevin Maycock	LGC Chair WHS & PMS	01/08/2019	4, 3, 3
Ian Wood	LGC Chair SMSC	01/08/2019	3
Sally Griffin	LGC Chair MFS	01/04/2018	3
Lee Metcalfe-Chase	LGC Chair PFS	25/02/2021	3
Amanda Welsh	LGC Chair SJFS	21/10/2020	1
Jenny Steel	LGC Chair TREA	13/11/2019	3

Key to Committees

- 1 Trustee Board
- 2 Audit & Risk
- 3 Standards & Performance (Primary)
- 4 Personnel
- 5 Safeguarding
- 6 Finance & Resources
- 7 Standards & Performance (Secondary)

Board of Trustees changes

Conflicts of interest

The Trust has an up-to-date and complete register of interests of all trustees and

local governors. This register is published, declared in meetings and used in the day-to-day management and governance of the academy trust.

Governance reviews

The Trust reviewed its oversight of primary and secondary schools' standards in conjunction with local governing committees. This process was streamlined to ensure local governors looked at all aspects of standards. The CEO summarised this and other evidence for the Trust standards committees. Any significant issues requiring strategic decisions are then taken at a full Trust meeting. Additional training was provided to the chairs of the local governing committees to be able to carry out this work. This review and reform of one aspect of governance created a more streamlined and focussed oversight system.

The Trust is planning to conduct a self-evaluation review in the next 12 months.

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, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Trust continues to deliver best value on compliance through frameworks, third party procured suppliers and a strong inhouse maintenance team.

PENK VALLEY ACADEMY TRUST

Governance Statement (continued) for the year ended 31 August 2023

Value for Money (continued)

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

- Ensuring schools reduce the number of development priorities to ensure greater focus, efficiency and effectiveness of school leadership and governance.
- Increased focus on financial planning such as ensuring greater integration of curriculum and staffing requirements in each school.
- Increasing pupil numbers where there is capacity in schools.
- Ongoing reviews of Service Level Agreements (SLAs).
- Ongoing reviews of school policies and scheme of delegation to ensure a more streamlined approach to leadership and governance. For example, modifying the remit of local governing committees regarding the oversight of educational standards.
- Modifying the Trust executive and central team to ensure greater focus on effective and efficient delivery of the support services to the schools.
- An on-going review of the vocational education courses provided by South Staffs. College to the Rural Enterprise Academy.
- An ongoing review of both IT infrastructure, internal and external technical support as well as the procurement of IT hardware and software.
- Improved roofing, heating equipment and other facilities resulting in improved energy efficiency.
- Ongoing negotiations with South Staffordshire College regarding landlord responsibilities to ensure a better co-ordinated approach to premise related issues at The Rural Enterprise Academy.
- Shared costs for maintenance services provide by an in-house team including a Trust plumber and electrician.
- Trust wide HR advice and support to ensure improved recruitment, induction, training, support and wellbeing of all employees.
- Improved use of online technology and software (e.g. Microsoft office applications) to increase communication, collaboration and monitoring of services.
- Increasing Trust wide collaboration and sharing training events (and costs) to support the delivery of training for teachers and other staff.
- Linking with Manor Teaching Hub and accessing free, government funded training courses such as those for Early Career Teachers (ECT) or National Professional Qualifications (NPQ) leadership qualifications.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risk to achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and manage them efficiently and economically.

PENK VALLEY ACADEMY TRUST

Governance Statement (continued)
for the year ended 31 August 2023

The Purpose of the System of Internal Control (continued)

The system of internal control has been in place for Penk Valley Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

An internal review programme was conducted by Services for Schools (S4S) throughout the year ending 31st August 2023 and the reports were presented to the Audit & Risk Committee.

The programme consisted of:

Key Financial Controls – April 2023

Safeguarding – June 2023

Risk Management – July 2023

The final summary report was presented to the Audit & Risk Committee in October 2023.

Capacity to Handle Risks

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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports being reviewed by the Board of Trustees.
- Regular reviews by the Audit & Risk Committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.
- A risk register is presented at the Audit & Risk Committee meetings, with discussion being held on any area where the grading has reduced. From September 2019, individual school risk registers go to the local governing committee for each school.

The Board of Trustees has decided:

- to buy-in and internal audit service from Services for Schools (S4S)
- to ensure that an internal programme of work is agreed by the Audit & Risk Committee

This option has been chosen because it employs a third-party audit firm to scrutinise the internal processes, systems and procedures of the trust; being a different audit firm to the external 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. This financial year Risk Management and Safeguarding were audited across the Trust.

PENK VALLEY ACADEMY TRUST

Governance Statement (continued)
for the year ended 31 August 2023

The Risk and Control Framework (continued)

The internal programme of work was agreed by the Audit & Risk Committee on 16 March 2023.

The internal auditor reports to the Board of Trustees through the Audit & Risk Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and reports are presented to the Audit & Risk Committee each term outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress. An annual summary report covering all internal audit areas is presented to the Committee

An action plan is presented to each of the Audit & Risk Committee meetings during 2022/23 detailing management response, timescale and who is responsible for completing the tasks on all outstanding findings.

The internal auditor has delivered the schedule of works agreed by the Audit and Risk Committee of the three planned visits in April, June and July 2023 respectively.

All findings have been rectified and responded to within the Management comments of the audit report.

Review of Effectiveness

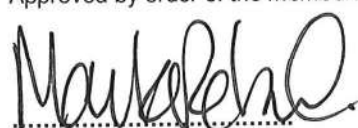
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control.

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

- S4S Audit April 2023 on Key Financial Controls - written summary and detailed reports delivered at Audit & Risk on 28 June 2023 Appendix 7 & 8
- S4S Audit June 2023 on Safeguarding - verbal update on findings presented at Audit & Risk on 28 June 2023 and at Trust Board on 10 July 2023 – written report delivered to Audit & Risk on 24 October 2023 Appendix 1 & 2
- S4S Audit July 2023 on Risk Management - Written report delivered to Audit & Risk on 24 October 2023 Appendix 3
- FMGS review – 19 October 2022 (Presented at Audit & Risk 19 October 2022 Appendix 5 as best practice)
- Charities Checklist – annual review – presented to Audit & Risk on 28 June 2023 as best practice
- Self-evaluation of financial process review — School Resource Management Self-Assessment Checklist (Presented Audit & Risk Committee 15 March 2023 Appendix 13)

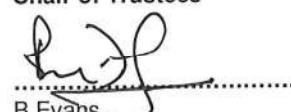
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Safeguarding, Standards and Performance and the Audit and Risk Committees and a plan to address weaknesses highlighted in any report has been produced; this ensures continuous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

Approved by order of the members of the Board of Trustees on 11th December 2023 and signed on its behalf by:



M Roberts

Chair of Trustees



B Evans

Accounting Officer

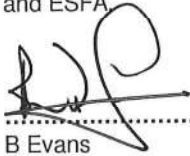
PENK VALLEY ACADEMY TRUST

Statement of Regularity, Propriety and Compliance
for the year ended 31 August 2023

As Accounting Officer of Penk Valley Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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



.....
B Evans
Accounting Officer

11th December 2023

PENK VALLEY ACADEMY TRUST

Statement of Trustees' Responsibilities
for the year ended 31 August 2023

The Trustees (who act as Governors of Penk Valley Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

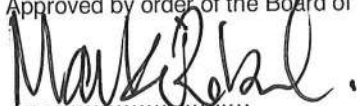
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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 Board of Trustees on 11th December 2023 and signed on its behalf by:



M Roberts
Chair of Trustees

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

Opinion

We have audited the financial statements of Penk Valley Academy Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of Trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011, the Charities SORP (FRS102) and the Accounts Direction and Academy Trust Handbook issued by the ESFA.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management and Trustees as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Report of the Independent Auditors.

Use of our report

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



Nichola Venables (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
B3 3AX

13 December 2023

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

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Penk Valley Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Penk Valley Academy Trust's funding agreement with the Secretary of State for Education dated 31 July 2019 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

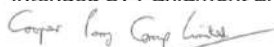
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the charitable company's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Cooper Parry Group Limited
Reporting Accountant
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
B3 3AX

13 December 2023

PENK VALLEY ACADEMY TRUST

Statement of Financial Activities
For the year ended 31 August 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000	Total funds 2021/22 £'000
Income and endowments from						
Donations and capital grants	2	8	-	1,750	1,758	1,837
Charitable activities						
Funding for the academy trust's educational operations	3	791	13,295	-	14,086	12,447
Other trading activities	4	409	-	-	409	387
Investment income		-	-	-	-	-
Total income		<u>1,208</u>	<u>13,295</u>	<u>1,750</u>	<u>16,253</u>	<u>14,671</u>
Expenditure on						
Raising funds	5	-	-	-	-	-
Charitable activities						
Academy trust's educational operations	5	1,208	13,514	519	15,241	14,025
Total expenditure		<u>1,208</u>	<u>13,514</u>	<u>519</u>	<u>15,241</u>	<u>14,025</u>
Net income/(expenditure)		-	(219)	1,231	1,012	646
Transfers between funds		-	75	(75)	-	-
Other recognised gains/ (losses):						
Actuarial gains / (losses) on defined benefit pension schemes		-	1,240	-	1,240	6,593
Net movement in funds		-	1,096	1,156	2,252	7,239
Reconciliation of funds						
Total funds brought forward		<u>157</u>	<u>(1,215)</u>	<u>29,223</u>	<u>28,165</u>	<u>20,926</u>
Total funds carried forward		<u>157</u>	<u>(119)</u>	<u>30,379</u>	<u>30,417</u>	<u>28,165</u>

The notes form part of these financial statements.

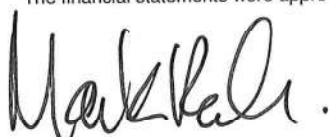
PENK VALLEY ACADEMY TRUST

Balance Sheet

For the year ended 31 August 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible fixed assets	12	30,745	28,947
Current assets			
Debtors	13	373	950
Cash at bank		1,605	1,301
		<u>1,978</u>	<u>2,251</u>
Creditors			
Amounts falling due within one year	14	(1,289)	(1,380)
		<u>689</u>	<u>871</u>
New current assets			
		<u>31,434</u>	<u>29,818</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	15	(574)	(86)
		<u>30,860</u>	<u>29,732</u>
Net assets excluding pension liability			
Pension liability	20	(443)	(1,567)
		<u>30,417</u>	<u>28,165</u>
Total Net assets			
		<u>30,417</u>	<u>28,165</u>
Funds			
Unrestricted funds:			
General fund	19	157	157
Restricted funds:			
General restricted funds	19	324	352
Restricted fixed asset funds	19	30,379	29,223
Pension reserve	19	(443)	(1,567)
		<u>30,417</u>	<u>28,165</u>
Total funds carried forward			
		<u>30,417</u>	<u>28,165</u>

The financial statements were approved by the Board of Trustees on 11 December 2023 and were signed on its behalf:



M Roberts
Chair of Trustees

Company Registration Number - 1124272

The notes form part of these financial statements.

PENK VALLEY ACADEMY TRUST

Statement of Cash Flows
For the year ended 31 August 2023

		2023	2022
	Note	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	23	383	99
		<hr/>	<hr/>
Net cash provided by (used in) operating activities		383	99
		<hr/> <hr/>	<hr/> <hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,317)	(2,183)
Capital grants from DfE/ESFA		1,750	1,799
		<hr/>	<hr/>
Net cash provided by (used in) Investing activities		(567)	(384)
		<hr/> <hr/>	<hr/> <hr/>
Cash flows from financing activities			
New loans		557	9
Repayments of borrowing		(69)	(29)
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		488	(20)
		<hr/> <hr/>	<hr/> <hr/>
Change in cash and cash equivalents in the reporting period		304	(305)
Cash and cash equivalents at the beginning of the reporting period		1,301	1,606
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		1,605	1,301
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements.

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements For the year ended 31 August 2023

1 Accounting policies

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

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

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

Income

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

Grants

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

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

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Expenditure

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

Raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements For the year ended 31 August 2023

1 Accounting policies

Tangible fixed assets

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

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

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

Long leasehold buildings	- 2% straight line method
Long leasehold land	- 125 years straight line
Furniture and equipment	- 25% straight line method
Computer equipment	- 33% straight line method

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

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

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial instruments

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

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

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

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

Fund accounting

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

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

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

Taxation

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

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

1 Accounting policies

Pension benefits

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

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

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact upon the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised into the financial statements are those concerning depreciation policies and asset lives.

2 Donations and capital grants

	Unrestricted	Restricted	2023	2022
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Donations and contributions from other organisations	8	-	8	38
Capital grants	-	1,750	1,750	1,799
	<u>8</u>	<u>1,750</u>	<u>1,758</u>	<u>1,837</u>

PENK VALLEY ACADEMY TRUST

**Notes to the Financial Statements
For the year ended 31 August 2023**

3 Funding for the academy's educational operations

			2023	2022
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
DfE/ ESFA grants				
General annual grant	-	10,982	10,982	10,268
Other DfE/ESFA grants				
UIFSM	-	132	132	118
Pupil Premium	-	413	413	424
Teachers pay grant	-	38	38	11
Teachers pension grant	-	-	-	155
Supplementary grant	-	386	386	-
Others	-	317	317	199
	<u>-</u>	<u>12,268</u>	<u>12,268</u>	<u>11,175</u>
Other Government grants				
Local authority grants	-	111	111	9
Nursery funding	408	-	408	350
Special education projects	-	396	396	394
	<u>408</u>	<u>507</u>	<u>915</u>	<u>753</u>
COVID-19 additional funding (DfE/ESFA)				
Catch up premium	-	72	72	44
Other DfE/ESFA COVID-19 funding	-	-	-	42
COVID-19 additional funding (non-DfE/ESFA)				
Other income from the academy trust's educational operations	383	448	831	433
	<u>791</u>	<u>13,295</u>	<u>14,086</u>	<u>12,447</u>

The academy received £72k (2022: £44k) of funding for catch-up premium and costs incurred in respect of this funding totalled £72k (2022: £44k).

4 Income from trading activities

			2023	2022
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Hire of facilities	7	-	7	7
Other income	191	-	191	167
Parental contribution to Nursery/ B&A school clubs	211	-	211	213
	<u>409</u>	<u>-</u>	<u>409</u>	<u>387</u>

5 Expenditure

				2023	2022
	Staff costs	Premises	Other costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
Raising funds					
Direct costs	-	-	-	-	-
Allocated support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	8,739	-	1,649	10,388	9,108
Allocated support costs	2,438	1,012	1,403	4,853	4,917
	<u>11,177</u>	<u>1,012</u>	<u>3,052</u>	<u>15,241</u>	<u>14,025</u>

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

5 Expenditure - continued

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

	2023	2022
	£'000	£'000
Auditors' remuneration	20	18
Auditors' remuneration for non audit work	10	9
Depreciation - owned assets	519	509
Operating lease rentals	70	53
	<u> </u>	<u> </u>

6 Charitable activities - academy's educational operations

	2023	2022
	Total	Total
	funds	funds
	£'000	£'000
Direct costs	10,388	9,108
Support costs	4,853	4,917
	<u> </u>	<u> </u>
	15,241	14,025
	<u> </u>	<u> </u>

	2023	2022
	£'000	£'000
Analysis of support costs	2,438	3,054
Support staff costs	41	34
Depreciation	335	224
Technology costs	14	15
Telephone and broadband	344	299
Premises costs	44	24
Cleaning	58	83
Rent & rates	514	281
Energy costs	52	47
Insurance	206	180
Security and transport	346	258
Catering	82	70
Non-educational consultancy	209	190
Other support costs	120	120
Legal and professional fees	50	38
Governance costs	<u> </u>	<u> </u>
	4,853	4,917
	<u> </u>	<u> </u>

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

7 Trustees' remuneration and benefits

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

		2023	2022
		£'000	£'000
B Evans (CEO/ Accounting Officer)	Remuneration	70-75	75-80
	Employer's pension	10-15	15-20

During the year ended 31 August 2023 no Trustee expenses have been incurred (2022: £Nil)

8 Staff costs

	2023	2022
	£'000	£'000
Wages and salaries	8,167	7,386
Social security costs	738	662
Operating costs of defined benefit pension schemes	2,033	2,687
	<u>10,938</u>	<u>10,735</u>
Agency staff costs	213	183
Staff restructuring costs	26	-
	<u>11,177</u>	<u>10,918</u>
Staff restructuring costs comprise:		
Redundancy payments	25	-
	<u>25</u>	<u>-</u>

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

	2023	2023	2022	2022
	Average	FTE	Average	FTE
Teachers	114	101	110	94
Admin	297	118	287	109
Management	22	21	22	21
	<u>433</u>	<u>240</u>	<u>419</u>	<u>224</u>

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

	2023	2022
	No.	No.
£60-001 - £70,000	5	3
£70-001 - £80,000	3	3
£80-001 - £90,000	1	1
	<u>9</u>	<u>7</u>

Key management personnel

The key management personnel of the trust is the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £922,214 (2022: £958,335).

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

9 Trustees' and officers' insurance

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

10 Comparatives for the statement of financial activities 31 August 2022

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Income and endowments from				
Donations and capital grants	38	-	1,799	1,837
Charitable activities				
Funding for the academy trust's educational operations	638	11,809	-	12,447
Other trading activities	387	-	-	387
Investment income	-	-	-	-
Total income	<u>1,063</u>	<u>11,809</u>	<u>1,799</u>	<u>14,671</u>
Expenditure on				
Raising funds	-	-	-	-
Charitable activities				
Academy trust educational operations	1,063	12,453	509	14,025
Other expenditure				
Total expenditure	<u>1,063</u>	<u>12,453</u>	<u>509</u>	<u>14,025</u>
Net income/(expenditure)	-	(644)	1,290	646
Transfers between funds	-	(228)	228	-
Other recognised gains (losses)/ gains:				
Revaluation of fixed assets	-	-	-	-
Actuarial (losses) / gains on defined benefit pension schemes	-	6,593	-	6,593
Net movement in funds	-	5,721	1,518	7,239
Reconciliation of funds				
Total funds brought forward	<u>157</u>	<u>(6,936)</u>	<u>27,705</u>	<u>20,926</u>
Total funds carried forward	<u>157</u>	<u>(1,215)</u>	<u>29,223</u>	<u>28,165</u>

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

11 Central services

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

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

The trust charges for these services on a flat 5% (2022: 5%) of total income.

The actual amounts charged during the year were as follows:

	2023	2022
	Total	Total
	funds	funds
	£'000	£'000
Wolgarston High School	265	50
Penkridge Middle School	135	63
Marshbrook First School	54	25
Princefield First School	69	67
St John's First School	28	239
The Rural Enterprise Academy	84	129
St Mary & St Chad First School	47	44
	<hr/>	<hr/>
	682	617
	<hr/> <hr/>	<hr/> <hr/>

12 Tangible fixed assets

	Long term leasehold	Assets under construction	Furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At the 1 September 2022	26,707	3,013	147	109	29,976
Additions	90	2,207	10	10	2,317
Transfer	870	(870)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	27,667	4,350	157	119	32,293
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At the 1 September 2022	841	-	103	85	1,029
Charge for the year	478	-	31	10	519
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	1,319	-	134	95	1,548
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NBV					
At 31 August 2023	26,348	4,350	23	24	30,745
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	25,866	3,013	44	24	28,947
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

13 Debtors	2023	2022
	Total	Total
	funds	funds
	£'000	£'000
Trade debtors	101	6
Prepayments and accrued income	240	751
VAT recoverable	32	193
	<hr/>	<hr/>
	373	950
	<hr/> <hr/>	<hr/> <hr/>
14 Creditors: falling due within one year	2023	2022
	Total	Total
	funds	funds
	£'000	£'000
Trade creditors	266	753
Salix/ CIF loans	69	46
Other taxation and social security	143	151
Other creditors	295	255
Accruals and deferred income	516	175
	<hr/>	<hr/>
	1,289	1,380
	<hr/> <hr/>	<hr/> <hr/>
Deferred income	2023	2022
	£'000	£'000
At 1 September	58	35
Resources deferred	360	58
Amounts released from previous periods	(58)	(35)
	<hr/>	<hr/>
	360	58
	<hr/> <hr/>	<hr/> <hr/>

At the balance sheet date the academy was holding funds received in advance for school trips and SEN provision.

15 Creditors: falling due after more than one year	2023	2022
	Total	Total
	funds	funds
	£'000	£'000
Loans	574	86
	<hr/>	<hr/>
	574	86
	<hr/> <hr/>	<hr/> <hr/>

Included within creditors is a CIF works loan of £90,000 from the Education and Skills Funding Agency which is provided on the following terms:

Loan duration (years):	10	Interest rate (p.a):	1.95%
First repayment date:	01/09/2021	Annual loan repayment:	£9,728
Last repayment date:	01/08/2031	Total loan repayment:	£90,000

Included within creditors is a salix loan of £8,816 from the Education and Skills Funding Agency which is provided on the following terms:

Loan duration (years):	8	Interest rate (p.a):	0.00%
First repayment date:	01/09/2022	Annual loan repayment:	£1,102.00
Last repayment date:	01/09/2031	Total loan repayment:	£8,816

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

15 Creditors: falling due after more than one year (continued)

Included within creditors is a salix loan of £13,410 from the Education and Skills Funding Agency which is provided on the following terms:

Loan duration (years):	5	Interest rate (p.a):	0.00%
First repayment date:	01/09/2021	Annual loan repayment:	£2,682
Last repayment date:	01/03/2026	Total loan repayment:	£13,410

Included within creditors is a CIF works loan of £80,650 from the Education and Skills Funding Agency which is provided on the following terms:

Loan duration (years):	10	Interest rate (p.a):	0.00%
First repayment date:	01/09/2024	Annual loan repayment:	£8,065
Last repayment date:	01/08/2034	Total loan repayment:	£80,650

Included within creditors is a CIF works loan of £168,100 from the Education and Skills Funding Agency which is provided on the following terms:

Loan duration (years):	10	Interest rate (p.a):	0.00%
First repayment date:	01/09/2024	Annual loan repayment:	£16,810
Last repayment date:	01/08/2034	Total loan repayment:	£168,100

Included within creditors is a CIF works loan of £188,400 from the Education and Skills Funding Agency which is provided on the following terms:

Loan duration (years):	10	Interest rate (p.a):	0.00%
First repayment date:	01/09/2023	Annual loan repayment:	£18,840
Last repayment date:	01/08/2033	Total loan repayment:	£188,400

Included within creditors is a CIF works loan of £120,000 from the Education and Skills Funding Agency which is provided on the following terms:

Loan duration (years):	10	Interest rate (p.a):	0.00%
First repayment date:	01/09/2024	Annual loan repayment:	£12,000
Last repayment date:	01/08/2034	Total loan repayment:	£120,000

16 Leasing agreements

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

	2023	2022
	Total	Total
	funds	funds
	£'000	£'000
Within one year	145	37
Between one and five years	235	61
	<hr/>	<hr/>
	380	98
	<hr/>	<hr/>

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

17 Members' liability

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

18 Analysis of net assets between funds

	Unrestricted	Restricted	Restricted	Total
	fund	fund	fixed assets	funds
	£'000	£'000	£'000	2023
				£'000
Fixed assets	-	-	30,745	30,745
Current assets	157	1,498	323	1,978
Current liabilities	-	(1,174)	(115)	(1,289)
Non-current liabilities	-	-	(574)	(574)
Pension liability	-	(443)	-	(443)
	<u>157</u>	<u>(119)</u>	<u>30,379</u>	<u>30,417</u>

	Unrestricted	Restricted	Restricted	Total
	fund	fund	fixed assets	funds
	£'000	£'000	£'000	2022
				£'000
Fixed assets	-	-	28,947	28,947
Current assets	157	1,117	977	2,251
Current liabilities	-	(765)	(615)	(1,380)
Non-current liabilities	-	-	(86)	(86)
Pension liability	-	(1,567)	-	(1,567)
	<u>157</u>	<u>(1,215)</u>	<u>29,223</u>	<u>28,165</u>

PENK VALLEY ACADEMY TRUST

**Notes to the Financial Statements
For the year ended 31 August 2023**

19 Movement in funds

	Balance at 1 September 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and Transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	352	10,982	(11,085)	75	324
Pupil premium	-	413	(413)	-	-
UIFSM	-	132	(132)	-	-
Teachers pay grant	-	38	(38)	-	-
Supplementary grant	-	386	(386)	-	-
Other grants	-	317	(317)	-	-
Other government grants	-	507	(507)	-	-
Other DfE/ESFA COVID-19 funding	-	72	(72)	-	-
Other Income	-	448	(448)	-	-
	<u>352</u>	<u>13,295</u>	<u>(13,398)</u>	<u>75</u>	<u>324</u>
Restricted pension fund	<u>(1,567)</u>	<u>-</u>	<u>(116)</u>	<u>1,240</u>	<u>(443)</u>
	<u>(1,215)</u>	<u>13,295</u>	<u>(13,514)</u>	<u>1,315</u>	<u>(119)</u>
Restricted fixed asset funds					
Fixed asset fund	29,223	1,750	(519)	(75)	30,379
	<u>29,223</u>	<u>1,750</u>	<u>(519)</u>	<u>(75)</u>	<u>30,379</u>
Total restricted funds	<u>28,008</u>	<u>15,045</u>	<u>(14,033)</u>	<u>1,240</u>	<u>30,260</u>
Unrestricted funds	<u>157</u>	<u>1,208</u>	<u>(1,208)</u>	<u>-</u>	<u>157</u>
Total funds	<u>28,165</u>	<u>16,253</u>	<u>(15,241)</u>	<u>1,240</u>	<u>30,417</u>

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

General Annual Grant (GAG): must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

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

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

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

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

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

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

19 Movement in funds - continued

	Balance at 1 September 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and Transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	257	10,268	(9,945)	(228)	352
Pupil premium	-	424	(424)	-	-
UIFSM	-	118	(118)	-	-
Teachers pay grant	-	11	(11)	-	-
Teachers pension grant	-	155	(155)	-	-
Other grants	-	199	(199)	-	-
Other government grants	-	403	(403)	-	-
Other DfE/ESFA COVID-19 funding	-	86	(86)	-	-
Other Income	-	145	(145)	-	-
	<u>257</u>	<u>11,809</u>	<u>(11,486)</u>	<u>(228)</u>	<u>352</u>
Restricted pension fund	(7,193)	-	(967)	6,593	(1,567)
	<u>(6,936)</u>	<u>11,809</u>	<u>(12,453)</u>	<u>6,365</u>	<u>(1,215)</u>
Restricted fixed asset funds					
Fixed asset fund	27,705	1,799	(509)	228	29,223
	<u>27,705</u>	<u>1,799</u>	<u>(509)</u>	<u>228</u>	<u>29,223</u>
Total restricted funds	<u>20,769</u>	<u>13,608</u>	<u>(12,962)</u>	<u>6,593</u>	<u>28,008</u>
Unrestricted funds	157	1,063	(1,063)	-	157
Total funds	<u>20,926</u>	<u>14,671</u>	<u>(14,025)</u>	<u>6,593</u>	<u>28,165</u>

PENK VALLEY ACADEMY TRUST

**Notes to the Financial Statements
For the year ended 31 August 2023**

19 Movement in funds - continued

Analysis by Fund balance

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£'000	£'000
Wolgarston High School	48	(25)
Marshbrook First School	50	79
Penkridge Middle School	268	151
Princefield First School	40	16
St John's First School	13	18
The Rural Enterprise Academy	113	262
St Mary & St Chad First School	(97)	(41)
MAT central services	46	49
	<hr/>	<hr/>
Total before fixed assets and pension reserve	481	509
Restricted fixed asset fund	30,379	29,223
Pension reserve	(443)	(1,567)
	<hr/>	<hr/>
Total	30,417	28,165
	<hr/> <hr/>	<hr/> <hr/>

The Trust is taking the following action to return those academies in deficit to a surplus:

St Mary & St Chad (CE) First School

- Deficit on conversion of £27,520 (not including pension deficit), now stands at £97K.
- The school has a DFC balance of £5K.
- All historical loans from conversion have been repaid. A CIF loan for £168,100 over 10 years will commence once the current CIF roof project is completed.
- A full review of staffing and all other expenditure and income generation has been undertaken and work continues to ensure the NoR meet PAN and income is maximised.
- St Mary & St Chad continues to be supported by the Trust both financially and strategically. Redundancies within their Teaching Support staff have been implemented to ensure a balanced budget is set for 2023-2024.

Analysis of academies by cost

	Teaching and		Educational	Other costs (excluding depreciation)	Total 2023	Total 2022
	educational	Other				
	support staff costs	support staff costs				
	£'000	£'000	£'000	£'000	£'000	£'000
Wolgarston High School	3,055	683	379	1,226	5,343	4,466
Marshbrook First School	571	244	46	193	1,054	1,004
Penkridge Middle School	1,790	332	104	498	2,724	2,359
Princefield First School	856	243	88	159	1,346	1,227
St John's First School	414	50	20	62	546	513
Central services	311	311	39	288	949	1,717
The Rural Enterprise Academy	938	213	154	468	1,773	1,283
St Mary & St Chad First School	632	179	32	144	987	947
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,567	2,255	862	3,038	14,722	13,516
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements For the year ended 31 August 2023

20 Pension and similar obligations

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

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

Contributions amounting to £205,971 were payable to the schemes at 31 August 2023 (2022: £186,410) and are included within creditors.

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2023. 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 2023 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million;
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4 % above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth

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

The pension costs paid to TPS in the period amounted to £1,219,828 (2022: £1,113,519).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2023 was £877,053 (2022: £741,022), of which employer's contributions totalled £718,880 (2021: £568,000), and employees' contributions totalled £66,469 (2022: £134,704). The agreed contribution rates for future years are 26.2% for employers and a range of 5.5% to 9.9% for employees.

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

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

20 Pension and similar obligations - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Present value of obligations	(7,254)	(7,551)
Fair value of plan assets	6,811	5,984
	<u>(443)</u>	<u>(1,567)</u>

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

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Current service costs	714	1,450
Net interest from net defined benefit asset/liability	67	126
	<u>781</u>	<u>1,576</u>
Actual return on plan assets	<u>(157)</u>	<u>(138)</u>

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

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Defined benefit obligation - brought forward	7,551	12,600
Current service cost	714	1,450
Contributions by scheme participants	337	221
Interest cost	146	135
Actuarial (gains)	(1,431)	(6,823)
Benefits paid	(63)	(32)
	<u>7,254</u>	<u>7,551</u>

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Fair value of scheme assets - brought forward	5,984	5,407
Interest income	270	95
Actuarial (losses)	(185)	(230)
Employer contributions	665	609
Employee contributions	146	135
Benefits paid	(63)	(32)
	<u>6,817</u>	<u>5,984</u>

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

20 Pension and similar obligations - continued

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

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Fair value of scheme assets - brought forward	5,984	5,407
Interest income	270	95
Actuarial gains	(191)	(230)
Employer contributions	665	609
Employee contributions	146	135
Benefits paid	(63)	(32)
	<u>6,811</u>	<u>5,984</u>

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

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Actuarial gains	1,240	6,593
	<u>1,240</u>	<u>6,593</u>

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

	Defined benefit pension plans	
	2023	2022
Equities	67%	72%
Government bonds	23%	16%
Property	8%	9%
Cash/liquidity	2%	3%

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

	2023	2022
Discount rate	5.20%	4.25%
Future salary increases	3.50%	3.45%
Future pension increases (CPI)	3.00%	3.05%

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 2023	At 31 August 2022
Retiring today		
Males	19.4	21.4
Females	24.6	24.0
Retiring in 20 years		
Males	21.8	22.5
Females	25.9	25.7

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

20 Pension and similar obligations - continued

Sensitivity analysis as at 31 August 2023

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

	2023	2022
	£'000	£'000
Discount rate -0.1%	171	197
Salary increase rate +0.1%	20	12
Pension increase rate (CPI) +0.1%	154	188
1 year increase in member life expectancy	290	302

21 Related party disclosures

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

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

There were no other related party transactions for the year ended 31 August 2023 other than certain Trustees' remuneration and expenses already disclosed in note 7.

	2023	2022
	£'000	£'000
22 Capital commitments		
Contracted for, but not provided in the financial statements	-	2,528

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

	2023	2022
	£'000	£'000
Net income for the reporting period (as per the Statement of Financial Activities):	1,012	646
Adjustments for:		
Depreciation charge	519	509
Capital grants from DfE/ESFA	(1,750)	(1,799)
Decrease/ (Increase) in debtors	577	(706)
(Decrease)/ Increase in creditors	(91)	482
Defined benefit pension scheme cost less contributions payable	49	841
Defined benefit pension scheme finance cost	67	126
Net cash (used in)/provided by operations	383	99

PENK VALLEY ACADEMY TRUST

Notes to the Financial Statements
For the year ended 31 August 2023

24 Analysis of changes in net debt

	At 1/9/22	Cash flow	Non cash	At 31/8/23
	£'000	£'000	changes	£'000
			£'000	
Cash and cash equivalents	1,301	304	-	1,605
	<hr/>	<hr/>	<hr/>	<hr/>
	1,301	304	-	1,605
Loans falling due within one year	(46)	(23)	-	(69)
Loans falling due after more than one year	(86)	(488)	-	(574)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,169	(207)	-	962
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>