

**Agenda item 10**

**Pontefract Academies Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2020**

# Pontefract Academies Trust

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## Reference and administrative details

<b>Members</b>	U A Murray OBE J Gough J Allinson (until 2 November 2019) J A Craig N Bowmer (from 2 December 2019)	
<b>Trustees (who are also Directors)</b>	P Jones J Appleyard OBE (Chief Executive & Accounting Officer) ^ * J Gough # D Wilkin ^ A Clarke (Chair of the Audit & Risk committee) # E Shepherd <i># members of the Audit &amp; Risk committee</i> <i>^ members of the Finance &amp; General Purposes committee,</i>	
<b>Company Secretary</b>	D Samwell (resigned 5/10/20) J Bell (appointed 5/10/20)	
<b>Executive Leadership Team</b>	Chief Executive Officer & Accounting Officer Director of Secondary Education Director of Primary Education Director of Finance and Estates Director of Operations	J Appleyard OBE J Franklin-Smith T Fay D Samwell J Bell
<b>Headteachers</b>	Carleton High School Carleton Park J&I School De Lacy Primary School until 30 April 2020 De Lacy Primary School from 1 May 2020 Halfpenny Lane JI&N School Larks Hill J&I School Orchard Head JI&N School The King's School The Rookeries, JI&N School	J Cross J Ayre G Smith T Fay J Parkinson I Shuttleworth J Mitchell D Pinto N Ellwand
<b>Principal Registered Office</b>	C/o The Barracks Business Centre, Wakefield Road, Pontefract WF8 4HH	
<b>Company Registration Number</b>	08445158 (England and Wales)	
<b>Independent Auditor</b>	Allotts Business Services Ltd, Chartered Accountants, Registered Auditors, The Old Grammar School, 13 Moorgate Road, Rotherham. S60 2EN	
<b>Bankers</b>	Lloyds, 27/28 Stodman Street, Newark, Notts NG24 1AW	
<b>Solicitors</b>	Walker Morris 33 Wellington Street, Leeds, LS1 4DL	

# Pontefract Academies Trust

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## Trustees' report

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year from 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The Trust operates 6 primary and 2 secondary schools in Pontefract, West Yorkshire which are:

<u>School</u>	<u>Type</u>
Carleton High School	Secondary
Carleton Park J&I School	Primary
De-Lacy Primary School	Primary
Halfpenny Lane JI & N School	Primary
Larks Hill J & I School	Primary
Orchard Head JI & N School	Primary
The King's School	Secondary
The Rookeries JI & N School	Primary

They have a combined pupil capacity of 3,900 and a roll of 3,704 (reception to year 11 pupils) in the school census on October 2020. The Trust also operates nursery provision at four of its primary schools. These schools have a combined nursery capacity of 234 and a roll of 84 part-time nursery age children in the school census on October 2020.

## Structure, governance, and management

### Constitution

The multi 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 multi academy trust. The Trustees of Pontefract Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Pontefract Academies Trust.

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

### Members' liability

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

### Trustees' indemnities

In accordance with normal commercial practice the Pontefract Academies Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim.

There have been no qualifying third-party indemnity provisions in place for the period 1 September 2019 to 31 August 2020.

## Trustees' report (continued)

### Method of recruitment and appointment of trustees

The members of the Pontefract Academies Trust are responsible for the appointment of the trustees (who are also directors). The members of the Pontefract Academies Trust are:

- U A Murray OBE
- J Allinson (until 2 November 2019)
- J Gough
- J A Craig
- N Bowmer (from 2 December 2019)

The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolutions) shall not be subject to any maximum.

All trustees are appointed based upon the contribution they can make to the development and future success of Pontefract Academies Trust. The trustees are assessed for the personal qualities, specific skills, and expertise they can provide against the most recent Trust Board self-evaluation. All trustees give of their time freely and receive no remuneration other than reasonable expenses, except those trustees who are employees of Pontefract Academies Trust (denoted by an \* on page 1).

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

New trustees are inducted into the workings of the Pontefract Academies Trust by way of mentorship; each trustee is mentored in the areas of board policy and procedure as well as mission and ethos. The induction period allows new trustees to fully understand how the organisation operates and the various committees, which are used to assist in governance. Resources and training are made available for trustees who wish to develop a more detailed understanding of their role and the work of the board of trustees.

### Organisational Structure

Pontefract Academies Trust supports all its academies through an experienced board of trustees who are responsible for identifying and establishing strategies and policies and for ensuring that these are implemented throughout the organisation. To assist with this work, the trustees have established an Audit and Risk Committee and a separate Finance and General Purposes Committee. The CEO is responsible for the internal organisation, management, and control of schools. The CEO is responsible for implementing the strategic framework established by the board.

Each sub-committee has terms of reference for the operation of the committee and the extent of its remit. All committee terms of reference are reviewed and agreed on an annual basis by the board of trustees. In addition to the terms of reference the board of trustees have a detailed scheme of authority for effective and efficient decision making for sub-committees and senior staff throughout Pontefract Academies Trust.

Pontefract Academies Trust also operates School Performance Review Boards (SPRBs) who report to the Pontefract Academies Trust Board of Trustees. The accountabilities and responsibilities the SPRB's are determined by the scheme of delegation.

Governance at school level includes the nomination of link SPRB members who take responsibility for key areas of focus. Each SPRB is required to have a minimum of two parent members.

The board of trustee has engaged with RSM UK to undertake an independent review of internal controls which is reported independently to the EFSA.

## Trustees' report (continued)

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

The pay arrangements for the Chief Executive Officer, other members of the Executive Team and Headteachers are determined by the Performance and Compensation Committee of the Trust Board. Cost of living pay awards for staff (headteachers) who are on the School Teachers Terms and Conditions leadership spine are awarded annually on 1 September. Incremental progression through the pay range is dependent upon a satisfactory performance management review recommended by the Executive Director and ratified by The Performance and Compensation Committee. For staff (Executive Leadership Team) who are on a spot point the cost of living increase is not automatically awarded. Trustees review the spot point annually and any increase in pay is based on successful performance management outcomes. In all instances the requirements of the Academies Financial Handbook are followed.

### Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations.

Pontefract Academies Trust had no employees between 1 September 2019 and 31 August 2020 who were relevant trade union officials resulting in no time, pay bill or activities being recorded.

### Related parties and other connected charities and organisations

There are no relationships with related parties and any other charities, companies or organisations with which Pontefract Academies Trust cooperates in the pursuit of charitable activities.

### Engagement with Employees (including disabled persons)

Pontefract Academies Trust is committed to ensuring equality of opportunity for all who learn and work in the organisation. The Trust respects and values positively differences in race, gender, sexual orientation, ability, class, and age. It strives vigorously to remove conditions, which may place people at disadvantage and we actively combat bigotry.

The Trust considers all application forms 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's policy is to provide training, career development and opportunities for promotion, which are as far as possible, identical to those for other employees.

### Engagement with suppliers and others in a business relationship with the Trust

The Trust has been mindful of the Government's stated procurement policy notes issued in the onset of the COVID outbreak, and has sought to pay suppliers upon receipt of goods and invoices in order to mitigate the impact of lockdowns and closures upon the cash flow of suppliers. The Trust's own cash flow was guaranteed by the ESFA to be unchanged from the amounts and profile originally agreed.

### Mission and vision

The Pontefract Academies Trust renewed its mission and vision during the year to:

- **Mission** - Running top-quality, high-achieving schools that give our children and young people the chance in life they deserve.
- **Vision** - Where every child and young person makes outstanding progress.

## Trustees' report (continued)

### Objectives and activities

#### Objects and aims

In accordance with the articles of association, the principal objects and activities of the Trust are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum;
- develop the capacity and skills of the areas where Pontefract Academies Trust runs the schools and the surrounding areas those inhabitants of who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- relieving unemployment in areas where Pontefract Academies Trust runs the schools and the surrounding areas for the benefit of the public in such ways as may be thought fit, including assistance to find employment;
- advancing the health of the inhabitants of the areas where the Pontefract Academies Trust runs the schools; and
- providing recreational and leisure time facilities in the interests of social welfare for the inhabitants of the areas where the Company runs the Academies and the surrounding areas especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

### Objectives, Strategies and Activities

The Trust's objectives are set out in the Articles of Association. The mission of the Trust is running top-quality, high-achieving schools that give our children and young people the chance in life they deserve, with the vision being where every child and young person makes outstanding progress.

The Trust has a set of core values and guiding principles. These are a broad philosophy that encompass and guide the Trust in its daily work, irrespective of changes in Trust goals, strategies or initiatives. They create an organisational culture where everyone understands what is important.

The guiding principles of the Trust are:

#### Achievement without Excuses

We have an unwavering focus on achievement. This is paramount so that all our children and young people enjoy greater life chances.

We take responsibility for ensuring that they succeed. We own our own performance and do not rest on our laurels or seek to blame others.

#### Our People Matter

We know that our people make a difference to the lives of our 3 - 16-year-old young people. We want to make our schools places where great teachers want to teach, lead and build a career. Investment in the recruitment, development and retention of the best people is a top priority.

We aim to provide professional work environments where our people have the support and the tools to do a great job and push our children and young people to scale new heights in a safe and secure environment.

#### Excellence as Standard

We set high standards. "Good enough" is simply not. We do not accept second best from our pupils or ourselves. The Trust aims to be a highly reliable school improvement organisation that is disciplined in its approach to improving performance. A trust with clear plans and, simple and precisely executed systems that not only develop and sustain excellent performance, but never stifles individual flair.

## Trustees' report (continued)

### Students Come First

Our schools are run for the benefit of children and young people, not the ease of adults. Their achievement comes first and staff in schools and the central trust office work to this end.

The Trust aims to keep low priority tasks away from front line teachers and leaders so that they can focus explicitly on our core business of teaching and learning.

### Stronger as One

We take collective responsibility for each other and the results of all our children and young people. We enjoy sharing our success as a trust while recognising the strengths of individuals and each school. To this end collective accountability is rooted in a "if one fails, we all fail" mentality.

As a family of schools, we collaborate with each other, challenge each other and share best practice. We do not let competition get in the way of our desire to get the best outcomes for all.

The specific strategic objectives for the 3-year strategic plan ending August 2022 and including the year ending 31 August 2020 were:

- Deliver academic results that put all secondary schools on a trajectory to be in the top 10% of schools nationally for progress with all significant groups (including disadvantaged pupils and SEND) in the top 25%.
- Deliver improved academic results so that all primary schools achieve the expected national standards in reading, writing and maths at KS2, with most schools achieving above. All schools have positive progress scores in reading, writing and maths and on a trajectory to be in the top 25% of schools nationally.
- Ensure that our schools are highly inclusive and support the well-being of all pupils characterised by high levels of pastoral support, behaviour, welfare, safety, security, and attendance.
- Embed high calibre leadership at all levels in the Trust through in-house and external development programmes, that are aligned with our vision, values and guiding principles, and that continue to drive improvement in standards and growth in the Trust.
- Embed and further develop teacher improvement programme(s) that are stage appropriate to further up skill our teaching staff and continue to embed a trust-wide teaching and learning model that shares and develops teaching excellence and addresses variability.
- Position the Trust as an employer of choice through a people strategy that focuses upon recruiting, retaining, and developing the best people and retains the best people.
- Position all our schools to be rated as at least good by 2020, as characterised by the new Ofsted Education Inspection Framework.
- Operate an effective financial strategy ensuring long term viability, the ability to invest in current resources (staffing and physical) and the ability to provide support to a future school joining the Trust.
- Further embed a Trust-wide management framework that includes a board approved strategic plan that cascades efficiently and effectively into each individual school improvement plan, the performance and appraisal of our people and the management reporting arrangements.
- Reinforce the priority of our frontline teachers creating high quality learning environments and school estates for our children and young people.
- Embed and further develop improved arrangements by which school leadership teams are held to account by local stakeholders.



## Trustees' report (continued)

- Position the Trust for growth in the short and medium term through building capacity in advance and future proofing our centralised function/services.

The progress against the above strategic objectives are measured in the Pontefract Academies Trust strategic report, achievements and performance.

## Public benefit

In setting the Pontefract Academies Trust objectives and planning its activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at [www.gov.uk/running-charity/managing-charity](http://www.gov.uk/running-charity/managing-charity) in exercising their powers or duties.

Pontefract Academies Trust is an equal opportunity employer and strives to give full and fair consideration to all applicants for employment, training, and promotions, irrespective of disability, gender, race, colour, or sexual orientation.

## Financial objectives

Pontefract Academies Trust financial objectives were:

- to achieve an annual operating surplus.
- to ensure that resources were appropriately targeted.
- to generate sufficient levels of income to support and invest in the asset base.

## Strategic report

### Achievements and performance

The Trust has enjoyed a successful year and has continued to grow and develop as an organisation. Prior to the outbreak of the COVID-19 pandemic, the Trust was on track against the objectives of the strategic plan. These objectives focusing upon the second phase of the Trust plan that centred upon further embedding the processes and systems across the family of schools to raise standards further. Additionally, the work around ensuring the appropriate services and infrastructure efficiently supported our schools had commenced. Since March of the period in review the management of COVID-19 across the family of schools has been strong as has how the Trust has worked with other organizations recognizing its role in terms of civic leadership.

At the start of the period in review the overall performance of the schools in the Trust had significantly improved. The Ofsted report for Carleton High School grading the school for overall effectiveness from inadequate to good was published on 11 September 2019. Similarly, the report for Carleton Park Junior and Infant School was published on 17 September 2020. Both reports recognised the achievements of the school and the strong support and leadership provided by both the Executive Leadership Team and trustees.

The DFE Performance Tables for primary outcomes at KS2 were published in December. This confirmed that the Trust was in the top 10% multi academy trust for attainment in combined outcomes for reading, writing and maths. As a result of the pandemic the SATs that would have been taken in May were cancelled in the same way that GCSEs were.

Orchard Head was the first school in the Trust to be inspected under the new Education Inspection Framework. The Trust received a good rating across all areas. The transformation of governance by the Trust and ability of SPRB members to hold the headteacher to account was noted as a strength.

De Lacy Primary School received an inspection in January 2020. The significant increase in outcomes in 2019 (from 15% (2018) to 52 (2019)) was recognised – “high expectations from new leaders and staff are now resulting in more positive signs of improvement in pupils' outcomes”. The school was awarded 'requires improvement'

## Trustees' report (continued)

based on the quality of education being graded as requires improvement. All other categories were awarded good which demonstrated the significant progress achieved by the school since 2018.

### Key Performance Indicators

#### Ofsted Outcomes

School	Latest published inspection outcomes at August 2020							
	Overall Effectiveness at August 2020	The quality of education (Quality of teaching, learning & assessment)	Behaviours and attitudes	Leadership and management (Effectiveness of leadership & management)	Personal development	(Personal development, behaviour & welfare)	(Outcomes for Pupils)	Early Years provision
Carleton Park	Good	Good	n/a	Outstanding	n/a	Outstanding	Good	Good
De Lacy	Requires Improvement	Requires Improvement	Good	Good	Good	n/a	n/a	Good
Halfpenny Lane	Good	Good	n/a	Good	n/a	Good	Good	Good
Larks Hill	Good	Good	n/a	Good	n/a	Good	Good	Good
Orchard Head	Good	Good	Good	Good	Good	n/a	n/a	Good
The Rookeries	Requires Improvement	Requires Improvement	n/a	Requires Improvement	n/a	Good	Requires Improvement	Good
Carleton High	Good	Good	n/a	Good	n/a	Good	Requires Improvement	n/a
The King's	Good	Good	n/a	Good	n/a	Good	Good	n/a

### Academic Performance

Due to the COVID-19 pandemic no Year 11 pupils across the country were able to sit their GCSE examinations. The Government made the decision to award centre assessed grades to all pupils. Centre assessed grades were defined as the teacher's professional judgment of the most likely grade a pupil would achieve if the examinations had gone ahead. These were based on a range of evidence including mock examinations, non-exam assessment, homework assignments. The SATs due to be taken by year 6 primary school children were also cancelled.

The performance of Carleton High School and The King's School for 2020 on the following pages show the performance of the schools based on the Centre assessed grades. Prior to the March lockdown secondary and primary schools were reporting to be on track to achieve targets set in their school development plans based on current assessment data (mock GCSE's and key stage 2 mock assessments). Teacher assessed data for year 6 demonstrated a sustained improvement in overall attainment for pupils in reading, writing and mathematics. Strong mock outcomes in each school, coupled with robust teacher assessed predictions, provided strong evidence that internal targets would have been fully met, and in some cases exceeded.

At Carleton Park key stage 2 teacher assessed combined outcomes were 90%. This is 25% above the national average from the subsequent examination year 2018/19. Combined greater depth outcomes also improved from the previous year by 7% to 26%. National combined greater depth outcomes for the examination series in 2018/19 were 11%. Halfpenny Lane recorded 83% on the same age related expected combined measure, 1% lower than the previous year, and 18% above the national average for 2018/19.

## Trustees' report (continued)

Larks Hill recorded combined outcomes at key stage 2 of 87%, the same as outcomes in 2018/19, and 22% above the national average. Combined greater depth was greatly improved from the initial target of 29%. The school predicted an outcome of 39% which is 28% above the national average from the previous examination series. Orchard Head moved from an outcome of 77% on the same measure in 2018/19 to 80% in the period under review. Greater depth combined is 2% below the national average from 2018/19, but meets the internal target set by the school.

The Rookeries significantly improved its combined age-related expected outcomes from 71% to 80% and confirmed that all primary schools apart from De Lacy are now well above the national average of 65% on this key measure. Combined greater depth also significantly improved from 0% to 17% in the teacher assessed predictions. De Lacy continues to demonstrate improvement. Outcomes are moving more in line with national averages. Teacher assessed predictions of 63% in year 6 represent an 11% improvement from the previous year and only 2% below national. Greater depth combined outcomes would also have been greater than the national average by 5% (16% v 11%).

### Key stage 2

	% age reaching the expected standard in reading, writing and maths		
	2019/20 (mock data)	2018/19	2017/18
Carleton Park	90%	91%	53%
De Lacy	63%	52%	15%
Halfpenny Lane	83%	84%	59%
Larks Hill	87%	87%	62%
Orchard head	80%	77%	60%
The Rookeries	80%	74%	71%
<b>National Average</b>	<b>n/a</b>	<b>65%</b>	<b>64%</b>
<b>Trust Overall</b>	<b>76%</b>	<b>78%</b>	<b>53%</b>

In December 2019 both secondary schools held mock examinations which were moderated, the results from these were significantly stronger across almost all measures in all subjects than mocks held at the same time the previous year. Strong evidence suggested that Carleton High School would have made improvements at least in line with the previous year. The embedding of a new leadership team at The King's school, indicated similar improvements would have been made.

At Carleton High school internal predictions, suggested Progress 8 would have improved by half a grade and put in the top 10% of schools nationally for the progress students make across 8 GCSE subjects.

The King's School Progress 8 figures would have increased by 0.5, meaning on average students are achieving half a grade higher across 8 subjects than their peers nationally.

## Trustees' report (continued)

### Key stage 4

	%age achieving 4+ in English and Maths			Progress 8		
	2019/20 (CAG's)	2018/19	2017/18	2019/20 (CAG's)	2018/19	2017/18
Carleton High School	72%	66%	61%	0.71	0.15	-0.36
The King's School	79%	70%	64%	0.81	0.12	0.21
<b>National Average</b>	<b>64%</b>	<b>64%</b>	<b>64%</b>	<b>N/A</b>	<b>-0.02</b>	<b>-0.03</b>

### Going concern

After making appropriate enquires, the board of trustees has a reasonable expectation that the Pontefract Academies Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### Promoting the success of the company

The Trust maintains communication with its employees through regular staff briefings and electronic communications from the CEO and the Heads to all staff. The Trust has also constituted a Joint Consultative Committee (JCC) which has representatives from all sections of the Trust, and meets regularly to discuss topics which have been raised.

### Financial review

Pontefract Academies Trust income is derived in the main from the Department for Education (DFE) via the Education and Skills Funding Agency (ESFA) in the form of revenue and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA and other sources during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Pontefract Academies Trust also receives an element of funding for the acquisition and replacement of fixed assets from the ESFA. In accordance with the charities statement of recommended practice, "Accounting and Reporting by Charities" (SORP 2019), such grants are shown in the statement of financial activities as restricted incoming resources within the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Incoming resources during the year ended 31 August 2020 totalled £21.4million (2019: £22.0 million) and were not sufficient to cover resources expended and provided a deficit of £1.2million (2019: deficit £0.5 million) before transfers and other recognised gains and losses.

The net book value of tangible fixed assets was £29.1million (2019: £28.9 million); movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were exclusively for providing educational and associated support services to pupils and the community.

During the year ended 31 August 2020 Pontefract Academies Trust continued to allow all new staff the opportunity to join one of two pension schemes, Teachers Pension Scheme (TPS) or West Yorkshire Local Government

## Trustees' report (continued)

Pension Scheme. Both pension funds are defined benefit schemes. A more detailed explanation of each pension scheme can be found in note 29.

In comparison, it is possible to account for the assets and liabilities of the Local Government Pension Scheme (LGPS) as shown in the statement of financial activities and note 29. The West Yorkshire Local Government Pension Scheme currently provides for a deficit balance of £13.2 million (2019: £9.8 million).

## Financial position

Pontefract Academies Trust held fund balances at 31 August 2020 of £17.4million (2019: £20.8 million) comprising £29.1million (2019: £29.3 million) of restricted fixed assets, restricted income funds of £0.3million (2019: £0.1 million), unrestricted income fund balances of £1.2million (2019: £1.2 million) and a pension reserve deficit of £13.2 million (2019: £9.8 million).

## Reserves policy

Pontefract Academies Trust has established a reserves policy to protect the organisation and its charitable activities by providing a financial cushion against an unpredictable future. This restricts the impact of any risk (internal or external) upon continuing operations. The principal risk regarding continuing operations and the need for surpluses relate to the maintenance and replacement of the charity's substantial asset base and any possible delay in the receipt of grant funds. The reserves policy also provides the framework for future strategic planning and will assist decision-making.

The reserves policy establishes what is believed to be an appropriate target range for reserves held and will be reviewed on an annual basis. There is no expectation that the Covid-19 response will impact on the level of reserves approved by trustees

### Reserves (Non-Capital)

The trust targets to hold a minimum of £1m in unrestricted and restricted reserves to provide sufficient working capital to cover delays between spending and receipt of funds and to provide a cushion to deal with unforeseen events. The Trust intends to use amounts above this to support significant capital investment priorities required to maintain safe, secure, and positive learning environments.

### Reserves (Capital)

The fixed asset fund represents

- the net book value of fixed assets (£29.1m) which can only be realised through sale following any necessary approvals from the ESFA.
- £16k of unspent capital grants which are already contractually committed to be spent in accordance with grant conditions (2019: £0.4m)

Details of the restricted funds held by Pontefract Academies Trust are set out in note 18 of the attached financial statements.

### Pension Reserve

The presence of a pension surplus or deficit does not constitute an immediate liability or realisable asset and does not mean the equivalent amount is already committed or no longer available.

The presence of a pension surplus or deficit will generally result in a cash flow effect for the trust in the form of an increase or decrease in employers' pension contributions over a period of years. The trust is confident that it can meet the required pension contributions from projected future income without significantly impacting its planned level of activities. The risks surrounding Pontefract Academies Trust pension liability have been taken into consideration when preparing the annual budgets therefore we continue to calculate our reserves without setting aside a designated reserve to cover the pension liability.

## Trustees' report (continued)

### Investment policy

The Trust policy is to ensure that security takes precedence over revenue maximisation and that all investment decisions are in the best interests of the Trust. As such capital volatility will not be tolerated and assets will be invested to minimise risk. The Trust's assets will only be held in cash investments denominated in sterling for a maximum of 364 days. The Trust's cash balances will only be deposited with eligible UK banks or building societies assessed by their credit ratings.

### Principal risks and uncertainties

Pontefract Academies Trust faces a broad spectrum of risks and uncertainties within its complex operating environment. The principal risks are summarised below:

- Covid19 – continuity of education to pupils through lockdown, self-isolation, and staffing shortages. This is mitigated by the delivery of teaching remotely and the provision of laptops to children who do not have access to a device.
- Outcomes for children – children not making progress in line with or above national expectations. This is mitigated through effective, regular monitoring of pupil progress data and instigating interventions when progress is not rapid enough.
- Funding uncertainties – reductions in future funding allocations from the government and/or a fall in pupil rolls. This is mitigated through the ongoing review and update of medium-term financial plans embedded within organisational decision making in addition to the marketing of pupil places within the community.
- Physical and infrastructure - relating to the risk of flooding, fire or explosion or loss of utilities, heat, lighting catering etc. This is mitigated through the completion of fire risk assessments, health and safety procedures and reinstatement costs covered through insurance policies.
- Physical and infrastructure - relating to the under investment in the capital infrastructure. This is mitigated by the schools operating an efficient curriculum which delivers a surplus for capital investment which is determined through a framework which allows potential capital projects to be evaluated and prioritised across the Trust.
- Staffing – failure to recruit and retain staff. This is mitigated through a people strategy aimed at the attraction, recruitment, and retention of staff with succession planning and links with external providers should key staff exit leaving a vacancy.
- Safeguarding – that a child comes to harm in one of our schools. This is mitigated through robust safeguarding practices to ensure that adults who work in our schools, including volunteers, do not pose a risk to children.
- Technological risk – the risk of a cyber security breach to our systems results in loss of information or fraud. This is mitigated through the ongoing review of information security practices, system updates and training for staff

Pontefract Academies Trust has been proactive in identifying and managing these risks and uncertainties to mitigate their impact.

### Risk management

The trustees have a fundamental role to play in the management of risk; trustees set the tone and influence the culture of risk management within the organisation. The board of trustees is responsible for determining whether Pontefract Academies Trust is risk taking or risk averse, as a whole or on any relevant individual issue. It is also responsible for determining which types of risk are acceptable and which are not and to set the standards and expectations for staff with respect to conduct and probity. The trustees will also determine the risk appetite and exposure for the Pontefract Academies Trust. Any issues which affect the Trust's risk profile or exposure are to be approved by the board of trustees.

The trustees annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures. The trustees also seek to minimise the risk exposure by ensuring that appropriate policies and procedures exist to manage any such risk. Where risk cannot be eliminated or

## Trustees' report (continued)

reduced to sufficiently acceptable levels the trustees have ensured that adequate insurance cover has been provided.

The system of internal control incorporates risk management. The system encompasses several elements that together facilitate an effective and efficient operating environment, enabling the Pontefract Academies Trust to respond to a variety of operational, financial, and commercial risks. These elements include:

- Policies and procedures  
Attached to significant risk are a series of policies that underpin the internal control process. The policies are set by the trustees and implemented by the Executive Leadership Team and headteachers across Pontefract Academies Trust.
- Strategic planning and budgeting  
The strategic planning and budgeting processes are used to set objectives, agree action plans, and allocate resources. Progress towards meeting strategic objectives is monitored regularly by the board of trustees.
- Risk management policy and procedures. The risk management policy and procedures set out the framework for risk identification, agreed risk appetite, measurement of impact, probability of occurrence and mitigating control measures. This framework provides a consistent approach to risk management and monitoring across the Trust.

## Streamlined energy and carbon reporting

### Background

The 6 primary and 2 secondary schools have gas powered heating systems. Carleton High School utilises biomass technology coupled with a gas boiler for additional capacity.

The academy leases 2 diesel-powered mini-buses and has approximately 20 members of staff who claim business mileage.

The schools have a mix of fluorescent/halogen lighting, the focus has been on introducing LED during the refurbishment of the facilities or as a replacement when lighting goes beyond repair.

Two schools - (Orchard Head and De Lacy) have solar panels installed.

This methodology follows the [GHG Reporting Protocol](#) and uses the 2020 [Government emission conversion factors for greenhouse gas company reporting](#).

### Calculations

Energy Source	Consumption	Scope	Emissions calculation
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills for each academy within the trust	2,783,433 kWh (gross CV (calorific value))	Scope 1	2,783,433 kWh * 0.18387 (2020 fuels, natural gas conversion factor gross CV to kg Co2e) = 511,790 kgCO2e = <b>511.790 tCO2e</b>
Electricity – total kWh used for the year, taken from the electricity bills for each academy within the trust	1,364,424 kWh	Scope 2	1,364,424 kWh * 0.23314 (2020 electricity conversion factor to kgCO2e) = 318,102 kgCO2e = <b>318.102 tCO2e</b>



## Trustees' report (continued)

Energy Source	Consumption	Scope	Emissions calculation
Transport – Mini-buses – 2,489.911 miles in the year.	2,489.911 miles * 1.57 (2020 SECR kWh pass & delivery vehicles, Vans average diesel – used in lieu of passenger vehicles conversion) = 3,909 kWh	Scope 1	2,489.911 miles = 4,007 km 4,007 km * 0.2471 (2020 managed assets vehicles, Vans average diesel – used in lieu of passenger vehicles conversion) = 990.16 kgCO <sub>2</sub> e = <b>0.990 tCO<sub>2</sub>e</b>
Transport – total mileage reimbursed from staff claims = 3,473 miles	3,473 miles * 1.16319 (2020 SECR kWh pass & delivery vehicles, average petrol car conversion factor to kWh) = 4,040 kWh	Scope 3	3,473 miles * 0.28052 (2020 managed assets vehicles, average petrol car conversion factor to kgCO <sub>2</sub> e) = 974.25 kgCO <sub>2</sub> e = <b>0.974 tCO<sub>2</sub>e</b>
Total	2,783,433 + 1,364,424 + 3,909 + 4,040 = 4,155,806 kWh		511.790 + 318.102 + 0.990 + 0.974 = <b>831.856 tCO<sub>2</sub>e</b>
Intensity ratio	Emissions data (tCO <sub>2</sub> e) compared with an appropriate business activity (pupil numbers as per Autumn census)		831.856 tCO <sub>2</sub> e/3,788 pupils = <b>0.2196 tCO<sub>2</sub>e per pupil</b>

## Disclosure of Information

### UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy consumption used to calculate emissions (kWh)	4,155,806
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Energy consumption break down (kWh):

- gas
- electricity
- transport fuel

#### Scope 1 emissions in metric tonnes CO<sub>2</sub>e

Gas consumption	511.790
Owned transport – mini-buses	0.990
Total Scope 1	512.78

#### Scope 2 emissions in metric tonnes CO<sub>2</sub>e

Purchased electricity	318.102
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## Trustees' report (continued)

### UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Scope 3 emissions in metric tonnes CO2e	0.974
Business travel in employee owned vehicles	
Total gross emissions in metric tonnes CO2e	831.856
Intensity ratio Tonnes CO2e per pupil	0.2196

### 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 2020 UK Government's Conversion Factors for Company Reporting.

### Intensity measurement

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

### Measures taken to improve energy efficiency

- Video conferencing has increased since COVID restrictions presented alternatives to conducting meetings. This has reduced the need to travel.
- Two schools have solar panels fitted. Orchard Head School has limited panels on their newest building the nursery. De Lacy, the Trust's youngest school has 2 banks of solar panels, coupled with air source heat pumps.
- LED lighting is being fitted as standard during any refurbishment project or a result of faults in old luminaries. The following projects have been completed in schools:
  - Larks Hill – 60 600x600mm panels in all corridors and communal areas with PIR switching
  - The Rookeries – LED lighting fitted throughout a new extension coupled with panels in the existing corridor that provided access.
  - Carleton High- 2 classrooms refurbished with panels fitted in the new ceilings.
  - The King's School – A full block refurbishment with LED lighting fitted throughout, with PIR switching in communal areas. Drama suite lighting replaced with LED panels and spotlights. Deli bar extended with 18 batten luminaries fitted to replace fluorescent lighting
- All schools have BMS systems to regulate usage and provide comfort levels appropriate to the given climate. School closures dates are entered to automatically reduce unnecessary usage.
- A single Andrews water heater has replaced 2 old inefficient and aging boilers at Halfpenny Lane .
- Several wooden windows have been replaced at The King's School with thermally efficient UPVC double glazed units.
- A large element of Orchard Head School's metal clad roofs have been replaced with increased King Span insulation and felt covering. This has reduced the loss of energy through poorly insulated ceilings and reduced energy consumption.

## Trustees' report (continued)

### Fundraising

The Trust recognises its responsibilities under the Charities (Protection and Social Investment) Act 2016.

Fundraising from the public represents a minimal part of the income to the Trust and is restricted to:

- Events held on school premises such as school fairs or non-uniform days, in most cases these events will raise funds to support school spending, or to raise funds for other national charities which benefit children such as Children in Need and Comic Relief.
- Requests for voluntary donations to support school activities such as trips.

All income from fundraising is received and controlled in accordance with the financial regulations and financial scheme of delegation. Where funds are raised on behalf of other national charities, they are paid to the charities following the fundraising event. The Trust does not use any professional fundraisers.

Any complaints relating to the Trust fundraising activities are dealt with the Trust complaints procedures. The Trust follows government guidance in relation to its policies on charging and remissions, this provides a framework of operation to ensure our disadvantaged pupils/students are not prevented from undertaking particular activities on the basis of ability to make a voluntary donation.

During the period of Covid19 lockdown and the partial re-opening of the schools no fundraising activities took place. There was no impact as a result on the financial or academic performance of the Trust

### Plans for future periods

The Trust has agreed a strategic plan which sets out its values and guiding principles delivered through key strategic objectives:

#### Achievement without Excuses

- Deliver academic results that put all secondary schools on a trajectory to be in the top 10% of schools nationally for progress with all significant groups (including disadvantaged pupils and SEND) in the top 25%.
- Deliver improved academic results so that all primary schools achieve the expected national standards in reading, writing and maths at KS2, with most schools achieving above. All schools have positive progress scores in reading, writing and maths and on a trajectory to be in the top 25% of schools nationally.

#### Our people matter

- Ensure that our schools are highly inclusive and support the well-being of all pupils characterised by high levels of pastoral support, behaviour, welfare, safety, security, and attendance.
- Embed high calibre leadership at all levels in the Trust through in-house and external development programmes, that are aligned with our vision, values and guiding principles, and that continue to drive improvement in standards and growth in the Trust.
- Embed and further develop teacher improvement programmes that are stage appropriate to further up skill our teaching staff so that the curriculum is taught well. Implement and embed a Trust wide curriculum that reduces knowledge gaps so pupils know more, remember more and can do more.
- Position the Trust as an employer of choice through a people strategy that focuses upon recruiting, retaining, and developing the best people and retains the best people.

#### Excellence as standard

- Position all our schools to be rated as at least good by 2021, as characterised by the new Ofsted Education Inspection Framework.
- Operate an effective financial strategy ensuring long term viability, the ability to invest in current resources (staffing and physical) and the ability to provide support to a future school joining the Trust.

## Trustees' report (continued)

- Further embed a Trust wide management framework that includes a Board approved Strategic Plan that cascades efficiently and effectively into each individual school improvement plan, the performance and appraisal of our people, and the management reporting arrangements.

### Pupils come first

- Reinforce the priority of our frontline teachers creating high quality learning environments and school estates for our children and young people.

### Stronger as one

- Embed and further develop improved arrangements by which school leadership teams are held to account by local stakeholders.
- Position the Trust for growth in the short and medium term through building capacity in advance and future proofing our centralised function/services.

In addition to the Trust's twelve strategic priorities that cover a longer period from 2020-23, the specific priorities for the year ahead include:

- Continue to implement and embed the 5-16 curriculum plans across all schools.
- Maintain key stage 2 attainment scores including those for disadvantaged and SEND pupils.
- Ensure phonics attainment in key stage 1 is in line/exceed national outcomes.
- Achieve progress 8 scores which put secondary schools in the top 10% of schools nationally
- Continue to improve overall primary KS2 greater depth outcomes.
- Improving attainment and progress for disadvantaged pupils across secondary schools.
- Implement the HR, compliance and risk management systems.
- Improving the operation of the finance function through the implementation of existing functionality of the finance system.

The board of trustees approved the Covid19 business continuity plan in August 2020 and approved additional resource within the 2020/21 budget to support pupils and schools throughout the uncertainty. On 22 October 2020, The Coronavirus Act 2020 Provision of Remote Education (England) Temporary Continuity Direction came into force. The business continuity plans previously approved have been implemented to meet this directive.

Actions have included:

- Provision of a laptop to all staff to enable remote delivery in the case of a lockdown or period of self-isolation.
- Plans to migrate the network to cloud based technology to assist anytime/anywhere access
- A phased re-build of the network as a pre-requisite of the cloud-based project
- Preparation of devices (including the purchase of filtering, cases, chargers) for the distribution to pupils who require remote learning and do not have access to a device.

## Funds held as custodian trustee on behalf of others

The Trust does not hold any funds as custodian trustee on behalf of others at the date of signing.

# Pontefract Academies Trust

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## Trustees' report (continued)

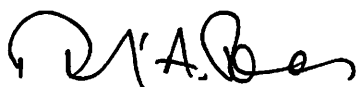
### Auditor

Insofar 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 them themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Allotts Business Services Ltd has expressed their willingness to continue in office as auditors to the Trust.

Trustees' report, incorporating a strategic report, approved by order of the members of the board of trustees, as the company directors, on 14 December 2020 and signed on its behalf by:



**Phil Jones**  
Chair of Trustees

Governance Statement (continued)

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees’ Report and in the Statement of Trustees’ Responsibilities. The board of trustees has formally met 10 times during the accounting period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Jones (chair)	10	10
J Appleyard OBE (CEO and accounting officer)	10	10
A Clarke	10	10
J Gough	10	10
E Shepherd	9	10
D Wilkin (vice chair)	9	10

No changes to the board of trustees have been made during the period.

The board of trustees’ key responsibilities are to:

- set the strategic direction, mission, vision, core values and guiding principles
- hold executive leaders to account for educational performance of the Trust
- challenge and monitor the performance of the Trust.
- ensure its decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual’s role and responsibilities
- oversee and ensure financial performance at each of the 4 meetings per year and receive monthly management accounts with the ability to call a special meeting if required.
- exercise reasonable skill and care in carrying out their duties.
- ensure that the Trust complies with charity and company law.
- operate the Trust and its schools in accordance with the Funding Agreement signed with the Secretary of State

The board of trustees completed an evaluation of its effectiveness for the accounting period in October 2020, the outcome of this work will inform any changes proposed during academic year 2020/21.

The board of trustees receives data in an agreed accessible format that enables comparison of the performance across the Trust and with external comparators.

## Governance Statement (continued)

The **Finance and General Purposes Committee** is a sub-committee of the main board of trustees. Its purpose is to:

- consider policies and procedures to ensure that the Trust maintains proper accounts and related records.
- consider and monitor the Trust's financial plans to ensure they reflect the corporate and strategic plans of the Trust.
- consider policies and procedures to ensure that the Trust manages its employees in a fair and consistent manner and adheres to employment law and practice.

The Finance and General Purposes committee has reviewed the annual budget proposals and management accounts during the period of account.

The Finance and General Purposes committee has monitored key financial information during the year and considered the medium-term financial plans as part of the budget approval process. Monthly management accounts are distributed to all trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M K Brooke (co-opted, chair)	3	3
D Wilkin (vice-chair)	3	3
J Appleyard OBE	3	3

The **Audit and Risk committee** is also a sub-committee of the main board of trustees. Its purpose is to:

- ensure that the internal control systems and the arrangements for risk management, control and governance processes of Pontefract Academies Trust are independently, objectively and actively monitored
- reinforce the independence and effectiveness of the internal audit function, providing an independent medium of communication with the Pontefract Academies Trust auditors.

The Audit and Risk committee has reviewed and recommended the board of trustees the following policies during the period of account:

- Information Security policy
- Health and Safety policy
- Asbestos policy and plan
- Covid-19 privacy notice

The audit and risk committee considered the recommendations and monitored actions arising from independent reviews of:

- Safeguarding
- Governance
- Cyber security
- Budget monitoring
- Strategic financial planning – pooled GAG income
- Key financial controls - payroll
- Follow up review

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Clarke (chair)	3	3
J Gough (vice-chair)	3	3

## Governance Statement (continued)

M K Brooke(co-opted)

3

3

Pontefract Academies Trust also operates School Performance Review Boards (SPRBs) who report to the Pontefract Academies Trust Board of Trustees. The accountabilities and responsibilities the SPRB's are determined by the scheme of delegation.

Governance at school level includes the nomination of link SPRB members who take responsibility for key areas of focus. Each SPRB is required to have a minimum of two parent members.

- academic performance
- Pupil behavior
- Community engagement

## Review of Value for Money

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer has delivered improved value for money during the year by:

- Increasing the pupil numbers at secondary level through the promotion of the Ofsted grade good at Carleton High School.
- Review of the finance, HR and IT functions across the Trust resulting in improved workflows and the planned implementation of enhanced functionality of the Finance system.
- Review of business systems and the procurement of a compliance, HR and risk management system to realise efficiencies across the Trust.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academies Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pontefract Academies Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

## Capacity to handle risk

The board of trustees has reviewed the key risks to which Pontefract Academies Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing Pontefract Academies Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# Pontefract Academies Trust

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## Governance Statement (continued)

### The risk and control framework

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

- a review of the progress made against each strategic objective through a detailed strategic performance report with agreed KPI's.
- monitoring of each school development plan through independent reporting from School Performance Review Boards to the trust board.
- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by the board of trustees.
- reviews by the Audit and Risk Committee the performance of policies and procedures.
- reviews by the Finance and General Purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties; and
- Identification and management of risks.

The board of trustees considered the need for a specific internal audit function and decided to appoint RSM UK to undertake a programme of internal audit. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems and other internal control systems. In particular, the checks carried out in the current period included testing of:

- Safeguarding
- Governance
- Cyber security
- Budget monitoring
- Strategic financial planning – pooled GAG income
- Key financial controls - payroll
- Follow up review

The auditor reports to the board of trustees, through the Audit and Risk committee on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

The auditor has not identified any material control issues arising as a result of their work.

### Review of effectiveness

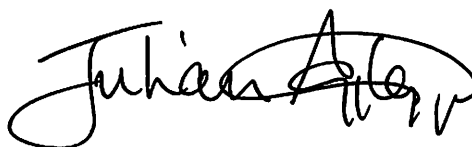
As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by the work of RSM UK and also the work of the Executive Leadership Team who also have key responsibilities for the development and maintenance of the internal control framework.

The accounting officer has been advised of areas for improvement and the Audit and Risk committee are making plans to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14 December 2020 and signed on its behalf by:



**Phil Jones**  
Chair of Trustees



**Julian Appleyard OBE**  
Accounting Officer

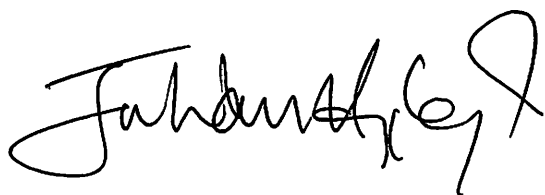


## Statement on Regularity, Propriety and Compliance

As accounting officer of Pontefract Academies Trust I have considered my responsibility to notify the multi academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi academy trust, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



**Julian Appleyard OBE**  
Accounting Officer

14 December 2020

## Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform 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 members of the board of trustees on 14 December 2020 and signed on its behalf by:



**Phil Jones**

Chair of Trustees

## Independent Auditor's Report on the Financial Statements to the Members of Pontefract Academies Trust

### Opinion

We have audited the financial statements of Pontefract Academies Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### 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.

Other information includes the trustees report (incorporating the strategic report and the directors report), the governance statement and the accounting officers' statement.

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.

## Independent Auditor's Report on the Financial Statements to the Members of Pontefract Academies Trust (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have 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 Strategic report and the Trustees' report.

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.

### Responsibilities of trustees

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our Report of the Independent Auditors.

## Independent Auditor's Report on the Financial Statements to the Members of Pontefract Academies Trust (continued)

### 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.



Mark Garrison BCom FCA DChA (Senior Statutory Auditor)  
for and on behalf of Allotts Business Services Ltd, Statutory Auditor  
Chartered Accountants  
The Old Grammar School  
13 Moorgate Road  
Rotherham  
South Yorkshire  
S60 2EN

14 December 2020

## **Independent Reporting Accountant's Assurance Report on Regularity to Pontefract Academies Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pontefract Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Pontefract Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Pontefract Academies Trust's funding agreement with the Secretary of State for Education dated 27 March 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 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 Pontefract Academies Trust income and expenditure.

The work undertaken to draw our conclusions includes:

- Enquiry of officers of Pontefract Academies Trust
- Review and testing of income and expenditure for compliance with the funding agreements, the Academies Financial Handbook and the Trust's system of controls.
- Examination of relevant documents
- Review of the activities carried out by the Pontefract Academies Trust
- Review of the delegated authorities set out in the Academies Financial Handbook
- Review of governance arrangements in accordance with the Academies Financial Handbook

## **Independent Reporting Accountant's Assurance Report on Regularity to Pontefract Academies Trust and the Education and Skills Funding Agency**

### **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 year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
Allotts Business Services Limited  
Chartered Accountants  
The Old Grammar School  
13 Moorgate Road  
Rotherham  
South Yorkshire  
S60 2EN

14 December 2020

## Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

				Restricted		
		Unrestricted	Restricted	Fixed	2019/20	2018/19
	Notes	Funds	General	Asset	Total	Total
		£000	£000	£000	£000	£000
<b>Incoming and endowments from:</b>						
Donations and capital grants	2	1	32	659	692	1,993
Charitable activities:						
Funding for the academy trust's educational operations	3	406	20,049	-	20,455	19,735
Other trading activities	4	93	204	-	297	295
Investments	5	1	-	-	1	2
<b>Total</b>		<b>501</b>	<b>20,285</b>	<b>659</b>	<b>21,445</b>	<b>22,025</b>
<b>Expenditure on:</b>						
Raising funds	6	52	52	-	104	159
Charitable activities:						
Academy trust educational operations	7	449	20,926	1,133	22,508	22,330
<b>Total</b>		<b>501</b>	<b>20,978</b>	<b>1,133</b>	<b>22,612</b>	<b>22,489</b>
Net income/(expenditure)		-	(693)	(474)	(1,167)	(464)
Transfers between funds	18	-	(266)	266	-	-
<b>Other recognised (losses)/gains</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18,29	-	(2,175)	-	(2,175)	(4,650)
<b>Net movement in funds</b>		<b>-</b>	<b>(3,134)</b>	<b>(208)</b>	<b>(3,342)</b>	<b>(5,114)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2019	18	1,157	(9,702)	29,308	20,763	25,877
Total Funds carried forward at 31 August 2020		1,157	(12,836)	29,100	17,421	20,763

The notes attached form part of these financial statements.

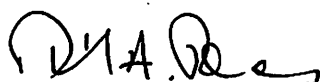


# Pontefract Academies Trust

## Balance Sheet as at 31 August 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed Assets</b>					
Tangible assets	13		29,116		28,925
<b>Current assets</b>					
Debtors	14	902		930	
Cash at bank and in hand		<u>2,039</u>		<u>2,550</u>	
		2,941		3,480	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(1,480)</u>		<u>(1,841)</u>	
<b>Net current assets</b>			<u>1,461</u>		<u>1,639</u>
<b>Total assets less current liabilities</b>			30,577		30,564
Creditors: Amounts falling due after more than one year	17		<u>(5)</u>		<u>(7)</u>
<b>Net assets excluding pension liability</b>			<u>30,572</u>		<u>30,557</u>
Defined benefit pension scheme liability	29		(13,151)		(9,794)
<b>Total net assets</b>			<u>17,421</u>		<u>20,763</u>
<b>Funds of the academy trust</b>					
<b>Restricted funds</b>					
Fixed Asset Fund	19	29,100		29,308	
Restricted income fund	19	315		92	
Pension Reserve	19	<u>(13,151)</u>		<u>(9,794)</u>	
<b>Total restricted funds</b>			16,264		19,606
<b>Unrestricted income funds</b>	17		1,157		1,157
<b>Total Funds</b>			<u>17,421</u>		<u>20,763</u>

The financial statements on pages 30 to 56 were approved by the trustees, and authorised for issue on 14 December 2020 and are signed on their behalf by:



Phil Jones  
Chair of Trustees

**Statement of Cash Flows for the year Ended 31 August 2020**

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	153	(540)
<b>Cash flows from investing activities</b>	23	(664)	26
<b>Change in cash and cash equivalents in the year</b>		<u>(511)</u>	<u>(514)</u>
<b>Cash and cash equivalents at 1 September 2019</b>	24	2,550	3,064
<b>Cash and cash equivalents at 31 August 2020</b>		<u>2,039</u>	<u>2,550</u>

## Notes to the Financial Statements for the Period Ended 31 August 2020

### 1. Statement of Accounting Policies

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

#### (a) Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Results for each school and the Trust have been aggregated on a line by line basis and internal transactions excluded.

#### (b) 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 company 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 Pontefract Academies 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.

#### (c) Incoming Resources

All incoming resources are recognised when Pontefract Academies Trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably. Income is not netted off with related expenditure.

##### ■ Grants

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

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

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

##### ■ Donations

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



## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 1. Statement of Accounting Policies (continued)

#### ■ Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent Pontefract Academies 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 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'.

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

The Trust's land and buildings for De Lacy Primary School are on 125-year lease from Wakefield M D Council and the land and buildings for its other academies are freehold transfer from Wakefield M D Council. No premium was paid and the rent for De-Lacy Primary School is one peppercorn. The buildings were valued on conversion at depreciated replacement cost and are depreciated over the remainder of their expected lives. Leased land was valued at market value and is depreciated over the length of the lease.

Other fixed assets transferred on conversion were valued at an estimate of the fair value to each Academy.

Other additions of land and buildings in the year to 31 August 2015 included the taking up of leasehold on the former Wakefield M D Council Children's Centre located within the Orchard Head J&IN School site for nil consideration over a term of 125 years.

### (d) Expenditure

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

#### ■ Expenditure on Raising Funds

This includes all expenditure incurred by Pontefract Academies Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### ■ Charitable Activities

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

All resources expended are exclusive of recoverable VAT but include any irrecoverable VAT.

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 1. Statement of Accounting Policies (continued)

#### (e) Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

▪ Long leasehold land	125 Years
▪ Freehold and Long-term leasehold buildings	50 Years
▪ Furniture and Equipment	10 Years
▪ Computer Equipment	4 Years

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

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

#### (f) 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 Pontefract Academies 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.

#### (g) Provisions

Provisions are recognised when Pontefract Academies 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.

#### (h) Leased Assets

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

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 1. Statement of Accounting Policies (continued)

#### (i) Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS102. 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 14. 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 notes 15 and 17. 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.

#### (j) Taxation

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

#### (k) Pensions Benefits

Retirement benefits to employees of Pontefract Academies 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 so as to spread the cost of pensions over employees' working lives with Pontefract Academies Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 scheme and the assets are held separately from those of Pontefract Academies 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 year 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 gains and losses.

#### (l) Fund Accounting

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

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 1. Statement of Accounting Policies (continued)

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

Restricted income funds comprise all other restricted funds received and include grants from the Department for Education Group.

#### (m) Critical accounting estimates and areas of judgement

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

##### *Critical accounting estimates and assumptions*

The 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 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
Capital grants	-	659	659	720
Donated Fixed Assets	-	-	-	1,164
Other donations	1	32	33	109
	1	691	692	1,993

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 3. Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
<b>DfE / ESFA Grants</b>				
General Annual Grant (GAG)	-	16,754	16,754	16,525
Pupil Premium	-	1,068	1,068	1,086
PE Sport Grant	-	110	110	110
Other DfE / ESFA Grants	-	1,208	1,208	480
	-	19,140	19,140	18,201
<b>Other Government Grants</b>				
Local Authority Grants - Early Years	-	372	372	318
Local Authority Grants - High Cost Pupils	-	270	270	256
Local Authority Grants - Other	-	91	91	41
	-	733	733	615
<b>Exceptional government funding</b>				
Coronavirus exceptional support	-	94	94	-
	-	94	94	-
<b>Other Income</b>				
Catering Income	406	-	406	611
Trip Income	-	82	82	308
	406	20,049	20,455	19,735

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

The funding received for coronavirus exceptional support covers £94k of reclaimed costs. These costs are included in notes 6 and 7 as appropriate.

### 4. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
Music Services	19	-	19	30
Educational Sales	-	72	72	103
Services of Staff	-	2	2	35
Insurance Receipts	40	124	164	66
Hire of Facilities	35	-	35	45
Other Income	-	5	5	16
	93	204	297	295



## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
Bank interest	1	-	1	2
	1	-	1	2

### 6. Expenditure

	Staff Costs £000	Non - Pay Premises £000	Expenditure Other Costs £000	2019/20 Total £000	2018/19 Total £000
Expenditure on raising funds	-	-	104	104	159
Academy's educational operations					
Direct Costs	13,435	566	2,210	16,211	15,994
Allocated Support Costs	3,544	935	1,818	6,297	6,336
	16,979	1,501	4,132	22,612	22,489

	2019/20 £000	2018/19 £000
<b>Net expenditure for the year includes:</b>		
Operating lease rentals	41	45
Depreciation	1,133	1,044
<b>Fees payable to the auditor for:</b>		
- audit	13	14

### 7. Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
Direct costs - educational operations	40	16,171	16,211	15,994
Support costs - educational operations	409	5,888	6,297	6,336
	449	22,059	22,508	22,330

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 7. Charitable Activities (continued)

	Educational Operations		2019/20	2018/19
	Unrestricted Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000
<b>Analysis of support costs</b>				
Support Staff Costs	-	3,544	3,544	3,255
Technology costs	-	333	333	280
Premises costs	409	1,502	1,911	2,152
Legal costs	-	7	7	9
Other support costs	-	462	462	606
Governance Costs	-	40	40	34
	409	5,888	6,297	6,336

### 8. Staff Costs

Staff costs during the period were:

	2019/20	2018/19
	Total	Total
	£000	£000
Wages and Salaries	11,972	11,714
Social Security Costs	1,090	1,022
Operating costs of defined benefit pension schemes	3,664	2,862
	16,726	15,598
Supply staff costs	221	652
Staff restructuring costs	32	80
	16,979	16,330
Staff restructuring costs comprise:		
Redundancy payments	12	41
Severance payments	20	39
	32	80

#### (a) Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £19,683 (2019: £38,719). Individually the payments were: £3,679, £11,728 and £4,276.

#### (b) Staff numbers

The average number of persons employed by Pontefract Academies Trust during the year was as follows:

	2019/20	2018/19
	No.	No.
Teachers and Educational Support	318	355
Administration and Other Support	146	149
Management	35	28
	499	532

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### (c) Higher paid staff

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

	2019/20	2018/19
	No.	No.
£ 60,001 - £ 70,000	11	3
£ 70,001 - £ 80,000	1	1
£ 80,001 - £ 90,000	2	1
£ 90,001 - £100,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£150,001 - £160,000	1	1
	<u>17</u>	<u>7</u>

### (d) Key management personnel

The key management personnel of the academy trust comprise a trustee, the senior management team and Headteachers as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust were £1,417,611 (2019: £1,242,764).

### 9. Related party Transactions – Trustees' remuneration & expenses

One trustee, who is also the Chief Executive Officer (CEO) for the academy trust has been paid remuneration or has received other benefits from employment with the academy trust. The CEO only receives remuneration in respect of services he provides undertaking the role of CEO under his contract of employment.

#### Julian Appleyard OBE (staff and trustee)

Remuneration	£155,000 - £160,000	(2019: £155,000 - £160,000)
Employer's pension contributions	£35,001 - £40,000	(2019: £25,001 - £30,000)

During the year ended 31 August 2020, no travel and subsistence expenses were reimbursed to trustees (2019: £nil).

Other related party transactions involving the trustees are set out in note 30.

### 10. Central Services

Pontefract Academies Trust has provided the following central services to its academies during the period of account:

- Financial services, assurances and information systems
- Education Welfare and Education Psychology Services
- Teacher/Pupil Performance Tracking Software
- Health & Safety advice and support
- Legal advice and support

The trust charges for these services at a flat 5% of General Annual Grant Income.

## Notes to the Financial Statements for the Period Ended 31

### August 2020 (continued)

#### 10. Central Services (continued)

The actual amounts charged during the year were as follows:

	2019/20 £000	2018/19 £000
Carleton High School	232	222
Carleton Park Junior & Infant School	39	41
De Lacy Primary School	69	69
Halfpenny Lane Junior Infant & Nursery	79	78
Kings School	260	259
Larks Hill Junior Infant School	39	40
Orchard Head Junior Infant & Nursery	61	61
The Rookeries Carleton Junior & Infant	54	52
	<u>833</u>	<u>822</u>

#### 11. Trustees' and Officers' Insurance

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

**Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)**

**12. Comparatives for the Statement of Financial Activities**

			Restricted		
		Unrestricted	Restricted	Fixed	
	Notes	Funds	General	Asset	2018/19
		£000	Funds	Funds	Total
			£000	£000	£000
					2017/18
					Total
					£000
<b>Incoming and endowments from:</b>					
Donations and capital grants		5	104	1,884	1,993
Charitable activities:					
Funding for the academy trust's educational operations		611	19,124	-	19,735
Other trading activities		140	155	-	295
Investments		2	-	-	2
<b>Total</b>		<b>758</b>	<b>19,383</b>	<b>1,884</b>	<b>22,025</b>
<b>Expenditure on:</b>					
Raising funds		74	85	-	159
Charitable activities:					
Academy trust educational operations		677	20,609	1,044	22,330
<b>Total</b>		<b>751</b>	<b>20,694</b>	<b>1,044</b>	<b>22,489</b>
Net income/(expenditure)		7	(1,311)	840	(464)
Transfers between funds		-	(236)	236	-
<b>Other recognised (losses)/gains</b>					
Actuarial (losses)/gains on defined benefit pension schemes		-	(4,650)	-	(4,650)
<b>Net movement in funds</b>		<b>7</b>	<b>(6,197)</b>	<b>1,076</b>	<b>(5,114)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2018		1,150	(3,505)	28,232	25,877
Total Funds carried forward at 31 August 2019		<b>1,157</b>	<b>(9,702)</b>	<b>29,308</b>	<b>20,763</b>

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 13. Tangible Fixed Assets

	Freehold Land and Buildings	Long-term Leasehold Land & Buildings	Assets under construction	Furniture and Equipment	Computer Equipment	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 September 2019	27,099	2,270	164	3,427	1,819	34,779
Additions	667	-	46	367	244	1,324
Transfer in year	164	-	(164)	-	-	-
At 31 August 2020	27,930	2,270	46	3,794	2,063	36,103
<b>Depreciation</b>						
At 1 September 2019	2,972	240	-	1,448	1,194	5,854
Additions	523	43	-	336	231	1,133
At 31 August 2020	3,495	283	-	1,784	1,425	6,987
<b>Net Book Values</b>						
At 1 September 2019	24,127	2,030	164	1,979	625	28,925
At 31 August 2020	24,435	1,987	46	2,010	638	29,116

### 14. Debtors

	2020 £000	2019 £000
Trade debtors	79	13
VAT recoverable	193	186
Other debtors	6	4
Prepayments and accrued income	624	727
	<u>902</u>	<u>930</u>

### 15. Creditors: Amounts Falling due within one Year

	2020 £000	2019 £000
Trade creditors	422	860
Other taxation and social security	264	269
Other creditors	19	18
Accruals and deferred income	775	694
	<u>1,480</u>	<u>1,841</u>

# Pontefract Academies Trust

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 16. Deferred income

	2020 £000	2019 £000
Deferred Income at 1 September 2019	251	253
Resources deferred in year	224	251
Amounts released from previous years	(251)	(253)
Deferred income at 31 August 2020	224	251

At the balance sheet date, Pontefract Academies Trust was holding funds received in advance for funds received from the ESFA relating to Universal Infant Free School Meals and rates relief; and other funds received in advance for catering income and local authority pupil premium income.

### 17. Creditors: amounts falling due in greater than one year

	2020 £000	2019 £000
Other Creditors	5	7
	5	7

Included within other creditors is a loan of £5,000 from Salix which is provided on the following terms: 5 repayments remaining of £1,000 every six months to 1 September 2022.

### 18. Funds

	Balance at 1 September 2019 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	92	16,754	(16,265)	(266)	315
Pupil Premium	-	1,068	(1,068)	-	-
Other DfE Group Grants	-	1,412	(1,412)	-	-
Local Authority Grants	-	733	(733)	-	-
Pension Deficit	(9,794)	-	(1,182)	(2,175)	(13,151)
Other restricted donations	-	32	(32)	-	-
Other income	-	82	(82)	-	-
Other trading activities	-	204	(204)	-	-
	(9,702)	20,285	(20,978)	(2,441)	(12,836)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	22,875	-	(510)	-	22,365
Donated fixed assets	1,165	-	(32)	-	1,133
DfE Group capital grants	3,851	659	(348)	-	4,162
Insurance Receipts	90	-	(14)	-	76
Capital expenditure from GAG	1,327	-	(229)	266	1,364
	29,308	659	(1,133)	266	29,100
<b>Total restricted funds</b>	<b>19,606</b>	<b>20,944</b>	<b>(22,111)</b>	<b>(2,175)</b>	<b>16,264</b>
<b>Unrestricted funds</b>					
Unrestricted funds	1,157	501	(501)	-	1,157
<b>Total unrestricted funds</b>	<b>1,157</b>	<b>501</b>	<b>(501)</b>	<b>-</b>	<b>1,157</b>

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

<b>Total funds</b>	20,763	21,445	(22,612)	(2,175)	17,421
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The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant (GAG) is restricted to spending in accordance with the conditions of the Trust's Master Funding Agreement with the Secretary of State for Education. This is not subject to a limit on the amount of GAG which can be carried forward at 31 August 2020 to future periods.

The Pupil Premium is restricted to activities which reduce the attainment gap between pupils who are disadvantaged and those who are not.

Dfe Group capital grants include devolved formula grant funds received towards capital investment in Academies above £2,000, and school capital allocation.

The transfer into the restricted fixed asset funds represents fixed assets purchased out of GAG funding.

### 18. Funds (continued)

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

	Balance at 1 September 2018 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	617	16,525	(16,814)	(236)	92
Pupil Premium	-	1,086	(1,086)	-	-
Other DfE / ESFA Grants	-	590	(590)	-	-
Local Authority Grants	-	615	(615)	-	-
Pension Deficit	(4,122)	-	(1,022)	(4,650)	(9,794)
Other restricted donations	-	104	(104)	-	-
Other income	-	308	(308)	-	-
Other trading activities	-	155	(155)	-	-
	(3,505)	19,383	(20,694)	(4,886)	(9,702)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	23,407	-	(533)	-	22,875
Donated fixed assets	-	1,164	-	-	1,165
DfE/ESFA capital grants	3,434	720	(303)	-	3,851
Insurance Receipts	105	-	(14)	-	90
Capital expenditure from GAG	1,285	-	(194)	236	1,327
	28,232	1,884	(1,044)	236	29,308
<b>Total restricted funds</b>	<b>24,727</b>	<b>21,267</b>	<b>(21,738)</b>	<b>(4,650)</b>	<b>19,606</b>
<b>Unrestricted funds</b>					
Unrestricted funds	1,150	758	(751)	-	1,157
<b>Total unrestricted funds</b>	<b>1,150</b>	<b>758</b>	<b>(751)</b>	<b>-</b>	<b>1,157</b>
<b>Total funds</b>	<b>25,877</b>	<b>22,025</b>	<b>(22,489)</b>	<b>(4,650)</b>	<b>20,763</b>



## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 18. Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Carleton High School	125	(108)
Carleton Park J&I School	50	72
De Lacy Primary School	151	9
Halfpenny Lane JI&N School	651	556
Larks Hill J&I School	(5)	53
Orchard Head JI&N School	39	34
The King's School	700	561
The Rookeries JI&N School	(90)	3
Central Services	(149)	69
<b>Total before fixed asset fund and pension reserve</b>	<b>1,472</b>	<b>1,249</b>
Restricted fixed asset fund	29,100	29,308
Pension Reserve	(13,151)	(9,794)
<b>Total</b>	<b>17,421</b>	<b>20,763</b>

All individual deficits are planned to reduce to nominal amounts by 31/8/2021 and be eliminated in the following year through remodeling of curriculum and restructuring.

#### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2019/20 £000	Total 2018/19 £000
Carleton High School	3,343	490	227	769	4,829	4,935
Carleton Park J&I School	630	127	36	144	937	896
De Lacy Primary School	1,041	157	44	337	1,579	1,761
Halfpenny Lane JI&N School	1,342	172	44	249	1,807	1,728
The King's School	3,631	452	216	899	5,198	5,642
Larks Hill J&I School	649	107	28	171	955	915
Orchard Head JI&N School	1,080	159	52	233	1,524	1,542

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

The Rookeries JI&N School	909	129	142	227	1,407	1,291
Central Services	810	1,753	4	676	3,243	2,735
<b>Academy Trust</b>	<b>13,435</b>	<b>3,544</b>	<b>793</b>	<b>3,705</b>	<b>21,479</b>	<b>21,445</b>

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 19. Analysis of Net Assets between Funds

Fund balances at 31 August 2020 were represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2020 £000
Tangible fixed assets	-	-	29,116	29,116
Current assets	1,220	1,362	359	2,941
Current liabilities	(63)	(1,042)	(375)	(1,480)
Non-current liabilities	-	(5)	-	(5)
Pension scheme liability	-	(13,151)	-	(13,151)
<b>Total net assets</b>	<b>1,157</b>	<b>(12,836)</b>	<b>29,100</b>	<b>17,421</b>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2019 £000
Tangible fixed assets	-	-	28,925	28,925
Current assets	1,611	1,157	712	3,480
Current liabilities	(454)	(1,058)	(329)	(1,841)
Non-current liabilities	-	(7)	-	(7)
Pension scheme liability	-	(9,794)	-	(9,794)
<b>Total net assets</b>	<b>1,157</b>	<b>(9,702)</b>	<b>29,308</b>	<b>20,763</b>

### 20. Capital Commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	49	659

### 21. Commitments under operating leases

#### Operating Leases

At 31 August 2020 the total of Pontefract Academies Trust's future minimum lease payments under non-cancellable operating leases were:

	2020 £000	2019 £000
Expiring within one year	35	33
Expiring within two and five years inclusive	27	26
	<b>62</b>	<b>59</b>

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 22. Reconciliation of net Income to net cash flow from operating activities

	2019/20 £000	2018/19 £000
Net income/(expenditure)	(1,167)	(464)
Depreciation (note 13)	1,133	1,044
Donated Fixed Assets	-	(1,164)
Capital grants from DfE and other capital income	(659)	(720)
Interest receivable (note 5)	(1)	(2)
Defined benefit pension scheme cost less contributions payable (note 29)	1,002	915
Defined benefit pension scheme finance income (note 29)	180	107
(Increase)/decrease in debtors	28	(168)
Increase/(decrease) in creditors	(363)	(88)
<b>Net cash provided by/(used in) Operating Activities</b>	<b>153</b>	<b>(540)</b>

### 23. Cash flows from investing activities

	2019/20 £000	2018/19 £000
Interest received	1	2
Proceeds from sale of tangible fixed assets	-	2
Purchase of tangible fixed assets	(1,324)	(1,862)
Capital grants from DfE Group	659	720
Donated Fixed Asset	-	1,164
<b>Net cash provided by/(used in) investing activities</b>	<b>(664)</b>	<b>26</b>

### 24. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	2,039	2,550

### 25. Guarantees, letters of comfort and indemnities

There were no items to report (2019: £nil).

### 26. Contingent liabilities

There are no contingent liabilities (2019: £nil).

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 27. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	2,550	(511)	2,039
<b>Total</b>	<b>2,550</b>	<b>(511)</b>	<b>2,039</b>

### 28. 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.

### 29. Pension and similar obligations

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

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

Contributions amounting to £18,673 (2019: £17,668) were payable to the schemes at 31 August 2020 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 29. Pension and similar obligations (continued)

#### Valuation of the Teachers' Pension Scheme (continued)

- employer contribution rates set at 23.68% of pensionable pay, including a 0.08% administration levy (2019: 16.48%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £1.372 million (2019: £1.186 million).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in Financial Reporting Standard (FRS 102) Retirement Benefits, the TPS is an unfunded multi-employer pension scheme. Pontefract Academies Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. Pontefract Academies Trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £0.833 million (2019: £0.870 million), of which employer's contributions totaled £0.615 million (2019: £0.644million) and employees' contributions totalled £0.218 million (2019: £0.226 million). The agreed contribution rates for future years are 16.5 per cent for employers and a varied scale rate depending on salary bands of 5.5% to 7.5% for employees.

All the academies within Pontefract Academies Trust are members of the West Yorkshire Pension Fund. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy must close, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Principal actuarial assumptions

	2020	2019
Rate of general increase in salaries	3.55%	3.35%
Pension Increases	2.30%	2.10%
Pension accounts revaluation rate	2.30%	2.10%
Discount Rate for scheme liabilities	1.70%	1.90%
CPI Inflation	2.30%	2.10%

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 29. Pension and Similar Obligations (continued)

#### Local Government Pension Scheme (continued)

#### Sensitivity analysis for the principal assumptions

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2020 and the projected service cost for the period ending 31 August 2021 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same as summarised in the principal actuarial assumptions.

Sensitivity of unfunded benefits (where applicable) are not included on materiality grounds.

#### Discount Rate assumption

Adjustment to discount rate	+0.1% p.a	Base figure	-0.1% p.a.
Present value of total obligation (£000)	28,520	29,221	29,952
% change in present value of total obligation	-2.4%		2.5%
Projected service cost (£000)	1,774	1,835	1,897
Approximate % change in projected service cost	-3.3%		3.4%

#### Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a	Base figure	-0.1% p.a.
Present value of total obligation (£000)	29,338	29,221	29,104
% change in present value of total obligation	0.4%		-0.4%
Projected service cost (£000)	1,835	1,835	1,835
Approximate % change in projected service cost	0.0%		0.0%

#### Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pensions accounts assumption

Adjustment to pension increase rate	+0.1% p.a	Base figure	-0.1% p.a.
Present value of total obligation (£000)	29,835	29,221	28,637
% change in present value of total obligation	2.1%		-2.0%
Projected service cost (£000)	1,897	1,835	1,774
Approximate % change in projected service cost	3.4%		-3.3%

#### Post retirement mortality assumption

Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£000)	30,302	29,221	28,169
% change in present value of total obligation	3.7%		-3.6%
Projected service cost (£000)	1,912	1,835	1,760
Approximate % change in projected service cost	4.2%		-4.1%

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 29. Pension and Similar Obligations (continued)

#### Local Government Pension Scheme (continued)

#### Sensitivity analysis for the principal assumptions (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	2020	2019
<b>Retiring Today</b>		
Males	21.8	22.2
Females	24.6	25.4
<b>Retiring in 20 years</b>		
Males	22.5	23.2
Females	25.7	27.2

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

	2020	2019
	£000	£000
Equity Instruments	12,502	12,905
Government Bonds	1,559	1,746
Corporate Bonds	804	748
Cash	273	316
Other	241	183
Property	691	732
<b>Total market value of assets</b>	<b>16,070</b>	<b>16,630</b>

The actual return on scheme assets was £734,000 loss (2019: £1,187,000 surplus)

#### Amount recognised in the statement of financial activities

	2020	2019
	£000	£000
Current Service Cost	(1,617)	(1,117)
Past Service Cost	-	(442)
Net interest from net defined benefit asset/liability	(180)	(107)
<b>Total amount recognised in the SOFA</b>	<b>(1,797)</b>	<b>(1,666)</b>



## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 29. Pension and Similar Obligations (continued)

#### Local Government Pension Scheme (continued)

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

	2020 £000	2019 £000
<b>At 1 September 2019</b>	26,424	18,911
Current service cost	1,617	1,117
Interest cost	498	530
Employee contributions	218	226
Actuarial (gain)/loss	1,123	5,414
Benefits paid	(659)	(216)
Past service costs	-	442
<b>At 31 August 2020</b>	<b>29,221</b>	<b>26,424</b>

Changes in the fair value of academy's share of scheme assets were as follows:

	2020 £000	2019 £000
<b>At 1 September 2019</b>	16,630	14,789
Interest income	318	423
Actuarial gain/(loss)	(1,052)	764
Employer contributions	615	644
Employee contributions	218	226
Benefits paid	(659)	(216)
<b>At 31 August 2020</b>	<b>16,070</b>	<b>16,630</b>

The LGPS obligation relates to the employees of Pontefract Academies Trust, who were the employees transferred as part of the conversion from maintained school and new employees who were eligible to, and did, join the pension schemes in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and Pontefract Academies Trust at the balance sheet date.

## Notes to the Financial Statements for the Period Ended 31 August 2020 (continued)

### 30. Related Party Transactions

Owing to the nature of Pontefract Academies 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the financial period other than a certain trustee's remuneration disclosed in note 9.

Previous year – the Duchy of Lancaster Kings School Pontefract Endowment Fund donated £6,500 to the Academy Trust.

### 31. Events after the balance sheet date

The Trust has no post balance sheet events to report.