

Company Registration Number 07883174 (England and Wales)

**Salendine Nook Academy Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**  
**Year ended 31 August 2021**

# Salendine Nook Academy Trust

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## Salendine Nook Academy Trust

### Reference and Administrative Details

Members	M E Mitchell (Chair) A J Bird (Vice Chair) L Hogarth (resigned 26.3.21) D Owen J Wood (appointed 14.7.21) A Ali (appointed 14.7.21) A Black (appointed 14.7.21)
Trustees	A J Bird (Vice Chair) D Christian (Principal and Accounting Officer) N Dodd L Hogarth (parent trustee) (resigned 26.3.21) M E Mitchell (Chair) D Owen (Chair of Finance Committee)(resigned 14.7.21) A L Quinlan (staff trustee) (resigned 25.10.20) J Smith (staff trustee) J T Field J Wood A Black (Resigned 5.10.20) F Johnson A-M Carolan (staff trustee) S Hepworth I Gibson S Greenwood (Resigned 15.2.21) V Newham M Caufield (Appointed 3.12.20)
Company Secretary	V E Wood
Senior Management Team:	
Principal	D Christian
Vice Principal	J Hornsby
Assistant Principal	S Johnson
Assistant Principal	V Mason
Assistant Principal	C Fenton
Director of Finance & Resources	V E Wood
Company Name	Salendine Nook Academy Trust
Principal and Registered Office	New Hey Road Salendine Nook Huddersfield HD3 4GN
Company Registration Number	07883174 (England and Wales)
Independent Auditor	Gibson Booth Chartered Accountants and Statutory Auditors New Court Abbey Road North Shepley Huddersfield HD8 8BJ

**Salendine Nook Academy Trust**

**Reference and Administrative Details (continued)**

Bankers	Lloyds Bank plc PO Box 1000 BX1 1LT
	Barclays Bank plc 17 Market Place Huddersfield HD1 2AA
Solicitors	Schofield Sweeney Solicitors Church Bank House Church Bank Bradford BD1 4DY

## **Salendine Nook Academy Trust**

### **Trustees' Report**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Huddersfield. It had 1,387 pupils on roll in the school census in January 2021.

### **Structure, Governance and Management**

#### **Constitution**

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

The Charitable Company is known as Salendine Nook High School Academy

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

#### **Trustees**

The trustees are directors of the Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation and form the Governing Body of the Academy. Trustees (Directors/ Governors) serve for a term of 4 years, save that this time shall not apply to the Principal. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected. Therefore, staff trustees only hold office for as long as they continue to be employed by the Academy.

#### **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 respect of the trustees and its function the Academy Trust holds the following insurance policy underwritten by Zurich Municipal. Limit of indemnity, for any one claim or the aggregate in any one period of insurance is £5,000,000. There were no third-party indemnity provisions during the year ended 31 August 2021.

#### **Principal Activities**

The principal activity of the Charitable Company is the operation of Salendine Nook Academy to provide education for pupils of different abilities between the ages of eleven and sixteen.

#### **Method of Recruitment and Appointment or Election of Trustees**

In accordance with the articles of association the trustees are appointed as follows:

- The members may appoint up to 8 trustees provided that the total number of staff trustees does not exceed one third of the total number of trustees.
- A minimum of 2 parent trustees should be appointed, elected by parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when they are elected. Where the number nominated exceeds the number of vacancies then a secret ballot is held. Where the number of parents standing for election is less than the number of vacancies, parent trustees shall be made up by parent trustees appointed by the governing body. In appointing a parent trustee, the governing body shall appoint a person who is the parent of a registered pupil at the academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.
- The members may appoint staff trustees through any process they determine, including by a suitable election process. Staff trustees are nominated by staff employed by the Academy. A secret ballot will be held if there are more nominations than vacancies. The total number of trustees who are employees of the Academy Trust shall not exceed one third of the total number of trustees.
- The Principal is a trustee.
- The Local Authority may appoint a LA trustee.
- The trustees may appoint up to 3 co-opted trustees who would not necessarily be replaced if they left.
- Additional trustees may, if deemed necessary, be appointed by the Secretary of State for Education.

Local Authority 'Associated' persons must not exceed one fifth of the total of trustees. This includes the LA trustee and anybody who works for the LA, including Councillors (for our existing size Governing Body the maximum could be three).

Additional and co-opted trustees are those who have shown through experience and/or professional aptitude that they will be of benefit to and committed to the success of the Academy.

The Academy Trust actively advertises and organises elections for trustee vacancies.

## Salendine Nook Academy Trust

### Trustees' Report (continued)

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

On appointment, all trustees are provided with handbooks detailing Academy legislation. Trustees receive in-house training/induction facilitated by the Chair of Trustees, Principal, and the Director of Finance & Resources. In addition, they are encouraged to attend available external governor training for trustees funded by the school. During this in-house training the committee structure and purpose of the sub-committees is explained and training on finance is provided. New trustees then choose the sub-committee they wish to join. Trustees are members of at least one sub-committee. In addition, trustees are 'linked to key Ofsted areas and are also linked to clusters of subjects. At the training it is determined which area is most appropriate to their level of expertise. Throughout the year, further training is provided for all Governors. This includes input from external advisers and SLT relating to interpretation of assessment data and teaching and learning data /information.

#### Organisational Structure

The trustees are responsible for setting general policy, approving and adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Salendine Nook Academy Trust Senior Leadership Team in the year ended 31 August 2021 consisted of the Principal, a Vice Principal, three Assistant Principals and the Director of Finance & Resources.

The Senior Leadership Team meets weekly to discuss both strategic and operational responsibilities. Each member of the Leadership Team has both strategic and operational responsibilities and links with Heads of Departments, Heads of Year and Support Staff as well as key Ofsted areas. The Leadership Team are linked to specific sub-committees and also attend Full Governing Body meetings as required.

The day to day management is delegated to the Principal and Vice Principal. All strategic decisions delegated to the Leadership Team are ratified by the trustees.

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

The salaries of the SLT team including the Principal are based on the leadership spine as set out in the School Teachers' Pay and Conditions Document (STPCD). The school's Pay Policy outlines the arrangements for calculating the salary of a new Principal. The salary spine for the Assistant Principals and the Director of Finance & Resources is L13 - L17. The Vice Principal is L19 - L25.. The salary spine for the Principal is L30 to L36. These salary spines allow for appropriate differentials between the relevant posts.

#### Trade Union Facility Time

The Academy Trust is required to publish the following information under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

1. Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
1	0.2

2. Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

<i>Percentage of time</i>	<i>Number of employees</i>
0%	1
1-50%	
51%-99%	
100%	

## Salendine Nook Academy Trust

### 3. Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

<i>First Column</i>	<i>Figures</i>
Provide the total cost of facility time	£0
Provide the total pay bill	£ 5,996,640
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

### 4. Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</i>
0

### Related Parties and other Connected Charities and Organisations

The Academy Trust works with a mix of ITT providers including Huddersfield Horizon SCITT, Manchester Metropolitan University and Huddersfield University. The Academy has built strong links with these organisations and has led to cooperation in a number of ways. In addition to the Academy providing SCITT and PGCE placements we also deploy visiting tutors to quality assure placements across the partnership, deliver partnership wide subject specific training and help shape the vision and direction of Initial Teacher Training.

### Objectives and Activities

#### Objects and Aims

The objectives of the Academy Trust, as set out in its Articles of Association, are specifically restricted to:

- Advancing 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 a school offering a broad and balanced curriculum, and
- Promoting for the benefit of the inhabitants of Huddersfield and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The principal activity of the Charitable Company is the operation of Salendine Nook High School Academy Trust to provide education for students of different abilities between the ages of 11 and 16, with an emphasis on high academic achievement and progress of all pupils. The Academy Trust has an excellent academic and pastoral reputation which has resulted in the school being over-subscribed in most year groups.

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

- To create a purposeful atmosphere for learning where all children may develop their potential, individual talents, skills and interests as fully as possible.
- To ensure that high quality provision leads to the highest levels of progress for students.
- To develop pupils who become independent learners and responsible citizens who may take an active role in society.
- To provide all pupils with a broad, balanced and appropriate curriculum.

## Salendine Nook Academy Trust

### Trustees' Report (continued)

- To provide a wide range of teaching and learning styles which incorporate the use of appropriate technologies.
- To develop strong links with the local community, primary feeders, further education providers and employers.
- To provide value for money in all aspects of the school's business.
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

### Objectives, Strategies and Activities

Salendine Nook Academy is a successful school with good academic standards for pupils aged 11-16.

The Governing Body's intention is to further build on this attainment and positive ethos to ensure that students are prepared for the next stage of their education or the world of work.

The Academy will:

- Continue to develop the curriculum so that it meets the needs of all students and supports their progression.
- Support students to achieve the highest possible standards and rates of progress by developing independent learning skills within an ethos of hard work and commitment.
- Maintain the very good behaviour, attendance and positive attitudes of students which ensure their active engagement with activities both in lessons and extra-curricular activities. To continue to provide outstanding care, guidance and support which ensures student wellbeing and safety.

### Public Benefit

In setting objectives and planning activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

The trustees believe that the Academy Trust's admissions policy and its achievement and performance in the year provide clear evidence that the Academy Trust is meeting its obligations as a charity to deliver public benefit.

The schools' admission criteria reflect this:

1. Children in public care (Looked after children), or previously Looked After Children.
2. Children who live in the School's Priority Admission Area (PM) who have a brother or sister attending from the same address at the date of admission.
3. Other children who live in the school's priority admission area.
4. Children of staff employed by the Academy.
5. Children who live outside the school's PM who have an older brother or sister attending from the same address at the time of admission.
6. Other children who live outside the school's PAA.

In addition, the Academy Trust provides Community Sports Facilities particularly a swimming pool which is used by primary schools and provides for those in the local area.

### Equal Opportunities

The Academy is committed to providing for the needs of all students and staff and to recognising the contribution of all. Policies and procedures reflect this inclusive approach.

The additional needs provision is a strength of the school.

### Strategic Report

#### Achievements and Performance

##### Key Performance Indicators

The results are summarised below:

Attainment 8 52.09

Progress 8 na

Basics (9-5 in English and Maths)	55.3%
Basics (9-4 in English and Maths)	79.3%
Core Subjects - English (9 - 4)	87.3%
Maths (9 - 4)	81.8%
2 X Science (9 - 4)	75.5%
Humanities (9 - 4)	80.7%
MFL (9 - 4)	73.1%
English Baccalaureate (EBacc – 9-4)	40.7.%



## **Salendine Nook Academy Trust**

At the headline A8 measure, results are very similar to last year. All public examinations were cancelled and students were awarded Centre Assessed Grades.

It is not possible to judge the school's academic performance in the normal way. As there were no public examinations, normal accountability systems (performance tables) have been suspended for 2020-21.

Nevertheless, students received Centre Assessed Grades and the vast majority made a smooth transition to their tertiary providers. Transition data shows that entry to Level 3 courses and apprenticeships was broadly consistent with previous years. Analysis of results also points towards a slight improvement in overall headline attainment. Most subjects achieved results at least in line with previous years and in many cases, above this.

Boys remained as an underachieving cohort even when taking into account the CAG system. This will remain as a major focus of our attention in the coming months with the new cohort of Year 11 students.

### **Attendance**

Attendance data was suspended in March 2020, at the point of school closure. The school was on course for similar attendance data compared to previous years. The school data is consistently better than national averages for attendance and persistent absence.

### **Enrichment Opportunities**

Enrichment activity was severely curtailed by the Covid-19 pandemic. Most trips had to be cancelled though the school's insurance system meant that no family lost out financially.

The new House system of enrichment and competition across the whole school continued to bring a wide range of fun events and competitions, even throughout lockdown. Despite the challenges, the House system brought people together and allowed some respite for the inevitable pessimism associated with the pandemic.

Students continued to work actively in the community. Their efforts for charitable causes were commendable. Last year £4,692 was raised.

Community links remain strong and continue to grow. As with all other school activity, the year's activity was curtailed but links through our Community Hub and primary school partners remain extremely strong.

The work of the school has been severely hampered by the Coronavirus pandemic. However, relationships with our wider network of partners have remained strong. Most communication is now virtual with primary partners, Governors and the local authority. We have all found ways of adapting to the restrictions caused by the requirements to socially distance.

Other partners such as SPIE and Kirklees catering have also adapted to the new ways of working. After some early issues with our cleaning and our dining service we are now satisfied with the quality of support in these areas.

In terms of training and continuing professional development, this was hampered to a fairly significant effect. All face to face training stopped and, that which did continue, went online. Our CPD budget had a significant underspend as a result and so further investment has been placed into this budget line in the next financial year.

In terms of the parent body all communication switched to remote communication via email, zoom videos and telephone calls. Communication during Lockdown was hampered and the school closure did lead to a limited amount of contact between school and parents. Further modifications have now taken place, not least through Microsoft Teams so that any continued disruption will mean a more substantial service is provided. The school has also increased the number of external phone lines to 60 from just 8.

### **Key Financial Performance Indicators**

The trustees consider the following to be the key financial performance indicators:

Income:	Total GAG. Income per pupil	£5,179
Staffing:	Total staff cost per pupil	£4,363
	Staffing costs to GAG income	86%
Expenditure:	Total GAG expenditure per pupil	£4,944

### **Going Concern**

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

## **Salendine Nook Academy Trust**

### **Trustees' Report (continued)**

#### **Financial Review**

The largest proportion of Academy Trust income is obtained from the DfE via the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes.

The grants received from the DfE and associated expenditure for the year ended 31 August 2021 are shown as restricted funds in the Statement of Financial Activities. Final figures were as anticipated and the school maintained its excellent financial reputation for value for money in year.

The restricted fixed asset fund balance has been reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021 total expenditure (excluding depreciation) of £8,518,000 was more than recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and the actuarial pension deficit) was £131,000, or £79,000 surplus excluding the FRS102 pension adjustment. The carry forward surplus on GAG, restricted and unrestricted reserves at 31 August 2021 is £324,000.

The Salendine Nook High School is maintained under a PFI contract between Kirklees Council and SPIE Facility Management UK Ltd which terminates in September 2033. The academy has entered into a School and Principal Agreement which recognises the PFI contract and ensures that the Academy Trust cannot place the Council in breach of any of its obligations under the original PFI contract. The School agreement also sets out the financial responsibilities that the academy has entered into between itself and the Council.

#### **Reserves Policy**

The finance committee, in conjunction with the Full Governors Committee, aims to carry forward sufficient funds to meet the Academy Trust's long-term objectives and to provide working capital, whilst ensuring that it does not affect its current operational activities.

The free reserves (unrestricted general funds) as at 31 August 2021 amounted to £70,000 with a further £254,000 carried forward as GAG and £nil carried forward as other revenue in restricted general funds, giving a surplus carried forward on general funds as noted above of £324,000. The school's reserve policy is to hold free reserves of between 2% and 3% of the total annual revenue, which would amount to between £170,000 and £254,000.

#### **Investment Policy**

The trustees discuss and agree to any investments made by the Academy. Investments over the year have included a premium deposit account and term deposit held with Barclays Bank and Lloyds TSB Bank. Any future investments will be made with regard to Charity Commission guidance in relation to investments.

#### **Principal Risks and Uncertainties**

The trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the Academy. Systems or procedures have been established to manage those risks.

The key risks have been determined as:

The DfE have expressed a desire to see all schools as part of a strong MAT. As a stand alone academy, this has placed the school in a potentially vulnerable position. Huddersfield New College have expressed an interest in starting a MAT and early discussions have taken place. Our primary feeders are also aware these plans and are considering their own positions. The school will undertake an analysis on the future of SATs in 2021-22.

There are a number of issues around the efficiency and value for money from the PFI contract. Whilst it is clear that the soft Facilities Management (caretaking and cleaning) is working well, a number of other aspects of the contract are not. We are currently undertaking an evaluation of the PFI contract and this may lead to further action in due course. This will be reported next year.

On the curriculum side, learning loss has been difficult to quantify. Measures have been taken to address this and more detail will be provided on the impact of this work in 2021-22. The focus of the planning has been around utilising a substantial 'Catch-Up Fund', the timely use of assessment and curriculum modification and departmental level.

Our split entry for English Literature will not be counted in any performance tables for 2022. This may have a detrimental impact on our A8 score, assuming that performance tables are re-introduced in 2022.

The school produces an annual Governance Statement. Internal control systems and exposure to risks are considered in relation to all activities and legislation are discussed during Leadership and Trustees' meetings. Risk management is embedded into the day-to-day processes of the Academy Trust and risks are now regularly reviewed. Systems and procedures to minimise these

## **Salendine Nook Academy Trust**

### **Trustees' Report (continued)**

risks are constantly' being reviewed and updated. These have included procurement and financial processes including assessing electronic methodologies, KPI's, review of the school website requirements and confirmation of compliance and the statutory requirements as a full governing body were being met. Where significant risks remain, the trustees have ensured adequate insurance cover. The Academy Trust has an effective system of internal financial controls.

The Academy Trust is consistently over-subscribed for the primary intake with pupils on waiting lists. There is no reason to assume this will change.

The school budget is extremely well managed and we are confident that the school provides excellent value for money. The move towards a hard national funding formula has been postponed again for 2021-22. The school manages a small in-year surplus and a comfortable carry over fund. We continue to respond to changes in funding in order to ensure that we remain solvent with no in-year deficit.

The deficit of £3,498,000 in the Local Government Pension Scheme (WYLGPS) is recognised on the balance sheet in accordance with the provisions of FRS102.

### **Fundraising**

The academy prides itself not only on academic success, but also on creating an ethos very much based on good values. As part of this, we actively encourage all pupils and other stakeholders to become involved in fundraising activities for both local and international charities. The school has raised significant sums of money for events such as Children in Need as well as local charities. Last year we raised £ 4,692. This was despite the lockdown due to COVID-19, which curtailed any further charitable events.

The academy aims to create an atmosphere where a family can give gladly and not feel they are being asked to give beyond their means. Throughout the year there are opportunities to give, with no undue pressure applied to donate.

The PTA is still working on a few fundraising initiatives with the aim of supporting small scale school developments.

### **Risk Management**

The trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial, health and safety and other operational areas of the Academy. Systems, policies, procedures and training have been established to manage those risks. The biggest risk faced during this accounting period was the COVID-19 pandemic. We have continued to manage this risk in line with the latest guidance from Public Health England, the Local Authority Infection Control and DfE Guidance. We have successfully achieved this whilst also ensuring that we are compliant with guidance. The school continues to adjust its planning according to the changing dynamic, both locally and nationally. The risk assessment continues to be reviewed and the school is ready to reintroduce protective measures as required.

### **Financial and Risk Management Objectives and Policies**

The Academy's dealings with financial instruments are limited to bank accounts, creditors and debtors. This limitation serves to minimise credit and liquidity risks when this is combined with the nature of the Academy's debtors (being principally Government bodies and other schools) and therefore the risk to cash flow is also minimal.

### **Plans for Future Periods**

We have some planned investment in 2021-22. These are expected to include improved security (remote gate access and extensions to fencing), more ICT investment (classroom based ICT), as well as investments related to Remote Learning.

Covid-19 restrictions are likely to hinder and impact on school business for the foreseeable future. The school has plans in place to manage this. We have invested in technology and the phone system to enable us to meet parents online. We have invested in technology to allow online teaching whilst in classrooms teaching. We are also ready to respond to any changes to the assessment and accountability arrangements for 2021-22. For example, we have further improved our system around grade predictions should a Centre Assessed Grade system be introduced again for 2022.

Ofqual have provided much clearer guidance on the curriculum modifications for Year 11 for 2021-22. These will be finalised by Feb 2022 and will guide our preparations for 2022 examinations. It is not yet clear exactly how grades will be awarded in 2022 should public examinations be cancelled again.

### **Funds Held as Custodian Trustee for Others**

The academy trust does not hold any funds as custodian trustee for other persons or organisations.

## **Salendine Nook Academy Trust**

### **Trustees' Report (continued)**

#### **Auditors**

In so far as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the members of the Board of Trustees on 2 December 2021 and signed on its behalf by:

M E Mitchell  
Chair of Trustees

## Salendine Nook Academy Trust

### Governance Report

#### Scope of Responsibility

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

The board of the trustees has delegated the day-to-day responsibility to the Principal, 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 Salendine Nook Academy 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 Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Nicholas Dodd	4	5
Mr Dominic Owen	5	5
Mr Andrew Bird	5	5
Ms Lisa Hogarth	3	3
Mr Mark Mitchell	5	5
Mrs Tracy Field	3	5
Mrs Fiona Johnson	5	5
Mr James Wood	5	5
Mr Darren Christian	5	5
Mrs Anne-Marie Carolan	3	5
Ms Sally Hepworth	5	5
Ms Susan Greenwood	2	2
Ms Victoria Newham	5	5
Mr Ian Gibson	5	5
Mr Martin Caufield	4	4
Mr Jonathan Smith	5	5

#### Governance reviews

There is a skills audit of governance which is undertaken annually. The Principal also meets with the members annually in order to review the year and reflect on any areas for development. We use this opportunity to revisit our Missions Statement and values to ensure school business is continuing to support this.

The Academy is audited every year by external auditors and the findings reported back to the trustees who then consider and take action on any recommendations or additional requirements.

Due to the requirements of the newly revised FRC Ethical Standards for auditors, the external auditors can no longer provide the internal audit services. The board of trustees have decided to use a peer review process with local academies for this service. This includes a School Resource Manager.

The internal audit by W Beasley, Director of Finance Leodis Academies Trust in June 2021 covered:

- a. KPI's;
- b. That the statutory requirements as a FGB are met;
- c. Review of the school website requirements and confirmation of compliance.

#### The main recommendations from the internal audit are:

KPI's:

- Some narrative could be included alongside the benchmark for the past governors;
- Additional metrics, including some non-staff metrics;

Website:

- Location of certain non-financial requirements could be more obvious
- Some further detail was required in a few limited areas;

## Salendine Nook Academy Trust

### Governance Report (continued)

Statutory requirements of FGB:

- Trustees may wish to consider how involved they are in setting the strategy and vision, and whether this is fully reflected in the minutes;
- Going concern is reported in future minutes

The internal audit by P Oldroyd, Finance & Business Director, Crossley Heath School Academy Trust Limited covered:

- Procurement
- Electronic Methodologies.

#### The main comments from the internal audit were:

The processes observed are well managed using an electronic financial system (FMS) and paper based records which were meticulously filed for ease of recall and audit purposes.

There are significant paper records, however, the current finance package does not provide the facility to go entirely paperless using that system.

It might be that the school could look at alternative financial systems that offer this facility if it believes it would add value or is more beneficial to the Finance Team.

#### Finance

The finance, Staffing and General Purposes Committee is a sub-committee of the main governing body. Its main purpose is to ensure the school has strategic plans in place to deliver effective teaching and learning within the school budget.

It will ensure the Academy undertakes proper planning, monitoring and probity.

It will oversee the preparation of the annual budget plan and ensure it links to the school development plan priorities agreed by the Governing Body.

It will ensure compliance of auditing/accounting requirements as an Academy

Attendance at Finance, Staffing and General Purposes Committee meetings in the year was as follows.

Trustee	Meetings attended	Out of a possible
Mr Andrew Bird	7	7
Mr James Wood	7	7
Mr Dominic Owen	7	7
Mr Mark Mitchell	5	7
Mr Darren Christian	7	7
Ms Sally Hepworth	7	7
Ms Victoria Newham	7	7

n.b. the Members AGM has also taken place re the presentation of the Annual Accounts by the Auditors, with the following 4 members and the Principal attending:

M Mitchell  
A Bird  
D Owen  
L Hogarth

#### Review of Value for Money

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

## **Salendine Nook Academy Trust**

### **Governance Report (continued)**

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 for the academy trust has delivered improved value for money during the year through close management of balances during the Covid-19 lockdown period, which enabled the reallocation of resources to new projects whilst still maintaining additional costs relating to Covid-19, e.g., 41 laptops for students isolating at home costing £14K. Significant numbers of laptops were also received from the government, which were passed onto students working at home. Some of these have remained with our disadvantaged students and some have come back into school for reallocation.

Savings included additional hours for lunch duties, exam invigilating, resources not required due to school partial closure. New projects included reinstatement of boundary fencing, refurbishment of the Learning Resource Centre, extension to Student Support Centre for relocation of the Medical Room, IT Strategic Development Plan (new servers, switches, 31 BenQ boards in classrooms, etc.), final replacement of all classroom desks and chairs throughout school, replacement minibus and additional 7 seater vehicle. This will reduce staff travel claims and student transport costs.

It should however be noted that staff absence due to the pandemic did cost the school over £23K, which could not be fully met from within our supply budgets. Medical costs were also significant, but were able to be covered within available budget and using the Covid grants available from the government.

Rebates were received from the exam boards for the non-sitting of the public exams in the previous academic year, with savings also being realised for not having to pay Exam Invigilators for the main exam season. The funds that this released were used to pay staff to mark the GCSE mini tests and process appeals. It should be noted that the academy continued to pay the exam fees in full for the current year, but will hopefully receive rebates in the subsequent financial year to reflect this.

Increased communication and printing costs were experienced due to the volume of additional resources and updates to parents that had to go out to students at home during lockdown and whilst self-isolating. A limited amount of this was covered by the government Covid grants.

The Academy continued to pay catering providers for free school meals during the lockdown periods in-line with government guidance, so as to secure the continuity of supply of critical services in the medium and long term. The Academy also received funding from the Local Authority, which enabled the provision of vouchers for school meals to all our FSM families.

The pandemic has however impacted on rising costs, thus putting strains on value for money. We have also experienced the inability to get supplies through, i.e. 48 desk top computers that were ordered in May 2021 did not arrive in school until the end of October 2021, thus increasing reserves for this financial year and hindering the benefit of these resources to the delivery of the curriculum.

Various grants were received during the year as a result of the pandemic:

- Catch Up Funding of £80K was received and spent in year on various strategies for the students, including Tassomai, Bedrock, online lessons and Counselling. £31K has been rolled into 2021/2022 to continue these strategies;
- £14K was received to cover specific Covid costs, e.g. medical supplies, etc.
- £25K for Student Covid testing in school;
- £41K was spent on Summer School.

### **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 charitable company 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 Salendine Nook Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

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

## **Salendine Nook Academy Trust**

### **Governance Report (continued)**

#### **The Risk and Control Framework**

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

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

#### **The Risk and Control Framework**

On an annual basis visits are undertaken and reports presented to the Finance, Staffing and General Purposes Committee and ultimately to the Board of Trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities. The Academy Trust can confirm that the audit function has been fully delivered in line with the ESFA's requirements. The work of the auditors resulted in a positive review of the academy's systems and procedures.

#### **Review of Effectiveness**

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Staffing and General Purposes Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2 December 2021 and signed on its behalf by:

M E Mitchell  
Chair of Trustees

D Christian  
Accounting Officer



## **Salendine Nook Academy Trust**

### **Statement of Regularity, Propriety and Compliance**

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

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

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

D Christian  
Accounting Officer

Date: 2 December 2021

## **Salendine Nook Academy Trust**

### **Statement of Trustees' Responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 2 December 2021 and signed on its behalf by:

M E Mitchell  
Chair of trustees

## **Salendine Nook Academy Trust**

### **Independent Auditor's Report to the Members of Salendine Nook Academy Trust**

#### **Opinion**

We have audited the financial statements of Salendine Nook Academy Trust for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (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.

## **Salendine Nook Academy Trust**

### **Independent Auditor's Report to the Members of Salendine Nook Academy Trust (continued)**

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the charity sector, we identified that the principal risks of non-compliance with law and regulations related to the Charities Act 2011 and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the audit procedures performed included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- testing of journals;
- testing of purchase invoices.
- testing of grant funding
- testing of credit card transactions

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

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 auditor's report.

**Salendine Nook Academy Trust**

**Independent Auditor's Report to the Members of Salendine Nook Academy Trust (continued)**

**Use of our report**

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

Alistair Russell FCA (Senior Statutory Auditor)  
For and on behalf of  
Gibson Booth Chartered Accountants  
& Statutory Auditor  
New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

Date: .....

## Salendine Nook Academy Trust

### Independent Reporting Accountant's Assurance Report on Regularity to Salendine Nook Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 August 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salendine Nook Academy Trust during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Salendine Nook Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Salendine Nook Academy 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 Salendine Nook Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

#### Respective responsibilities of Salendine Nook Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Salendine Nook Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- an initial risk assessment, the results of which were used to tailor a specific work programme to ensure sufficient appropriate evidence could be obtained to support the conclusion;
- a review of the academy trust's accounting and internal control procedures; and
- consideration and review of the evidence supporting the accounting officer's statement on regularity, propriety and compliance.

#### Conclusion

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

New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

Gibson Booth  
Chartered Accountants

Date: .....

## Salendine Nook Academy Trust

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

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Year ended 31 Aug 21	Year ended 31 Aug 20
		£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	96	96	27
Charitable activities:						
Funding for the academy trust's educational operations	3	-	8,225	-	8,225	7,802
Other trading activities	4	90	72	-	162	291
Investment income	5	-	-	-	-	2
<b>Total</b>		<u>90</u>	<u>8,297</u>	<u>96</u>	<u>8,483</u>	<u>8,122</u>
<b>Expenditure on:</b>						
Raising funds	6	85	66	-	151	288
Charitable activities:						
Academy trust educational operations	6	-	8,367	577	8,944	8,484
<b>Total</b>		<u>85</u>	<u>8,433</u>	<u>577</u>	<u>9,095</u>	<u>8,772</u>
<b>Net income / (expenditure)</b>		5	(136)	(481)	(612)	(650)
<b>Transfers between funds</b>	14	-	(237)	237	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	14,20	-	27	-	27	(441)
<b>Net movement in funds</b>		<u>5</u>	<u>(346)</u>	<u>(244)</u>	<u>(585)</u>	<u>(1,091)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>65</u>	<u>(2,898)</u>	<u>15,217</u>	<u>12,384</u>	<u>13,475</u>
<b>Total funds carried forward</b>		<u><u>70</u></u>	<u><u>(3,244)</u></u>	<u><u>14,973</u></u>	<u><u>11,799</u></u>	<u><u>12,384</u></u>

**Salendine Nook Academy Trust**  
**Balance Sheet as at 31 August 2021**

	Note	31 Aug 21 £000	31 Aug 20 £000
<b>Fixed assets</b>			
Tangible assets	11	14,973	15,217
		<u>14,973</u>	<u>15,217</u>
<b>Current assets</b>			
Debtors	12	220	147
Cash at bank and in hand		423	525
		<u>643</u>	<u>672</u>
Creditors: Amounts falling due within one year	13	(319)	(397)
<b>Net current assets</b>		<u>324</u>	<u>275</u>
<b>Total assets less current liabilities</b>		15,297	15,492
<b>Net assets excluding pension liability</b>		<u>15,297</u>	<u>15,492</u>
Defined benefit pension scheme liability	20	(3,498)	(3,108)
<b>Total assets</b>		<u>11,799</u>	<u>12,384</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund	14	14,973	15,217
Restricted income fund	14	254	210
Pension reserve	14	(3,498)	(3,108)
<b>Total restricted funds</b>		<u>11,729</u>	<u>12,319</u>
<b>Unrestricted income funds</b>	14	<u>70</u>	<u>65</u>
<b>Total funds</b>		<u>11,799</u>	<u>12,384</u>

The financial statements on pages 17 to 42 were approved by the trustees, and authorised for issue on 2 December 2021 and are signed on their behalf by:

M E Mitchell  
Chair of Trustees

Company Registration Number: 07883174



**Salendine Nook Academy Trust****Statement of Cash Flows for the year ended 31 August 2021**

		Year ended 31 Aug 21	Year ended 31 Aug 20
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	162	349
<b>Cash flows from investing activities</b>			
Interest received		-	2
Purchase of tangible fixed assets		(333)	(168)
Capital grants from DfE/ESFA		69	27
		<u>(264)</u>	<u>(139)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(102)</u>	<u>210</u>
<b>Cash and cash equivalents at 1 September 2020</b>		525	315
<b>Cash and cash equivalents at the 31 August 2021</b>		<u>423</u>	<u>525</u>

## **Salendine Nook Academy Trust**

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

#### **1 Statement of Accounting Policies**

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

##### **Basis of Preparation**

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

Salendine Nook Academy Trust meets the definition of a public benefit entity under FRS 102.

##### **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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

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

##### **Grants**

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

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

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

##### **Donations**

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

##### **Other Income**

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

## Salendine Nook Academy Trust

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

#### Expenditure

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

#### Expenditure on Raising Funds

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

#### Charitable Activities

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

#### Tangible Fixed Assets

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

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

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

Leasehold land	Over 125 years, being the length of the lease
Leasehold buildings	Over the remainder of the 40 year life
Leasehold buildings	Over 50 years
Computer equipment	Over 3 years
Fixtures & fittings	Over 5 years
Motor Vehicles	Over 5 years

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

#### Liabilities

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

#### Leased Assets

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

## Salendine Nook Academy Trust

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

#### Taxation

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

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

#### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

#### Fund Accounting

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

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

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

## Salendine Nook Academy Trust

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

#### 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 20, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August. 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.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible assets, and accounting policies for the depreciation rates used for each class of assets.

##### *Critical areas of judgement*

No significant judgements have been made in the process of applying the entity's accounting policies.

**Salendine Nook Academy Trust**

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

**2 Donations and capital grants**

	Unrestricted Funds	Restricted Funds	Total Year ended 31 Aug 21
	£000	£000	£000
Capital Grants	-	69	69
Donations	-	27	27
	<u>-</u>	<u>96</u>	<u>96</u>

	Unrestricted Funds	Restricted Funds	Total Year ended 31 Aug 20
	£000	£000	£000
Capital Grants	-	27	27
	<u>-</u>	<u>27</u>	<u>27</u>

**Salendine Nook Academy Trust**

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

**3 Funding for the Academy Trust's Educational Operations**

	Unrestricted Funds £000	Restricted Funds £000	Total Year ended 31 Aug 21 £000
<b>DfE / ESFA grants</b>			
General Annual Grant (GAG)	-	7,054	7,054
Other DfE/ESFA grants			
Pupil premium	-	277	277
UFSM	-	16	16
Teachers' pay grant	-	95	95
Teachers' pension grant	-	268	268
Covid catch up	-	80	80
Summer school catch up	-	41	41
Academies emergency support	-	14	14
Mass testing grant	-	25	25
Rates reclaim	-	26	26
Others	-	11	11
	<u>-</u>	<u>7,907</u>	<u>7,907</u>
<b>Other Government grants</b>			
SEN funding	-	182	182
Other grants	-	73	73
	<u>-</u>	<u>255</u>	<u>255</u>
Other income from the academy trust's educational operations	-	63	63
	<u>-</u>	<u>8,225</u>	<u>8,225</u>
	<u><u>-</u></u>	<u><u>8,225</u></u>	<u><u>8,225</u></u>
	Unrestricted Funds £000	Restricted Funds £000	Total Year ended 31 Aug 20 £000
<b>DfE / ESFA grants</b>			
General Annual Grant (GAG)	-	6,778	6,778
Other DfE/ESFA grants			
Pupil premium	-	266	266
UFSM	-	9	9
Teachers' pay grant	-	94	94
Teachers' pension grant	-	265	265
Other DfE/ESFA grants	-	6	6
	<u>-</u>	<u>7,418</u>	<u>7,418</u>
<b>Other Government grants</b>			
SEN funding	-	117	117
Other grants	-	21	21
	<u>-</u>	<u>138</u>	<u>138</u>
Other income from the academy trust's educational operations	-	246	246
	<u>-</u>	<u>7,802</u>	<u>7,802</u>
	<u><u>-</u></u>	<u><u>7,802</u></u>	<u><u>7,802</u></u>

**Salendine Nook Academy Trust**

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

**4 Other trading activities**

	Unrestricted Funds	Restricted Funds	Total Year ended 31 Aug 21
	£000	£000	£000
Other events and activities	-	8	8
Wages reimbursement	-	56	56
Other income	90	8	98
	<u>90</u>	<u>72</u>	<u>162</u>

	Unrestricted Funds	Restricted Funds	Total Year ended 31 Aug 20
	£000	£000	£000
Staff cover insurance	-	2	2
Other events and activities	-	147	147
Wages reimbursement	-	54	54
Other income	88	-	88
	<u>88</u>	<u>203</u>	<u>291</u>

**5 Investment income**

	Unrestricted Funds	Total 2021	Unrestricted Funds	Total 2020
	£000	£000	£000	£000
Bank interest receivable	-	-	2	2
	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>



**Salendine Nook Academy Trust**

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

**6 Expenditure**

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	Year ended
	£000	£000	£000	31 Aug 21
Expenditure on raising funds:				£000
Direct costs	-	-	85	85
Allocated support costs	66	-	-	66
Academy's educational operations:				
Direct costs	5,910	577	585	7,072
Allocated support costs	572	954	346	1,872
	<u>6,548</u>	<u>1,531</u>	<u>1,016</u>	<u>9,095</u>

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	Year ended
	£000	£000	£000	31 Aug 20
Expenditure on raising funds:				£000
Direct costs	-	-	212	212
Allocated support costs	76	-	-	76
Academy's educational operations:				
Direct costs	5,512	539	734	6,785
Allocated support costs	488	919	292	1,699
	<u>6,076</u>	<u>1,458</u>	<u>1,238</u>	<u>8,772</u>

Net income/(expenditure) for the period includes:

	Year ended	Year ended
	31 Aug 21	31 Aug 20
	£000	£000
Operating lease rentals	15	17
Depreciation	577	539
Fees payable to auditor for:		
- audit	6	6
- other services	1	2
	<u>600</u>	<u>574</u>

**Salendine Nook Academy Trust**

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

**7 Charitable Activities**

	Total Year ended 31 Aug 21 £000	Total Year ended 31 Aug 20 £000
Direct costs – educational operations	7,072	6,785
Support costs – educational operations	1,872	1,699
	<u>8,944</u>	<u>8,484</u>

**Analysis of support costs**

	Total Year ended 31 Aug 21 £000	Total Year ended 31 Aug 20 £000
Support staff costs	572	488
Premises costs	954	919
Other support costs	324	268
Governance costs	22	24
<b>Total support costs</b>	<u>1,872</u>	<u>1,699</u>

**Salendine Nook Academy Trust**

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

**8 Staff**

**a. Staff costs**

Staff costs during the period were:

	Total Year ended 31 Aug 21 £000	Total Year ended 31 Aug 20 £000
Wages and salaries	4,655	4,383
Social security costs	447	426
Pension costs	1,323	1,162
	<u>6,425</u>	<u>5,971</u>
Supply staff costs	123	95
Staff restructuring costs	-	10
	<u>6,548</u>	<u>6,076</u>
Staff restructuring costs comprise:		
Severance payments	-	10
	<u>-</u>	<u>10</u>

**b. Non statutory/non contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (31 Aug 20: £10,000). Individually, the payments were £10,000.

**b. Staff numbers**

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

	Year ended 31 Aug 21 No.	Year ended 31 Aug 20 No.
Teachers	81	80
Administration and support	67	68
Management	8	9
	<u>156</u>	<u>157</u>

**c. Higher paid staff**

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

	Year ended 31 Aug 21 No.	Year ended 31 Aug 20 No.
£60,001 - £70,000	3	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £641,842 (2020: £651,349).

## Salendine Nook Academy Trust

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

#### 9 Related Party Transactions - Governors' Remuneration and Expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

D Christian (Principal and trustee)

- . Remuneration £90,000 - £95,000 (2020: 85,000 - £90,000)
- . Employer's pension contributions paid £20,000 - £25,000 (2020: £20,000 - £25,000)

J Smith (staff trustee):

- . Remuneration £50,000 - £55,000 (2020: £40,000 - £45,000)
- . Employer's pension contributions paid £10,000 - £15,000 (2020: £10,000 - £15,000)

A Quinlan (Resigned 25 November 2020) (staff trustee):

- . Remuneration £Nil - £5,000 (2020: £20,000 - £25,000)
- . Employer's pension contributions paid £Nil - £5,000 (2020: £Nil - £5,000)

A-M Carolan (staff trustee):

- . Remuneration £50,000 - £55,000 (2020: £50,000 - £55,000)
- . Employer's pension contributions paid £10,000 - £15,000 (2020: £10,000 - £15,000)

There were no trustees' expenses paid for the years ended 31 August 2021 and 31 August 2020.

Other related party transactions involving the trustees are set out in note 21.

#### 10 Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of for the year ended 31 August 2021. The cost of this insurance is included in the total insurance cost.

**Salendine Nook Academy Trust**

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

**11 Tangible Fixed Assets**

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2020	18,696	296	616	11	19,619
Additions	100	31	175	27	333
Disposals	-	-	-	(11)	(11)
At 31 August 2021	<u>18,796</u>	<u>327</u>	<u>791</u>	<u>27</u>	<u>19,941</u>
<b>Depreciation</b>					
At 1 September 2020	3,739	237	415	11	4,402
Charged in year	445	19	112	1	577
On disposals	-	-	-	(11)	(11)
At 31 August 2021	<u>4,184</u>	<u>256</u>	<u>527</u>	<u>1</u>	<u>4,968</u>
<b>Net book values</b>					
At 31 August 2021	<u>14,612</u>	<u>71</u>	<u>264</u>	<u>26</u>	<u>14,973</u>
At 31 August 2020	<u>14,957</u>	<u>59</u>	<u>201</u>	<u>-</u>	<u>15,217</u>

Leasehold land and buildings included £1,026,643 (2020: £1,050,585) in respect of the sports hall built by the academy on land owned by Kirklees Council.

**12 Debtors**

	31 Aug 21 £000	31 Aug 20 £000
Trade debtors	11	2
VAT recoverable	63	43
Prepayments and accrued income	<u>146</u>	<u>102</u>
	<u>220</u>	<u>147</u>

**13 Creditors: Amounts Falling due within one year**

	31 Aug 21 £000	31 Aug 20 £000
Accruals and deferred income	<u>319</u>	<u>397</u>
	<u>319</u>	<u>397</u>
<b>Deferred income</b>		
	31 Aug 21	31 Aug 20
	£000	£000
Deferred income at 1 September 2020	153	166
Released from previous years	(110)	(142)
Resources deferred in the year	<u>99</u>	<u>129</u>
Deferred Income at 31 August 2021	<u>142</u>	<u>153</u>

The deferred income represents funds received in advance from the DfE and for school trips.

**Salendine Nook Academy Trust**

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

**14 Funds**

	Balance at 1 Sep 20 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 Aug 21 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	193	7,054	(6,735)	(258)	254
Pupil Premium	-	277	(277)	-	-
Other DfE/ESFA grants	-	576	(576)	-	-
Local authority grants	-	255	(255)	-	-
Other revenue	17	135	(173)	21	-
Pension reserve	(3,108)	-	(417)	27	(3,498)
	<u>(2,898)</u>	<u>8,297</u>	<u>(8,433)</u>	<u>(210)</u>	<u>(3,244)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	14,856	-	(445)	-	14,411
Devolved capital grant	192	27	(27)	-	192
Other capital grants	-	69	(42)	-	27
Capital expenditure from GAG	169	-	(63)	237	343
	<u>15,217</u>	<u>96</u>	<u>(577)</u>	<u>237</u>	<u>14,973</u>
<b>Total restricted funds</b>	<u>12,319</u>	<u>8,393</u>	<u>(9,010)</u>	<u>27</u>	<u>11,729</u>
<b>Total unrestricted funds</b>	<u>65</u>	<u>90</u>	<u>(85)</u>	<u>-</u>	<u>70</u>
<b>Total funds</b>	<u>12,384</u>	<u>8,483</u>	<u>(9,095)</u>	<u>27</u>	<u>11,799</u>

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

Under the funding agreement with Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

The other restricted general funds relate to grants and other income receivable from the DfE, ESFA and other sources towards the operating activities of the academy trust.

The restricted fixed asset funds represent the net book values of donated fixed assets purchased out of income from other sources which are held for the continuing use of the academy trust.

The balance on unrestricted funds represents the unspent surplus from the local authority on conversion and unspent surpluses from other unrestricted activities.

The transfer of £237 into the fixed asset fund represents fixed assets purchased from GAG.

**Salendine Nook Academy Trust**

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

**14 Funds (continued)**

Comparative information in respect of the preceeding year is as follows:

	Balance at 1 Sep 19 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 Aug 20 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	162	6,778	(6,584)	(163)	193
Pupil Premium	-	266	(266)	-	-
Other DfE/ESFA grants	-	374	(374)	-	-
Local authority grants	-	138	(138)	-	-
Other revenue	21	449	(475)	22	17
Pension reserve	(2,351)	-	(316)	(441)	(3,108)
	<u>(2,168)</u>	<u>8,005</u>	<u>(8,153)</u>	<u>(582)</u>	<u>(2,898)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	14,601	-	(444)	-	14,157
Devolved capital grant	747	27	(53)	-	721
Capital expenditure from GAG	240	-	(42)	141	339
	<u>15,588</u>	<u>27</u>	<u>(539)</u>	<u>141</u>	<u>15,217</u>
<b>Total restricted funds</b>	<u>13,420</u>	<u>8,032</u>	<u>(8,692)</u>	<u>(441)</u>	<u>12,319</u>
<b>Total unrestricted funds</b>	<u>55</u>	<u>90</u>	<u>(80)</u>	<u>-</u>	<u>65</u>
<b>Total funds</b>	<u>13,475</u>	<u>8,122</u>	<u>(8,772)</u>	<u>(441)</u>	<u>12,384</u>

**Salendine Nook Academy Trust**  
**Notes to the Financial Statements for the year ended 31 August 2021 (continued)**

**15 Analysis of Net Assets between Funds**

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	14,973	14,973
Current assets	85	558	-	643
Current liabilities	-	(319)	-	(319)
Pension scheme liability	-	(3,498)	-	(3,498)
Total net assets	<u>70</u>	<u>(3,244)</u>	<u>14,973</u>	<u>11,799</u>

Comparative information in respect of the preceeding year is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	15,217	15,217
Current assets	65	607	-	672
Current liabilities	-	(397)	-	(397)
Pension scheme liability	-	(3,108)	-	(3,108)
Total net assets	<u>65</u>	<u>(2,898)</u>	<u>15,217</u>	<u>12,384</u>

**16 Commitments under operating leases**

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

	31 Aug 21 £000	31 Aug 20 £000
Amounts due within one year	14	15
Amounts due between one and five years	25	39
	<u>39</u>	<u>54</u>

**17 Reconciliation of Net expenditure to Net Cash Flow from Operating Activities**

	31 Aug 21 £000	31 Aug 20 £000
Net expenditure for the reporting period	(612)	(650)
Adjusted for:		
Depreciation charges (note 11)	577	539
Capital grants from DfE and other capital income (note 2)	(69)	(27)
Interest receivable (note 5)	-	(1)
Defined benefit pension scheme cost less contributions payable (note 20)	365	273
Defined benefit pension scheme finance cost (note 20)	52	43
(Increase)/Decrease in debtors	(73)	48
(Decrease)/Increase in creditors	(78)	124
Net cash provided by Operating Activities	<u>162</u>	<u>349</u>

**18 Analysis of changes in net debt**

	1 Sep 20 £000	Cash flows £000	31 Aug 21 £000
Cash	525	(102)	423
Total	<u>525</u>	<u>(102)</u>	<u>423</u>

**19 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.



## Salendine Nook Academy Trust

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

#### 20 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 (WYPF). Both are multi-employer defined benefit pension schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- 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 pension costs paid to TPS in the year amounted to £812,835 (2020: £775,015).

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

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

## Salendine Nook Academy Trust

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

#### 20 Pension and Similar Obligations (continued)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2021 was £211,000 (2020: £189,000), of which employer's contributions totalled £146,000 (2020: £125,000) and employees' contributions totalled £65,000 (2020: £64,000). The agreed contribution rates for future years are 13.9% from 1 April 2021 and 14.3% from 1 April 2022 for employers and between 5.5% and 12.5% for employees.

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

The academy trust has no agreement to make additional contributions to WYPF to reduce the scheme deficit.

##### Principal Actuarial Assumptions

	31 Aug 21	31 Aug 20
Rate of increase in salaries	3.85%	3.45%
Rate of increase for pensions in payment/inflation	2.60%	2.20%
Rate of revaluation in pension account	2.60%	2.20%
Discount rate for scheme liabilities	1.70%	1.70%
Inflation assumption (CPI)	2.60%	2.20%

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

	31 Aug 21	31 Aug 20
<i>Retiring today</i>		
Males	21.9	21.8
Females	24.7	24.6
<i>Retiring in 20 years</i>		
Males	22.6	22.5
Females	25.8	25.7

##### Sensitivity analysis on defined benefit obligations

	31 Aug 21	31 Aug 20
	£000	£000
Discount rate +0.1%	8,487	6,884
Discount rate -0.1%	8,967	7,273
Mortality assumption - 1 year increase	8,392	6,820
Mortality assumption - 1 year decrease	9,054	7,330
CPI rate +0.1%	8,758	7,096
CPI rate -0.1%	8,697	7,054

**Salendine Nook Academy Trust**

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

**20 Pension and Similar Obligations (continued)**

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

	Fair value at 31 Aug 21 £000	Fair value at 31 Aug 20 £000
Equity instruments	4,190	3,086
Cash	115	67
Bonds	648	583
Property	199	171
Other	73	60
Total market value of assets	<u>5,225</u>	<u>3,967</u>
Present value of scheme liabilities		
- funded	<u>(8,723)</u>	<u>(7,075)</u>
Deficit in scheme	<u><u>(3,498)</u></u>	<u><u>(3,108)</u></u>

The actual return on scheme assets was £1,054 (31 August 2020: £2,000).

	31 Aug 21 £000	31 Aug 20 £000
Current service cost	511	398
Past service cost	-	-
Net interest cost	52	43
Total operating charge	<u><u>563</u></u>	<u><u>441</u></u>

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

	31 Aug 21 £000	31 Aug 20 £000
At 1 September	7,075	6,173
Current service cost	511	398
Past service cost	-	-
Interest cost	121	117
Employee contributions	65	64
Actuarial loss	958	369
Benefits paid	<u>(7)</u>	<u>(46)</u>
At 31 August	<u><u>8,723</u></u>	<u><u>7,075</u></u>

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

	31 Aug 21 £000	31 Aug 20 £000
At 1 September	3,967	3,822
Return on plan assets (excluding net interest on the net defined pension liability)	69	74
Actuarial loss	985	(72)
Employer contributions	146	125
Employee contributions	65	64
Benefits paid	<u>(7)</u>	<u>(46)</u>
At 31 August	<u><u>5,225</u></u>	<u><u>3,967</u></u>

## **Salendine Nook Academy Trust**

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

#### **21 Related Party Transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

M Mitchell, the daughter of M E Mitchell, a trustee, is employed by the academy as an ETA. M Mitchell's appointment was made in open competition and M E Mitchell was not involved in the decision-making process regarding the appointment. M Mitchell is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

In entering into the transactions the trust has complied with the requirements of ESFA's Academies Financial Handbook.

#### **22 Private Finance Initiative**

The building from which the academy operates was built under the Private Finance Initiative ('PFI') and is subject to an agreement between Kirklees Council and Spie, the PFI Contractor. The academy trust has entered into a supplementary schools' agreement with Kirklees Council concerning the PFI Agreement. Under the terms of the agreement the academy is committed to paying Kirklees Council a proportion of its budget in consideration for the Council paying the PFI Contractor the unitary charge under the PFI agreement. For the period ended 31 August 2021, payments to Kirklees Council under this agreement totalling £894,345 (2020: £877,584) have been included in the SOFA in PFI Maintenance Costs as part of allocated support costs. The agreement runs until September 2033 and the estimated annual cost is £916,000.