

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24 - 25
Statement of cash flows	26
Notes to the financial statements	27 - 56

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Philip Huck Mr John Butler Ms Janice Fielding Mr Aaron Cummins (resigned 21 September 2022)
Trustees	Mr Philip Huck, Chair of Trustees Professor Andrew Wren, Chief Executive/Accounting Officer Mr John Burgess, Vice-Chair Ms Karla Thomas, Trustee Mr Liam Edgley, Trustee Mr Peter Butterworth, Trustee Ms Lisa Warrener, Trustee (resigned 20 March 2023) Ms Karen Johnson, Trustee (resigned 3 October 2022) Ms Nicola Newton, Trustee (appointed 28 November 2022) Ms Emma Aubrey, Trustee (appointed 3 August 2023) Ms Janet Dixon, Trustee (appointed 3 August 2023) Mr Jayden Milby, Trustee (appointed 3 August 2023)
Company registered number	13414087
Company name	South Cumbria Multi Academy Trust
Principal and registered office	Chetwynde School Croslands Rating Lane Barrow In Furness Cumbria LA13 0NY
Senior management team	Susan Andrews, Operations Manager Ian Harris, Chief Financial Officer Stephen Jefferson, Headteacher Chetwynde School Professor Andrew Wren, Chief Executive Mick Cull, Headteacher Ormsgill School David Holmes, Headteacher Vickerstown School Louise Hinton, Deputy Headteacher Chewtynde School (until April 2023)
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors James Watson House Montgomery Way Rosehill Carlisle Cumbria CA1 2UU
Bankers	NatWest Bank plc 113 Dalton Road Barrow in Furness Cumbria LA13 0NY

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Solicitors

Livingstons Solicitors
9 Benson Street
Ulverston
Cumbria
LA12 7AU

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of South Cumbria Multi-Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as South Cumbria Multi-Academy Trust Limited.

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

b. 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.

c. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

d. Policies adopted for the induction and training of Trustees

Newly appointed Trustees are formally written to by the Chair who welcomes them and reaffirms the expectations. They receive induction training on relevant educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. Organisational structure

The Trust has established a clear organisational structure with identified lines of accountability and reporting for all of its operations. This includes defining the responsibilities of the Trust Board and those responsibilities delegated to its committees and officers within the Trust.

The Trust's Scheme of Delegation sets out the responsibilities, duties and powers of the Trust Board, Officers and Local Governing Bodies of individual schools. Note that in the year being reported there were three schools, Chetwynde School, Ormsgill Nursery and Primary School and, Vickerstown Primary School in the Trust. At the time of writing there are now six schools with Cambridge Primary School and South Walney Junior School joining SCMAT on 1 September 2023 and Newbarns Primary School joining on 1 October 2023.

The Trust Board is comprised of non-executive Trustees. It is responsible for the overall strategic direction of the Trust and for holding the executive to account for delivering agreed priorities.

Specific responsibilities include:

- Priority setting and ratification of new projects including, for example, admission of new academies to the Trust;
- Holding the executive to account for the delivery of strategic objectives and the overall performance of the Trust and its academies through receiving regular performance data and analysis;
- Appointment, appraisal, discipline and dismissal of the Chief Executive Officer;
- Setting the Executive Team pay and remuneration;
- Approval of the annual budget, medium term financial plans, the Trust's business plans and risk management policy;
- Approval of the Trust's annual report and statutory accounts receiving the annual management letter and governance report of the external auditor and agreement of proposed action;
- Continuous appraisal of the affairs of SCMAT and its academies;
- Consideration of the Trust's overall performance including the financial performance;
- Approval of statutory policies;
- Safeguarding (incorporating PREVENT) and receiving assurance from the executive that such policies are being implemented,
- Requiring and receiving the declaration of Board members' interest that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration and maintaining a register of pecuniary interests for Board Members, Academy Associates and staff.

f. Arrangements for setting pay and remuneration of key management personnel

The Trustees are responsible for determining the pay and remuneration of key management personnel. These include, the CEO, CFO and headteachers. In reaching their decision about appropriate levels of pay the Trustees will bear in mind affordability and appropriate benchmark levels of pay for similar positions in similar organisations.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

a. Objects and aims

SCMAT's mission is to become the highest performing Trust in South Cumbria.

SCMAT's vision is to inspire young people and change lives through excellence in education in South Cumbria.

SCMAT's values are

Excellence in everything we do

Respect for individuals, enabling equality, diversity and inclusivity

Innovation in how we work, develop and continuously improve

Celebration of the success and achievement of our pupils and staff

Ambition for the Trust and its pupils to be the best they can

Support for pupils and staff by providing care and promoting well-being and resilience in a safe and protective environment

b. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

The MAT structure allows economies of scale in shared services such as HR, Finance, IT, Data and school improvement activities. It also presents the opportunities to obtain better terms when negotiating contract and services across the Trust.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

c. Strategic Priorities

Inspire

To inspire individuals through a rewarding, supportive, safe and inclusive environment

- Promote and embed the MAT's vision and values within all of our member schools and throughout the Trust
- Gauge and act upon the views of stakeholders, and value and embed the voice of our young people and their parents to ensure the Trust and its schools continuously improve
- Regularly review the curriculum and develop our teams in order that our member schools meet the current and future needs of pupils, their community and South Cumbria
- Further develop and promote the diverse and inclusive culture within our schools to create a positive learning environment which is committed to equality, maintaining a zero-tolerance approach to all harassment and discrimination
- Develop the resilience of pupils and staff by actively supporting mental well-being and promoting a culture of openness and understanding which develops positive team-working
- Advance pupils' life skills and foster a culture of critical thinking, innovation and enterprise, alongside academic excellence
- Continue to celebrate the achievement and progress of our pupils and staff, building on our reputation of excellence

Succeed

To raise individual aspirations, create opportunities and promote personal development and progression by delivering high-quality inclusive education

- Using the School Improvement Policy, undertake rigorous self-evaluation at school and trust level, set challenging targets for improvement, measure progress and take actions to achieve outstanding and improved pupil outcomes
- Deliver an exceptional learning experience and first-class resources, maximising opportunities to share expertise between our member schools whilst encouraging them to set and maintain their own unique educational character, ethos and specialisms
- Ensure high performance through excellence in teaching and learning, including through the use of technology and remote teaching
- Maintain high expectations for our member schools and their pupils which will be achieved through setting aspirational targets, measuring progress and challenging learning, to ensure all pupils achieve their full potential
- Within each school, provide comprehensive, current and impartial information, advice and opportunity guidance to all pupils and support to their parents
- Provide the highest level of support to pupils, including those with an Education, Health and Care Plan, and those eligible for Free School meals and Pupil Premium, in order that they make outstanding progress and achieve their aspirations
- Build a reputation of excellence and become an aspirational destination for schools considering joining a MAT

Contribute

To contribute to the success of South Cumbria

- Work with employers to enhance the curriculum and extra-curricular activities, providing opportunities to our pupils to experience the world of work from an early age
- Support and champion the communities of South Cumbria through engaging with local partners and groups, delivering meaningful activities whilst growing our pupils' knowledge and skills
- Ensure our pupils develop into confident and responsible young people, providing an impactful contribution to their communities
- Through our links with Furness College, develop a reputation of excellence in science, technology, engineering and maths (STEM) education in South Cumbria, whilst promoting creativity and offering the broadest curriculum offer

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

- Work in partnership with neighbouring multi-academy trusts to develop innovative ways of working together and taking advantage of opportunities afforded to collaborative trusts
- Work closely with local and regional organisations such as the Local Enterprise Partnership, schools, universities and local authorities, and contribute to the development of education in South Cumbria
- Ensure our pupils are proud of their communities and the impact they can make

Prosper

To be financially successful through efficiency, cost-effectiveness and the delivery of sustained income

- Maintain strong financial health and future prosperity through maximising opportunities to grow income and bringing about the necessary efficiencies within the Trust and its member schools
- Maximise opportunities afforded by economies of scales through shared services, cross-school working and joint MAT-College contracts and facilities
- Foster a culture of innovation, enterprise and measured risk which leads to appropriate curriculum development, diversification opportunities, sustained income and improved work practices
- Focus on partnership opportunities, maintaining excellent communication between member schools and by working with other high-quality trusts and schools in the region
- Invest in the development of the staffing team and cutting-edge facilities to ensure our schools are leaders in the provision of high-quality education
- Provide regular and robust performance data to the Board of Trustees, including forecasts, emerging risks and opportunities, enabling the required level of scrutiny to inform leadership actions
- Promote the MAT to the wider community and grow in a measured and responsible manner, in line with the Trust's Growth Strategy

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and performance

a. Key performance indicators

Chetwynde School

Primary, Key Stage 2, 2023

Data from FFT analysis showed that for reading, on average 60% of primary pupils met year group age related expectations, which was 7% below the National average. For writing, on average 60% of pupils met year group age related expectations, which was much improved on the previous year's score and 1% below National average. For Maths 50% met year group age related expectations which is 12% below national average.

Secondary, Key Stage 4, 2023

Attainment – At Key Stage 4, the school's FFT results show 59% of pupils gained a Grade 4 or above including Maths and English. The % of pupils achieving grade 5+ including Maths and English was 41%. The attainment 8 score was 4.2.

Ormsgill School

52% of pupils attained their year group age related expectations in reading, 56% in writing and 68% in maths. The national averages were 73%, 71% and 73% respectively.

Vickerstown School

45% of pupils attained their year group age related expectations in reading, 67% in writing and 25% in maths.

b. Going concern

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

Financial review

During the year total income was £13,740,879 of which £7,408,755 arose from the donation of assets to the MAT from Ormsgill School and Vickerstown School. Total expenditure on charitable activities was £6,536,819 leading to a surplus, before gains and losses on defined benefit pension schemes, of £7,204,061. Note that a very large proportion of the income in the year derived from donated assets with no corresponding expenditure in the year other than depreciation on those assets. The underlying in year revenue position of the Trust was a small surplus on restricted funds and a slightly larger surplus on unrestricted funds.

a. Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration future redevelopment of buildings and infrastructure, uncertainty over future income streams and other key risks identified during the risk review.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

b. Investment policy

The Trust's investment policy is designed to minimise risk of losses. Therefore, any surplus cash holdings not immediately required for operating expenses will be placed on deposit at the most favourable rate available with providers covered by the Financial Services Compensation Scheme. Day to day management of cash surpluses is delegated to the CEO and CFO.

c. Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the last year 96% of the Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in Governance and/or Management

The risk in this area arises from potential failure to effectively manage the Trusts finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Trust's academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and Child Protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Safeguarding reviews are commissioned and undertaken in all Trust academies on a regular basis.

Staffing

The success of Trust relies on the quality of its staff; the Board of Trustees and Local Governing Bodies monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and Mismanagement of Funds

The Trust has commissioned their internal Auditors to carry out checks on financial systems and records as recommended by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management approach throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

SCMAT is committed to supporting all pupils, staff and schools within the Trust to inspire, succeed, contribute and prosper. Each of the Trust's school has its own unique ethos, however they all share a common vision and values, which are central to the life of the schools and underpin all the Trust's activities. Our vision is to inspire young people and change lives through excellence in education in South Cumbria. At the heart of our organisation are the values of excellence, respect, innovation, celebration, ambition and support. Want our young people to develop and grow into adults who can give back to their communities.

The growth of SCMAT is a committed element of the strategy. Growth will enable the trust to further support children across South Cumbria, bringing more benefits both to existing and joining SCMAT schools through partnering and cross-trust efficiencies. The Trust has received grant funding in the year to support these growth plans. In line with these plans, Cambridge and South Walney Junior Schools joined the Trust on 1st September 2023 and Newbarns School joined on 1st October 2023.

Through consideration of the Trust's growth strategy, the Board has resolved to admit up to four schools in 2023-24. These schools must be graded by Ofsted as at least good, have sound finances and be located in South Cumbria. The Board wishes to build up the Trust's school improvement capacity in order that it can admit schools which have been judged as requiring improvement or inadequate from September 2025.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 19/12/2023 and signed on its behalf by:


Philip Huck (Dec 19, 2023 11:41 GMT)

Mr Philip Huck
Chair of Trustees

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South Cumbria Multi-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 Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 10 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 Philip Huck, Chair of Trustees	9	10
Professor Andrew Wren	10	10
Chief Executive/Accounting Officer		
Mr John Burgess, Vice-Chair	9	10
Ms Karla Thomas, Trustee	6	10
Mr Liam Edgley, Trustee	8	10
Mr Peter Butterworth, Trustee	8	10
Ms Lisa Warrener, Trustee	3	7
Ms Karen Johnson, Trustee	0	1
Ms Nicola Newton, Trustee	7	8
Ms Emma Aubrey, Trustee	0	1
Ms Janet Dixon, Trustee	0	1
Mr Jayden Milby, Trustee	0	1

The Trust remained stable during its second year of operation and continued to recruit Trustees during the year. The Trust continues to seek further financial expertise to strengthen its Finance, Audit and Risk Assurance Committee. The Trust Board has considered succession planning and is looking to build further capacity within the Board in 2023-24. Trustees are linked to our schools/Local Governing Bodies (LGBs). Trustees and Chairs of the LGBs will meet termly from 2023-24 to support two-way communications. Chairs of LGBs also attend monthly meetings of the LGB Chairs' Committee.

All Trustees have undergone mandatory training and have also had further training on the role and activities of Trustees, crucial during the first year of operation. A full skills assessment was undertaken to ensure the make-up of the Board meets all the necessary expertise required for a high-functioning Board.

The Clerk to the Board of Governors maintains a register of interests which is reviewed and updated at least annually or whenever either the composition of the Board changes or a Trustee declares a new interest. If ever a topic of discussion arises at a Board meeting in which a Trustee has an interest then that Trustee will absent themselves from that part of the meeting.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Trust Board is always looking at how their performance and that of the whole Trust can be improved. A full review of performance was undertaken by the Clerk of the effectiveness of the Board and its members in January, 2023. In addition, the Board is considering the commissioning of an external agency to complete a trust diagnostic, the findings of which will be taken forward to the Board with consideration given to the structure of governance.

The Finance, Audit and Risk Assurance Committee is a sub-committee of the main Board of Trustees and met five times in 2022-23.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Professor Andrew Wren	5	5
Mr John Burgess	5	5
Mr Peter Butterworth	4	5
Ms Lisa Warrener	0	2
Mr Philip Huck	5	5

Review of value for money

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

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

- Achieving the educational outcomes as set out in the Trustees report. Outcomes include many positive indicators. Educational outcomes were improved with the same resource by taking steps to improve the quality of teaching, as set out in the Trustees Report.
- The Trust continues to enable the sharing of delivery and good practice across all schools within the Trust. This is driving up standards for lower cost.
- The Trust has supported and collaborated with other schools in the area. SCMAT has also supported other schools through its implementing the CUSP curriculum programme.
- Consolidated procurement activities concerning the purchase of ICT equipment and centralised contractual arrangements for teacher absence cover will deliver positive value for money considerations including more comprehensive cover arrangements which will benefit more schools.
- Contract and services are regularly appraised and renegotiated in a timely manner to ensure value for money.
- Utilities contracts are constantly monitored and reviewed and renegotiated where cost savings have been identified.
- Options appraisals are carried out before purchases are made, including assessing the costs and benefits of alternatives over the longer term. A range of quotes is obtained for all major purchases so that the Trust knows it is getting a good deal.
- The Trust explores opportunities to generate income through the letting of facilities to the local community and the provision of support services to local schools.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Cumbria Multi-Academy Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. 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, Audit and Risk Assurance 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
- identification and management of risks

The Board of Trustees has decided to employ Wylie & Bisset as internal auditor.

This option has been chosen because Wylie & Bisset have significant experience of providing internal audit services to Academy Trusts.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial systems. During the second year of the Trust's operation internal audit work focused on reviews of the key financial controls and corporate governance in place across the Trust.

From the Assignment Plan document relating to the review of the overall financial controls: the purpose was to "perform a high-level review of the key financial controls in place at the 3 schools within the Trust, to provide assurance that key financial controls are suitably designed and operating effectively. This review will include a review of processes relating to purchasing, income, cash and banking, payroll, and fixed assets." The purpose of the corporate governance review was to: "ensure that the Trust has appropriate governance arrangements in place and that these have been embedded throughout the whole Trust. This will be a review to ensure the Trust's Corporate Governance arrangements are appropriate and represent good practice."

The Assignment Plan for Corporate Governance identified the following potential key risks associated with the area under review:

- The governance arrangements in place at the Trust are not adequate or fit for purpose;

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- The Trust Board, Sub-Committees and Local Governing Boards terms of reference have not been developed and these are not clear and overlap;
- The Trust Board, Sub-Committees and Local Governing Boards may not have a programme of work in accordance with their terms of reference that allows them to make an effective and timely contribution;
- The Trust Board and Sub-Committees Members may not be provided with sufficient, high quality management information in their areas of responsibility;
- The Trust Board, Sub-Committees and Local Governing Boards may be poorly attended or members are not sufficiently engaged;
- The Trust Board and Sub-Committees may not have effectively assessed their performance and the balance of skills required.

The Assignment Plan for overall financial controls identified the following potential key risks associated with the areas under review:

- Ineffective or inefficient procedures and controls may be in place for key finance procedures;
- Inadequate segregation of duties may compromise the control environment in relation to key finance processes;
- Inadequate management oversight of financial processes compromises control effectiveness.

The internal auditor reported to the Board of Trustees through the Finance, Audit and Risk Assurance Committee once during the year on the operation of the Trust's financial procedures and controls and corporate governance. Their report concluded that the financial controls and corporate governance provided substantial assurance. Each report contained 7 recommendations for improvements although none were graded as high.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

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


Philip Huck (Dec 19, 2023 11:41 GMT)

Mr Philip Huck
Chair of Trustees

Date: 19/12/2023


Andrew Wren (Dec 15, 2023 12:06 GMT)

Professor Andrew Wren
Accounting Officer

15/12/2023

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that the following instance of non-compliance with the terms and conditions of funding was discovered prior to the date of this report and has been notified to the Board of Trustees.

Failure to comply with the Sports Premium reporting requirements insofar as Chetwynde School did not publish, on its website by the required date, how it intended to spend, the £17,710 of Sports Premium monies nor how it actually spent these monies. Although this was rectified before the date of this report and had been reported to the LGB in a timely manner



Andrew Wren (Dec 15, 2023 12:06 GMT)

Professor Andrew Wren
Accounting Officer

Date: 15/12/2023

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

Company law requires the Trustees to prepare financial statements for each financial . 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 of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with 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 and signed on its behalf by:


Philip Huck (Dec 19, 2023 11:41 GMT)

.....
Mr Philip Huck
Chair of Trustees

Date: 19/12/2023

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH CUMBRIA MULTI-ACADEMY TRUST

Opinion

We have audited the financial statements of South Cumbria Multi-Academy Trust (the 'trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH CUMBRIA MULTI-ACADEMY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH CUMBRIA MULTI-ACADEMY TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, such as the Health & Safety at Work Act 1974, DfE, ESFA, Ofsted Regulations and Companies Act 2006;
- we identified the laws and regulations applicable to the Trust through discussions with Trustees and other management;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- considering our work in respect of regularity to identify irregular spend or lack of ESFA approval for novel or contentious transactions.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions; and
- tested the operating effectiveness of key controls over purchase cycles on a sample basis; and
- reviewed the application of accounting policies.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH CUMBRIA MULTI-ACADEMY TRUST (CONTINUED)

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

Use of our report

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



Karen Rae (Dec 19, 2023 17:07 GMT)

Karen Rae FCCA (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

Carlisle

Date: 19/12/2023

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH CUMBRIA MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 5 December 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Cumbria Multi-Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of South Cumbria Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South Cumbria Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 21 May 2021 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- review of extra-contractual payments for staff to ensure they have been made in accordance with the Academy Trust Handbook;
- review a sample of resources expended for individual transactions;
- reviewing any borrowing agreements, including leases, to ensure they have been made in accordance with the Academy Trust Handbook;
- reviewing the minutes of the meetings of the main committees during the year;
- reviewing of internal audit reports for evidence of non-compliance;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH CUMBRIA MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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

- Failure to comply with the Sports Premium reporting requirements insofar as Chetwynde School did not publish how it intended to spend nor how it actually spent these monies in line with the timing requirements of the funding.



Karen Rae (Dec 19, 2023 17:07 GMT)

Karen Rae FCCA
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors

James Watson House
Montgomery Way
Rosehill
Carlisle
Cumbria
CA1 2UU

Date: 19/12/2023

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and capital grants:					
Transfer from local authority on conversion	-	456,354	6,952,401	7,408,755	2,251,614
Other donations and capital grants	25,021	-	162,011	187,032	60,519
Other trading activities	146,223	79,272	-	225,495	146,604
Investments	-	19,000	-	19,000	1
Charitable activities	-	5,832,586	68,011	5,900,597	4,178,419
Total income	171,244	6,387,212	7,182,423	13,740,879	6,637,157
Expenditure on:					
Charitable activities	112,505	5,903,362	520,952	6,536,819	4,183,295
Total expenditure	112,505	5,903,362	520,952	6,536,819	4,183,295
Net movement in funds before other recognised gains/(losses)	58,739	483,850	6,661,471	7,204,060	2,453,862
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	-	(346,000)	-	(346,000)	505,000
Net movement in funds	58,739	137,850	6,661,471	6,858,060	2,958,862
Reconciliation of funds:					
Total funds brought forward	51,911	43,374	2,863,577	2,958,862	-
Net movement in funds	58,739	137,850	6,661,471	6,858,060	2,958,862
Total funds carried forward	110,650	181,224	9,525,048	9,816,922	2,958,862

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 56 form part of these financial statements.

SOUTH CUMBRIA MULTI-ACADEMY TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 13414087

**BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	9,429,484	2,619,269
		9,429,484	2,619,269
Current assets			
Debtors	16	236,866	801,463
Cash at bank and in hand		873,820	941,219
		1,110,686	1,742,682
Creditors: amounts falling due within one year	17	(601,604)	(1,163,236)
Net current assets		509,082	579,446
Total assets less current liabilities		9,938,566	3,198,715
Creditors: amounts falling due after more than one year	18	(121,644)	(98,853)
Net assets excluding pension asset / liability		9,816,922	3,099,862
Defined benefit pension scheme asset / liability	26	-	(141,000)
Total net assets		9,816,922	2,958,862

SOUTH CUMBRIA MULTI-ACADEMY TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 13414087

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2023

	Note		2023 £	2022 £
Funds of the Trust				
Restricted funds:				
Fixed asset funds	19	9,525,048	2,863,577	
Restricted income funds	19	181,224	184,374	
Restricted funds excluding pension asset	19	9,706,272	3,047,951	
Pension reserve	19	-	(141,000)	
Total restricted funds	19		9,706,272	2,906,951
Unrestricted income funds	19		110,650	51,911
Total funds			9,816,922	2,958,862

The financial statements on pages 23 to 56 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Philip Huck
Philip Huck (Dec 19, 2023 11:41 GMT)

.....
Mr Philip Huck
 (Chair of Trustees)
 Date: 19/12/2023

The notes on pages 27 to 56 form part of these financial statements.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	21	50,050	3,594,793
Cash flows from investing activities			
	23	(135,002)	(2,732,399)
Cash flows from financing activities			
	22	17,553	78,825
Change in cash and cash equivalents in the year		(67,399)	941,219
Cash and cash equivalents at the beginning of the year		941,219	-
Cash and cash equivalents at the end of the year	24, 25	873,820	941,219

The notes on pages 27 to 56 form part of these financial statements

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

South Cumbria Multi-Academy Trust is a private company limited by guarantee without share capital. Its registered office is Chetwynde School Croslands, Rating Lane, Barrow-In-Furness, Cumbria, England, LA13 0NY.

The principal activity of the Trust is the provision of primary & secondary education.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

2.2 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Taxation

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

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

2.6 Tangible fixed assets

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

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

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

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	2% straight line/ 10% straight line
Long-term leasehold property	-	
Plant and machinery	-	10% straight line
Computer equipment	-	33% straight line
Motor vehicles	-	25% straight line

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

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

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

2.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.12 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

2.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Establishing useful economic lives for depreciation purposes of property, plant and equipment comprise a significant portion of the total fixed assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these assets' useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation charges for the period. Details of the depreciation policies based on estimated useful economic lives are included in accounting policies note 2.7.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations					
Transfer from local authority on conversion	-	456,354	6,952,401	7,408,755	-
Donations	25,021	-	70,000	95,021	49,242
Devolved capital formula	-	-	92,011	92,011	2,262,891
	<u>25,021</u>	<u>456,354</u>	<u>7,114,412</u>	<u>7,595,787</u>	<u>2,312,133</u>
<i>Total 2022</i>	<u><u>55,847</u></u>	<u><u>(411,967)</u></u>	<u><u>2,668,253</u></u>	<u><u>2,312,133</u></u>	

5. Funding for the Trust's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations			
DfE/ESFA grants			
General Annual Grant	4,196,328	4,196,328	2,345,073
Other DfE/ESFA grants			
Conditional Improvement Funding	68,011	68,011	1,275,341
Pupil Premium	293,092	293,092	79,017
UIFSM	60,701	60,701	18,078
Sports Premium	42,452	42,452	17,640
Other DfE/ESFA Grants	402,053	402,053	230,152
Conversion funds	75,626	75,626	-
	<u>5,138,263</u>	<u>5,138,263</u>	<u>3,965,301</u>
Local Authority grants			
SEN Funding	542,086	542,086	169,687
Early Years Funding	177,400	177,400	36,885
Other LA Grants	42,848	42,848	6,546
	<u>762,334</u>	<u>762,334</u>	<u>213,118</u>
	<u><u>5,900,597</u></u>	<u><u>5,900,597</u></u>	<u><u>4,178,419</u></u>

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Funding for the Trust's charitable activities (continued)

	5,900,597	5,900,597	4,178,419
<i>Total 2022</i>	4,178,419	4,178,419	

6. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Catering	91,745	-	91,745	77,669
Educational trips & visits	-	28,166	28,166	35,106
Other trading activities	54,478	51,106	105,584	33,829
	146,223	79,272	225,495	146,604
<i>Total 2022</i>	90,906	55,698	146,604	

7. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Bank interest	-	-	-	1
Pension income	-	19,000	19,000	-
	-	19,000	19,000	1
<i>Total 2022</i>	1	-	1	

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Educational operations:					
Direct costs	3,970,769	15,744	276,722	4,263,235	2,270,415
Allocated support costs	711,367	1,008,540	534,677	2,254,584	1,912,880
	<u>4,682,136</u>	<u>1,024,284</u>	<u>811,399</u>	<u>6,517,819</u>	<u>4,183,295</u>
<i>Total 2022</i>	<u><u>2,304,119</u></u>	<u><u>1,369,618</u></u>	<u><u>509,558</u></u>	<u><u>4,183,295</u></u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Educational operations	112,505	6,424,314	6,536,819	4,183,295
	<u>112,505</u>	<u>6,424,314</u>	<u>6,536,819</u>	<u>4,183,295</u>
<i>Total 2022</i>	<u><u>22,890</u></u>	<u><u>4,160,405</u></u>	<u><u>4,183,295</u></u>	

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational operations	4,263,235	2,254,584	6,517,819	4,183,295
	<u>4,263,235</u>	<u>2,254,584</u>	<u>6,517,819</u>	<u>4,183,295</u>
<i>Total 2022</i>	<u><u>2,270,415</u></u>	<u><u>1,912,880</u></u>	<u><u>4,183,295</u></u>	

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	660,311	660,311	289,466
Depreciation	258,188	258,188	124,131
IT costs	38,116	38,116	77,068
Admin costs	452,263	452,263	195,814
Maintenance & Repairs	28,446	28,446	22,243
Rent & Rates & Utilities	61,464	61,464	85,705
Catering	261,000	261,000	123,862
Other Supplies	212,307	212,307	12,337
Transport	19,725	19,725	5,957
CIF Expenditure	262,764	262,764	976,297
	<u>2,254,584</u>	<u>2,254,584</u>	<u>1,912,880</u>
<i>Total 2022</i>	<u>1,912,880</u>	<u>1,912,880</u>	

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	3,491,685	1,608,831
Social security costs	275,720	123,087
Pension costs	742,476	444,545
	4,509,881	2,176,463
Agency staff costs	76,126	48,037
Other costs	96,129	79,619
	4,682,136	2,304,119

b. Staff numbers

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

	2023	2022
	No.	No.
Teacher	107	57
Administration and support	69	22
Management	11	3
	187	82

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	<i>No.</i>
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	2	-
	<u><u>2</u></u>	<u><u>-</u></u>

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £480,842 (2022 - £190,031).

12. Central services

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

- Finance
- Human Resources
- Network Services

The Trust charges for these services on the following basis:

Each Academy pays 6% of their general annual grant for the central services listed above.

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Chetwynde School	128,071	140,711
Ormsgill Primary School	57,029	-
Vickerstown Primary School	38,712	-
Total	<u><u>223,812</u></u>	<u><u>140,711</u></u>

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Trustees' remuneration and expenses

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

		2023	<i>2022</i>
		£	£
Professor Andrew Wren, Chief Executive	Remuneration	30,000 -	<i>10,000 -</i>
		35,000	<i>15,000</i>
	Pension contributions paid	0 - 5,000	<i>0 - 5,000</i>

During the year ended 31 August 2023, no Trustee expenses have been incurred (*2022 - £NIL*).

14. Trustees' and Officers' insurance

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

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	2,309,403	-	336,243	97,754	2,743,400
Additions	-	6,952,401	106,978	9,024	7,068,403
At 31 August 2023	<u>2,309,403</u>	<u>6,952,401</u>	<u>443,221</u>	<u>106,778</u>	<u>9,811,803</u>
Depreciation					
At 1 September 2022	54,543	-	40,114	29,474	124,131
Charge for the year	54,543	121,010	46,960	35,675	258,188
At 31 August 2023	<u>109,086</u>	<u>121,010</u>	<u>87,074</u>	<u>65,149</u>	<u>382,319</u>
Net book value					
At 31 August 2023	<u><u>2,200,317</u></u>	<u><u>6,831,391</u></u>	<u><u>356,147</u></u>	<u><u>41,629</u></u>	<u><u>9,429,484</u></u>
At 31 August 2022	<u><u>2,254,860</u></u>	<u><u>-</u></u>	<u><u>296,129</u></u>	<u><u>68,280</u></u>	<u><u>2,619,269</u></u>

On transfer into the Multi-Academy Trust the net book value of assets from Ormsgill School totalling £2,990,888 were recognised as a donation to the Trust.

Breakdown:

Freehold Property - £nil
 Long-term leasehold property - £2,990,888
 Furniture & Equipment - £nil
 Computer Equipment - £nil
 Motor Vehicles - £nil

On transfer into the Multi-Academy Trust the net book value of assets from Vickerstown School totalling £3,961,513 were recognised as a donation to the Trust.

Breakdown:

Freehold Property - £nil
 Long-term leasehold property - £3,961,513
 Furniture & Equipment - £nil
 Computer Equipment - £nil
 Motor Vehicles - £nil

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	1,915	-
Other debtors	71,049	<i>160,440</i>
Prepayments and accrued income	163,902	<i>641,023</i>
	236,866	<i>801,463</i>

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	17,417	4,993
Trade creditors	192,425	938,793
Other taxation and social security	65,681	25,261
Other creditors	135,437	49,178
Accruals and deferred income	190,644	145,011
	601,604	1,163,236
	601,604	1,163,236

	2023 £	2022 £
Deferred income at 1 September 2022	39,004	-
Resources deferred during the year	45,682	39,004
Amounts released from previous periods	(39,004)	-
	45,682	39,004
	45,682	39,004

Deferred income at the year end comprised £44,167 of Free School Meal income and £1,515 of National Tutoring Program income.

18. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	78,961	73,832
Other creditors	42,683	25,021
	121,644	98,853
	121,644	98,853

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2023 £	2022 £
Payable or repayable by instalments	13,383	7,072
	13,383	7,072
	13,383	7,072

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds

	Balance at 1 September 2022	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2023
Unrestricted funds						
General Funds	51,911	171,244	(112,505)	-	-	110,650
Restricted general funds						
General Annual Grant (GAG)	2,034	4,251,706	(4,250,420)	-	-	3,320
Trip, music & exam fee's	37,683	57,798	(76,493)	-	-	18,988
SEN Fund	-	542,086	(542,086)	-	-	-
Sports Premium	16,248	42,452	(42,452)	-	-	16,248
Pupil Premium	-	293,092	(293,092)	-	-	-
Universal Infant Free School Meals	-	60,701	(60,701)	-	-	-
Covid Catch Up	-	-	-	-	-	-
Other Local Authority Grants	-	220,248	(178,328)	-	-	41,920
Other DFE/ESFA Grants	90,051	477,679	(428,251)	-	-	139,479
Urgent Capital Support	2,049	-	-	-	-	2,049
Deficit undertaken on conversion	-	(64,024)	-	-	-	(64,024)
Kindergarten	36,309	21,474	(34,539)	-	-	23,244
Pension reserve	(141,000)	484,000	3,000	-	(346,000)	-
	43,374	6,387,212	(5,903,362)	-	(346,000)	181,224
Restricted fixed asset funds						
Inherited funds	2,552,892	7,114,412	(242,850)	-	-	9,424,454
Capital Expenditure from GAG	4,683	-	(4,683)	-	-	-
DFE/ESFA Capital Grants	10,615	-	(10,615)	-	-	-
CIF	295,387	68,011	(262,804)	-	-	100,594

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
	2,863,577	7,182,423	(520,952)	-	9,525,048
Total Restricted funds	2,906,951	13,569,635	(6,424,314)	(346,000)	9,706,272
Total funds	2,958,862	13,740,879	(6,536,819)	(346,000)	9,816,922

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

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

Restricted funds

Restricted balances carried forward are for funding (cash) to be spent on charitable activities of the academy in accordance with the grant agreements.

General Annual Grant (GAG)

Funds received from the ESFA are applied to the charitable activities of the Trust as defined in the funding agreements. Under the funding agreement with the Secretary of State, the Trust was not subject to limits on the amount of General Annual Grants (GAG) that it could carry forward at 31 August 2023.

Pension reserve

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. In the current financial year, the deficit on the fund has reduced to £nil. The income charged to the Income & Expenditure Account in the year was £487,000 and SOCI other recognised losses were £346,000.

Restricted fixed asset funds

Incoming resources have been spent on capital expenditure, resources expended is depreciation and amortisation on fixed assets purchased in previous academic years (as per the Trust's fixed assets policy) and transfers between are represented by capital expenditure funded by revenue income. Therefore balances carried forward on these have been committed in future years for depreciation and amortisation.

Unrestricted funds

Any unspent funds (cash) can be used at the discretion of the Board of Trustees to meet the charitable objectives of the Academy Trust.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

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

	<i>Balance at 21 September 2021</i>		<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2022</i>
Unrestricted funds						
General Funds	-	146,754	(22,890)	(71,953)	-	51,911
Restricted general funds						
General Annual Grant (GAG)	-	2,362,917	(2,412,425)	51,542	-	2,034
Trip, music & exam fee's	-	37,683	-	-	-	37,683
SEN Fund	-	169,687	(169,687)	-	-	-
Sports Premium	-	45,968	(29,720)	-	-	16,248
Pupil Premium	-	79,017	(79,017)	-	-	-
Universal Infant Free School Meals	-	18,078	(18,078)	-	-	-
Covid Catch Up	-	24,569	(24,569)	-	-	-
Other Local Authority Grants	-	-	-	-	-	-
Other DFE/ESFA Grants	-	241,767	(151,716)	-	-	90,051
Urgent Capital Support	-	2,049	-	-	-	2,049
Deficit undertaken on conversion	-	-	-	-	-	-
Kindergarten	-	99,074	(62,765)	-	-	36,309
Pension reserve	-	(534,000)	(112,000)	-	505,000	(141,000)
	-	2,546,809	(3,059,977)	51,542	505,000	43,374
Restricted fixed asset funds						
Inherited funds	-	2,656,975	(119,732)	15,649	-	2,552,892
Capital Expenditure from GAG	-	-	(79)	4,762	-	4,683
DFE/ESFA Capital Grants	-	11,278	(663)	-	-	10,615

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

			<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2022</i>
CIF	-	1,275,341	(979,954)	-	-	295,387
	-	3,943,594	(1,100,428)	20,411	-	2,863,577
Total Restricted funds	-	6,490,403	(4,160,405)	71,953	505,000	2,906,951
Total funds	-	6,637,157	(4,183,295)	-	505,000	2,958,862

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
South Cumbria Multi-Academy Trust	54,730	-
Chetwynde School	342,865	236,285
Vickerstown School	(92,464)	-
Ormsgill School	(13,257)	-
Total before fixed asset funds and pension reserve	291,874	236,285
Restricted fixed asset fund	9,525,048	2,863,577
Pension reserve	-	(141,000)
Total	9,816,922	2,958,862

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies & other costs £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
South Cumbria Multi-Academy Trust	-	151,108	185,971	1,155	338,234	140,711
Chetwynde School	1,820,509	541,325	473,769	506,685	3,342,288	3,918,453
Vickerstown School	658,388	176,947	85,296	119,421	1,040,052	-
Ormsgill School	1,028,603	237,539	156,080	135,835	1,558,057	-
Trust	3,507,500	1,106,919	901,116	763,096	6,278,631	4,059,164

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	9,429,484	9,429,484
Current assets	130,854	884,268	95,564	1,110,686
Creditors due within one year	(20,204)	(581,400)	-	(601,604)
Creditors due in more than one year	-	(121,644)	-	(121,644)
Total	<u>110,650</u>	<u>181,224</u>	<u>9,525,048</u>	<u>9,816,922</u>

21. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	7,204,060	2,453,862
Adjustments for:		
Depreciation	258,188	124,131
Defined benefit pension scheme obligation inherited	(465,000)	534,000
Defined benefit pension scheme cost less contributions payable	(3,000)	101,000
Decrease/(increase) in debtors	564,597	(801,463)
(Decrease)/increase in creditors	(556,394)	1,183,263
Transfer of assets on conversion	(6,952,401)	-
Net cash provided by operating activities	<u>50,050</u>	<u>3,594,793</u>

22. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	28,987	78,825
Repayments of borrowing	(11,434)	-
Net cash provided by financing activities	<u>17,553</u>	<u>78,825</u>

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	(116,002)	(2,744,650)
Proceeds from the sale of tangible fixed assets	-	1,250
Defined benefit pension finance costs	(19,000)	11,000
Net cash used in investing activities	(135,002)	(2,732,399)

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	873,820	941,219
Total cash and cash equivalents	873,820	941,219

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	New borrowing £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	941,219	(67,399)	-	-	873,820
Debt due within 1 year	(4,993)	11,434	(12,883)	(10,975)	(17,417)
Debt due after 1 year	(73,832)	-	(16,104)	10,975	(78,961)
	<u>862,394</u>	<u>(55,965)</u>	<u>(28,987)</u>	<u>-</u>	<u>777,442</u>

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2019 and of the LGPS 31 March 2022.

Contributions amounting to £83,375 were payable to the schemes at 31 August 2023 (2022 - £36,180) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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 2019. 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 2024.

The employer's pension costs paid to TPS in the year amounted to £745,475 (2022 - £337,447).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (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 2023 was £406,000 (2022 - £134,000), of which employer's contributions totalled £316,000 (2022 - £108,000) and employees' contributions totalled £90,000 (2022 - £26,000). The agreed contribution rates for future years are 17.8 per cent for employers and 8.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

Principal actuarial assumptions

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

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.4	22.6
Females	23.8	25.3
<i>Retiring in 20 years</i>		
Males	22.7	24.1
Females	25.6	27.1

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

Share of scheme assets

The Trust's share of the assets in the scheme was:

	At 31 August 2023 £	At 31 August 2022 £
Equities	1,584,000	235,000
Gilts	530,000	100,000
Property	330,000	68,000
Cash and other liquid assets	92,000	22,000
Other	1,635,000	276,000
Total market value of assets	4,171,000	701,000

The actual return on scheme assets was £98,000 (2022 - £-47,000).

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

	2023 £	2022 £
Current service cost	301,000	(209,000)
Interest income	(145,000)	12,000
Interest cost	126,000	(18,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(1,000)
Administrative expenses	12,000	(4,000)
Conversion of academy trusts	(465,000)	-
Total amount recognised in the Statement of financial activities	(171,000)	(220,000)

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

	2023 £	2022 £
At 1 September	842,000	-
Transferred in on existing academies joining the trust	2,110,000	1,154,000
Interest cost	126,000	18,000
Employee contributions	90,000	26,000
Actuarial gains	(72,000)	(563,000)
Benefits paid	2,000	(3,000)
Losses on curtailments	-	1,000
Current service cost	301,000	209,000
At 31 August	3,399,000	842,000

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

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

	2023	2022
	£	£
At 1 September	701,000	-
Transferred in on existing academies joining the trust	2,575,000	620,000
Interest income	145,000	12,000
Actuarial gains/(losses)	354,000	(58,000)
Employee contributions	90,000	26,000
Benefits paid	2,000	(3,000)
Admin expenses	(12,000)	(4,000)
Employer contributions	316,000	108,000
Limit on asset ceiling	(772,000)	-
At 31 August	3,399,000	701,000

27. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	47,460	28,901
Later than 1 year and not later than 5 years	69,258	28,456
	116,718	57,357

28. Members' liability

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

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Related party transactions

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

The Trust expensed costs of £48,788 (2022 - £45,880) during the year in respect of a service level agreement with Furness College, an entity in which a Trustee is the Principal. The agreement related to the recharge of staff costs at cost value. £12,169 (2022 - Nil) was outstanding at the balance sheet date.

30. Post balance sheet events

As of the 1 October 2023 all educational operations, including staff members via TUPE, the fixed assets and Local Government Pension Scheme liabilities of the South Walney Junior School were transferred into the Multi-Academy Trust at their fair value.

As of the 1 October 2023 all educational operations, including staff members via TUPE, the fixed assets and Local Government Pension Scheme liabilities of the Newbarns Primary and Nursery School were transferred into the Multi-Academy Trust at their fair value.

As of the 1 October 2023 all educational operations, including staff members via TUPE, the fixed assets and Local Government Pension Scheme liabilities of the Cambridge Primary School were transferred into the Multi-Academy Trust at their fair value.

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

31. Transfer of existing academies into the trust

Ormsgill School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	2,990,888	2,990,888
Current assets		
Cash at bank and in hand	84,365	84,365
Liabilities		
Creditors due within one year	(28,987)	(28,987)
Pensions		
Pensions - pension scheme assets	1,287,500	1,287,500
Pensions - pension scheme liabilities	(1,055,000)	(1,055,000)
Net assets	3,278,766	3,278,766

Vickerstown School

	Value reported by transferring trust £	Transfer in recognised £
Intangible assets		
Tangible fixed assets		
Long-term leasehold property	3,961,513	3,961,513
Current assets		
Liabilities		
Creditors due within one year	(64,024)	(64,024)
Pensions		
Pensions - pension scheme assets	1,287,500	1,287,500
Pensions - pension scheme liabilities	(1,055,000)	(1,055,000)
Net assets	4,129,989	4,129,989

The trustees have been unable to ascertain the split between the two primary schools in regard to the introduction of the pension scheme assets and liabilities. They have therefore decided to split the introductory balances equally between the schools.

