

SOUTH CUMBRIA MULTI-ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr John Butler
Mrs Janice Fielding
Mr Keith Johnson
Mr Ben Shirley (resigned 6 September 2025)
Ms Karla Thomas (resigned 18 August 2025)
Mr Philip Huck (resigned 18 June 2025)

Trustees

Mr Philip Huck, Chair of Trustees (resigned 23 July 2025)
Professor Andrew Wren, Chief Executive/Accounting Officer (resigned 1 October 2025)
Mr John Burgess, Chair of Trustees
Ms Karla Thomas, Trustee (resigned 20 May 2025)
Mr James Lancaster, Trustee (appointed 3 June 2025)
Dr Peter Butterworth, Trustee
Ms Jeana Johnson, Trustee (appointed 10 April 2025, resigned 18 August 2025)
Ms Emma Aubrey, Trustee (resigned 7 October 2024)
Ms Janet Dixon, Trustee (resigned 16 October 2025)
Mr Jayden Milby, Trustee
Ms Samantha Roworth, Trustee (appointed 30 April 2024)
Ms Helen Wharton, Trustee (appointed 17 October 2024)
Mr Liam Edgeley (resigned 1 May 2025)

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

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

**Senior management
team**

Accounting Officer / CEO

Mr Steve (Stephen) Jefferson — Acting Accounting Officer (from 2 Oct 2025)
Former: Professor Andrew Wren — Accounting Officer (to 1 Oct 2025)

Chief Operations and Finance Officer (COFO) and/or Chief Finance Officer (CFO):

Mr Gareth Preen — (from 9 Jun 2025) (CFO and COFO)

Ms Sarah Hooper – (01 January 2025 to 9 Jun 2025) (CFO)

Mr Ian Harris – (to 31 December 2025) (CFO)

Headteachers / Principals:

Chetwynde School:

Mr Steve (Stephen) Jefferson — Headteacher/Principal (ongoing)

Ormsgill Nursery and Primary School:

Mr Michael (Mick) Cull — Headteacher (ongoing)

Vickerstown Primary School:

Mr David Holmes — Headteacher (to 31 August 2025)

Mr Michael (Mick) Cull — Interim Executive Headteacher (from 1 September 2025)

Newbarns Primary & Nursery School:

Mr Gary Birkett — Headteacher (to 30 September 2025).

Ms Victoria Fitzgibbons – Acting Headteacher (from 1 October 2025 to
31 December 2025), Headteacher (from 1 January 2026)

Cambridge Primary School:

Mrs Jenny Lavery — Headteacher (ongoing)

South Walney Junior School:

Mrs Zena Lines — Headteacher (ongoing)

Director of Education

Caroline Vernon (to 31 August 2025)

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

Solicitors

Schofield Sweeney
Church Bank House
Church Bank
Bradford
West Yorkshire
BD1 4DY

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2024 to 31 August 2025. 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.

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 (SCMAT) 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 vested in the Board of Trustees, who are appointed or co-opted under the terms of the Memorandum and Articles of Association.

d. Policies adopted for the induction and training of Trustees

Newly appointed Trustees receive a formal letter from the Chair confirming expectations and statutory duties. Induction covers governance, safeguarding, education, and financial management. Trustees are provided with policies, prior minutes, budgets, plans and other documents needed to discharge their responsibilities. Ongoing development is supported through appropriate external training and periodic external reviews of governance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management (continued)

e. Organisational structure

The Trust operates a defined governance and management framework that sets out decision-making responsibilities, lines of accountability and reporting arrangements, in line with the **Academies Trust Handbook**.

The **Scheme of Delegation** establishes the respective responsibilities, duties and powers of the Trust Board, its committees, senior officers and the Local Governing Bodies (LGBs) for each of the Trust's six schools:

School	Latest position	Inspection date	Pupil Number (Autumn 2024) (Excl Nursery)
Chetwynde School	Overall Good	07-Nov-23	493
Ormsgill Nursery and Primary School	Latest inspection uses the new framework without a single overall grade. Ofsted report shows Good judgements in all areas	13-May-25	165
	School site confirms "Good in all areas"	13-May-25	
Newbarns Primary School	Latest inspection uses the new framework without a single overall grade. Report shows Good judgements in all areas	29-Apr-25	399
Cambridge Primary School	No Ofsted inspection of the academy published yet	—	192
	Predecessor school's last graded inspection Good	16-May-17	
South Walney Junior School	No Ofsted inspection of the academy published yet	—	191
	Predecessor school graded Good at last graded inspection	08-Nov-12	
Vickerstown Primary School	No Ofsted inspection of the academy published yet	—	159
	Predecessor school graded Good at last graded inspection	14-Nov-17	

The Trust Board comprises non-executive Trustees and is responsible for the overall strategic direction of the Trust and for holding the executive to account for performance, compliance and financial probity. Day-to-day management is delegated to the executive leadership team.

In response to the Confederation of School Trusts (CST) external review and the Notice to Improve (June 2025), the Board has strengthened governance arrangements, refined committee remits and enhanced the quality and frequency of reporting from schools and central teams.

The specific responsibilities of the Trust Board include:

- Setting strategic priorities and approving the Trust's annual and medium-term plans.
- Approving the annual budget, financial strategy and reserves policy.
- Monitoring and evaluating educational and financial performance across all academies.
- Appointing, appraising and, where necessary, dismissing the Chief Executive Officer.
- Setting the remuneration framework for the Executive Team.
- Ensuring robust financial management, internal control and risk management systems.
- Approving statutory and regulatory policies, including safeguarding and health and safety.
- Receiving and reviewing reports from internal and external auditors and agreeing actions.
- Maintaining and annually reviewing a Register of Interests for Trustees, LGB members and staff.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management (continued)

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

The Board determines pay and contractual terms for key management personnel, including the CEO, COFO and Headteachers, within the Academies Trust Handbook framework, taking account of the School Teachers' Pay and Conditions Document, National Joint Council pay awards, benchmarking for comparable organisations, affordability within the Trust plan, and performance against objectives. Executive pay proposals are considered by the Remuneration and Performance Committee and approved by the Board. The rationale for decisions is recorded.

g. Engagement with employees (including disabled persons)

The Trust engages with staff through meetings, leadership briefings and forums. During 2024 to 2025 transparent updates on finance, governance and change supported consultation. The Trust promotes equality, diversity and inclusion in recruitment, retention and development, and makes reasonable adjustments for disabled applicants and employees. Staff wellbeing is supported through workload, flexible working and mental health initiatives.

Objectives and activities

a. Objects and aims

SCMAT's mission is to become a sustainable and highly effective multi academy trust. 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 wellbeing and resilience in a safe and protective environment

b. Public benefit

In setting objectives and planning activities, the Trustees have had due regard to the Charity Commission's general guidance on public benefit. The MAT structure enables economies of scale in shared services, including HR, finance, IT, data and school improvement, and supports improved terms in contract negotiations.

c. Strategic Priorities

- **Inspire:** Provide a rewarding, supportive, safe and inclusive environment.
- **Succeed:** Raise aspirations, create opportunity and promote personal development through high-quality inclusive education.
- **Contribute:** Support the success of South Cumbria's children, families and communities.
- **Prosper:** Ensure financial sustainability through efficiency, cost effectiveness and sustained income.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance

a. Key performance indicators

General and cross-Trust

- **Teacher recruitment and development:** Partnership with the University of Cumbria to launch an Initial Teacher Training programme leading to PGCE and QTS, strengthening the local talent pipeline.
- **Governance improvement:** External review by the CST identified strengths in vision, culture and community engagement, and provided recommendations now informing the governance improvement plan.
- **Health, safety and compliance:** Trust-wide compliance project consolidating facilities management and monitoring through the Every system.
- **Workforce planning:** Trust-wide staffing review initiated to improve alignment of roles, financial sustainability and pupil need.
- **Celebration and values:** SCMAT Superstars Awards recognised pupils exemplifying the Trust's values.
- **Wellbeing and inclusion:** External funding of £20,000 enabled a year-long counselling service for senior pupils at Chetwynde, with early positive impact on attendance and engagement.
- **Recognition:** Chetwynde and Ormsgill were shortlisted for Golden Apple Education Awards, including Secondary School of the Year, Student of the Year and Best Inclusion Initiative.

Chetwynde School

- Two teachers achieved NPQSL, strengthening leadership capacity.
- KS2 combined expected standard at 70% against national 62%, up from 64% in 2023–24.
- Year 1 Phonics improved to 93% from 82%.
- GCSE attainment in line with national average 47%, above local benchmark 42%.
- Strong results in Trinity College London performing arts examinations.

Ormsgill Nursery and Primary School

- Ofsted 2025: Good in all areas, praising curriculum quality and staff expertise.
- Ongoing community engagement, including Cumbria Constabulary Mini Police.
- Ormsgill Book Festival expanded into the Barrow-wide BookTastic Children's Book Festival with external funding.
- Leadership profiled in Team Barrow's "Barrow Rising" campaign.

South Walney Junior School

- KS2 combined expected standard 66% against national 62%.
- National recognition in Poetry By Heart, with a finalist performance at the Globe Theatre.

Newbarns Primary School

- Ofsted: Good in all areas, highlighting a broad and ambitious curriculum and respectful culture.
- Year 1 Phonics outcomes 81%, above national average.
- Sixteen staff achieved Makaton Level 1, enhancing communication support.

Cambridge Primary School

- Choirs won both key-stage categories at the South Cumbria Music Festival, plus the Forge Europa Award and £100 bursary.
- £10,000 DfE National Education Nature Park grant to improve outdoor learning and biodiversity.
- Dance showcase celebrating cross-curricular learning.

Vickerstown Primary School

- Trust-wide Singalong performance of Space Oddity, celebrating music and teamwork.
- New playground opened following a £10,000 fundraising campaign, supported by Trust site staff.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

b. Going concern

At the year end date, the restricted funds of the Trust stood at a deficit of £561,427, excluding a closing pension liability of £nil. The balance sheet shows net current liabilities of £487,775.

Since the reporting date, cash balances have reduced and an in year deficit is forecast for the year ending 31 August 2026, requiring the Trustees to review whether the going concern basis remains appropriate.

The Trust's early expansion placed significant pressure on central reserves, and a number of historic financial assumptions and budget models proved insufficiently robust to support sustainable growth. In response, the Board commissioned a detailed Strategic Review, underpinned by SRMA recommendations, to ensure that future financial planning is evidence based and compliant with best practice.

To strengthen oversight, an interim CFO was appointed in October 2024 to conduct a forensic review of the 2024–25 budget, cash flow and reserves. The review identified areas where greater prudence, oversight and alignment with the Academies Trust Handbook were required. The interim CFO implemented corrective actions before her fixed term contract naturally concluded in June 2025.

Following this work, the 2025–26 Budget Forecast Return (BFR) was approved by the Board in June 2025 and formally signed by the then Chief Executive Officer and Accounting Officer, who relied on the SRMA's accompanying assurance and recommendations.

A second interim CFO was subsequently engaged to extend this recovery work through the summer. That review led to the DfE providing short term liquidity support in period 12, enabling cash flow stabilisation. During this period ICFP tools were implemented which had not previously been fully embedded. The interim CFO was appointed substantive COFO on 1 September 2025 to lead the ongoing recovery phase.

Leadership transitions also occurred: the Trust's Chair resigned on 10 July 2025 and was replaced, and the substantive CEO and Accounting Officer resigned on 30 September 2025. Senior leadership changes at school level followed.

Throughout this period the Trust worked closely with the Department for Education.

A Notice to Improve was issued on 27 June 2025. Trustees and senior leaders have implemented recommendations from the SRMA and internal audit reviews.

While the Trustees recognise that previous financial management and forecasting arrangements did not provide the level of assurance expected and understand their responsibilities in relation to this, they are satisfied that corrective action has been taken as far as reasonably possible to rebuild financial control, governance and confidence regarding future strategic direction and financial sustainability.

Summary of key events and actions:

- October 2024, interim CFO appointed to complete a forensic review of the 2024–25 budget and assumptions
- December 2024, substantive CFO left the Trust.
- June 2025, Board approved the 2025–26 budget following SRMA review.
- June 2025, interim CFO concluded her fixed term contract and a replacement CFO was engaged.
- June to August 2025, with new CFO in continual dialogue with DfE and a secondary financial review completed; DfE provided liquidity support in period 12;
 - ICFP tools introduced and regulatory corrective measures initiated.
- 27 June 2025 Notice to Improve was issued.
- 10 July 2025, Chair of the Trust resigned and was replaced.
- 1 September 2025, interim CFO appointed substantive COFO.
- 30 September 2025, substantive CEO and Accounting Officer retired.
- September and October 2025, senior leadership changes at school level.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

Conclusion on going concern

The Trustees have assessed the Trust's ability to continue as a going concern for at least twelve months from approval of these financial statements, taking account of forecast cash flows, creditor positions, Department for Education engagement and the cost reduction programme.

There remains a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. Notwithstanding this, the Trustees consider the going concern basis appropriate given actions already taken, continued oversight and support by the Department for Education and the planned managed rebrokering/merger process.

For absolute clarity, this conclusion is reached on the explicit assumption that support from the Department for Education will extend beyond routine governance and operational oversight. It is based on the expectation of additional financial support above the levels normally received through recurring income streams. Such support will be required to meet ongoing costs, liabilities and cash flow pressures not only during the rebrokering or merger period but also up to the point at which South Cumbria Multi Academy Trust is dissolved and removed from the Companies House register. The Trustees are aware that they retain full accountability for the organisation until that point.

Financial review

a. Reserves policy

Free reserves are below target. A plan is in place to rebuild balances during the transition period and, where appropriate, with Department for Education support and oversight, consistent with the financial stability strategy agreed with the Department for Education.

As of 31 August 2025 the total funds comprised:

Unrestricted	£ -
Restricted:	
Fixed asset funds	£13,185,735
GAG	£(536,529)
Pension reserve	£ -
Other	£(24,898)
Total	£12,624,308

Total funds per school:

School	Restricted Funds	Unrestricted Funds
Chetwynde School	£(444,310)	£ -
Ormsgill Nursery and Primary School	£(354,067)	£ -
Newbarns Primary School	£206,365	£ -
Cambridge Primary School	£(14,932)	£ -
South Walney Junior School	£95,614	£ -
Vickerstown Primary School	£(300,094)	£ -

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

b. Investment policy

The Trust's investment policy prioritises security and liquidity over yield. Surplus cash not immediately required for operations is placed on short-term deposit with institutions covered by the Financial Services Compensation Scheme. Day-to-day management is delegated to the CEO and COFO under FARAC oversight. No speculative investments or long-term financial instruments are held. The policy complies with the Academies Trust Handbook.

c. Principal risks and uncertainties

The Trust maintains a comprehensive risk management framework, reviewed termly by the Finance, Audit and Risk Assurance Committee and reported to the Board. The operating environment remains challenging, characterised by persistent inflationary pressure, rising employment costs and constrained public funding. Liquidity remains fragile, exacerbated by high needs funding shortfalls and declining pupil numbers across parts of South Cumbria.

The Trust continues to see a steady increase in pupils with Education, Health and Care Plans (EHCPs). Five years ago, 15.2 percent of pupils were recorded as requiring SEN support, compared with a local average of 13.4 percent. By 2024–25 this had risen to 16.1 percent, against a local trend of 14.9 percent. Trustees are proud of the inclusive ethos embedded across the Trust's schools but acknowledge the financial pressure this places on staffing and provision. Funding has not kept pace with rising levels of need, reflecting constraints within the Local Authority's High Needs Block, which the Trust recognises is a significant challenge for the Authority as well as for schools.

Limited access to capital funding further constrains the Trust's ability to invest in estate and ICT infrastructure. Although applications are made to external funding streams such as the Condition Improvement Fund, these are not guaranteed, and without additional support there is a material risk that elements of the estate will continue to deteriorate.

Throughout the year the Board has worked closely with the Department for Education under the Notice to Improve. The recovery programme is being implemented at pace, increasing short term risks linked to capacity, workload and organisational resilience. Continued support and oversight from the Department for Education remain essential to the Trust's long term recovery and sustainability.

Key risk areas

1. Financial and liquidity risk based on public funding and limited ability to generate unrestricted income
2. High needs and SEND funding risk, rising complexity and static local allocations
3. Demographic and pupil number risk across Barrow and South Cumbria
4. Safeguarding and pupil welfare, with full compliance with Keeping Children Safe in Education
5. Governance and compliance, with improvements following the external review and Notice to Improve
6. Capacity and organisational resilience, given the recovery programme
7. Capital investment constraints across estates and ICT, addressed through condition survey planning
8. Operational and fraud risk, mitigated through internal audit, training and segregation of duties

Key Performance Indicators (KPIs)

The Trust monitors a small number of core indicators to assess organisational health and progress towards its strategic objectives. During 2024–25, two principal Key Performance Indicators were used to measure success: the maintenance of reserves and the quality of education as evidenced through Ofsted outcomes.

1. Financial Sustainability – Maintenance of Reserves

The primary financial KPI for the Trust is the level of unrestricted and general restricted reserves held at year-end. This provides assurance of liquidity and operational resilience in line with the Trust's Reserves Policy, which targets free reserves equivalent to four to six weeks of core expenditure.

At 31 August 2025, free reserves remained below the target range due to the ongoing financial recovery plan and the corrective actions required under the Notice to Improve.

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TRUSTEES' REPORT (CONTINUED)
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2. Educational Quality – Ofsted Ratings

Educational quality across the Trust is monitored through inspection outcomes and self-evaluation. Ofsted judgements provide a key indicator of the effectiveness of teaching, leadership and governance within each academy.

As at 31 August 2025:

- Three schools (Chetwynde, Ormsgill and Newbarns) had been inspected within the past two years, each securing Good judgements in all areas under the current Education Inspection Framework.
- The remaining schools (Cambridge, South Walney Junior and Vickerstown) had yet to receive a full graded inspection since conversion, but all retained a predecessor judgement of Good.

Fundraising

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

Plans for future periods

The Trust remains committed to its mission to inspire young people and change lives across South Cumbria.

Subsequent events and rebrokering

While educational standards continued to show strengths across several schools, the Board concluded that the financial recovery and capital investment required exceed the resources available to the Trust acting alone, informing the subsequent decision to pursue rebrokering.

On 12 November 2025, after the reporting date, the Board ratified a decision to work with the Department for Education to rebroker all Trust schools and merge with a new Academy Trust. The decision reflects the scale of financial and organisational challenges and the level of external support required. The decision was made reluctantly. The Board will continue to discharge its responsibilities until transfers complete, including maintaining safeguarding, financial control and statutory compliance.

Furthermore, the Board will continue to discharge its responsibilities up to the point at which South Cumbria Multi Academy Trust is dissolved and removed from the Companies House register

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 and signed on its behalf by:

John Burgess
Chair of Trustees

Stephen Jefferson
Acting Accounting Officer

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge our overall responsibility for ensuring that South Cumbria Multi Academy Trust maintains an effective and appropriate system of control, financial and otherwise. Such a system manages rather than eliminates risk and provides reasonable, not absolute, assurance against material misstatement or loss. The Trustees have had due regard to the DfE's Governance Handbook and Competency Framework for Governance, and have acted in accordance with the Academies Trust Handbook 2025.

The Board delegates day-to-day operational responsibility to the Chief Executive Officer (CEO), who also serves as Accounting Officer, responsible for maintaining sound systems of internal control in accordance with the funding agreement and for reporting any material weaknesses to the Board.

Governance

The following information supplements the Trustees' Report and Statement of Trustees' Responsibilities.

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	7	7
Professor Andrew Wren	7	8
Chief Executive/Accounting Officer		
Mr John Burgess, Chair of Trustees	7	8
Ms Jeana Johnson Trustee	3	4
Mr James Lancaster, Trustee	2	3
Dr Peter Butterworth, Trustee	6	7
Ms Janet Dixon, Trustee	7	7
Mr Jayden Milby, Trustee	7	7
Ms Samantha Roworth, Trustee	7	7
Ms Helen Wharton, Trustee	5	7
Mr Liam Edgeley	2	3

Governance arrangements were strengthened in line with recommendations from the CST review and SRMA, and in response to the Notice to Improve. This included refining committee structures, improving the quality of financial and performance reporting, and clarifying delegated responsibilities within the Scheme of Delegation.

A Trustee with financial expertise joined the Finance, Audit and Risk Assurance Committee (FARAC).

Succession planning remains a focus for 2025–26. Chairs of LGBs attend a regular LGB Chairs' Forum to ensure clear communication between schools and the Trust Board.

All Trustees have undertaken mandatory governance and safeguarding training. A skills audit has been completed to ensure the Board's collective capability aligns with current and future needs. The Clerk maintains a Register of Interests which is updated annually or as required. Trustees withdraw where a conflict may arise. The Board remains committed to self-evaluation and continuous improvement.

FARAC is a sub-committee of the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Professor Andrew Wren	6	6
Mr John Burgess	4	6
Dr Peter Butterworth	4	6
Ms Samantha Roworth	6	6
Mr Philip Huck	6	6

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

FARAC provides detailed scrutiny of financial management, internal controls and risk management and reports directly to the Board with recommendations.

Governance conflict management sentence

The Chair of Trustees also served as Chair of the Chetwynde Local Governing Body during the period in line with the Scheme of Delegation. Potential conflicts were recorded on the Register of Interests and managed through standing declarations and withdrawal from decisions where appropriate.

Review of value for money

The Accounting Officer is responsible for securing value for money in the use of public resources. During 2024–25 this included improved financial oversight and implementation of SRMA recommendations, strengthened procurement and contract management, increased use of benchmarking to identify efficiencies, collaboration across schools on curriculum and staffing, income generation with local partners, and leadership development and workforce planning to secure better outcomes from existing resources.

The purpose of the system of internal control

The system of internal control is designed to manage risks to a reasonable level. It supports achievement of objectives through effective risk management, compliance and assurance processes.

Capacity to handle risk

The Board reviews key risks regularly, supported by a Trust-wide Risk Register that identifies strategic, operational and financial risks, their potential impact and mitigating controls. The register is reviewed termly by FARAC and updated following internal audit reviews and strategic discussions.

The risk and control framework

Financial control includes comprehensive budgeting and forecasting with termly management accounts reviewed by FARAC and the Board, delegated authority limits and segregation of duties, procurement controls and approvals, regular performance and compliance reporting, and systematic identification, evaluation and mitigation of risk.

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

Internal audit work focused on Safeguarding, Academy Handbook Review and an Estates Review. Reports concluded that the areas reviewed demonstrated strong or substantial levels of control, with exception of the Ntl

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 third year of the Trust's operation internal audit work focused on reviews of the onboarding process relating to new schools joining the trust, the Trust's risk management policy and processes, purchasing and payments processes and follow-up reviews on the audits carried out last year.

From the Assignment Plan document relating to the review of purchasing and payments "The purpose of the assignment is to ensure the risks surrounding the purchasing and payment procedures in place at the Trust are appropriately managed and controlled. We will carry out detailed checks on all areas of purchasing and payments to ensure that these are correctly recorded in the financial systems. We will consider the arrangements in place at Trust level and at the Schools within the Trust."

The purpose of the onboarding process review was to: "to ensure that the Trust has a robust process for Onboarding new Schools within the Trust. We will look to ensure that the Trust has effective processes in place for Schools joining and for ensuring that they adapt to the Trust's policies and procedures in relation to governance and finance."

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The purpose of the risk management review was to: “ensure that the Trust has appropriate risk management arrangements in place and that these have been embedded throughout the whole Trust. This will be a review to provide assurance to the Finance, Audit & Risk Assurance Committee, that the Trust’s risk management arrangements are adequate. We will consider the arrangements in place at Trust level and at the schools within the Trust.”

The purpose of the follow-up reviews was to “provide the Finance, Audit and Risk Assurance Committee with assurance that prior year recommendations are implemented within the expected timescales.”

Overall the reports concluded that the controls reviewed were either Strong or Substantial in all cases.

The internal auditor reported to the Board of Trustees through the Finance, Audit and Risk Assurance Committee three times during the year on the operation of the Trust’s financial procedures and controls and corporate governance.

Review of effectiveness

The Accounting Officer reviews the effectiveness of internal control drawing upon the work of internal audit, management assurance on controls and the work of the external auditors. The results of this review have been reported to FARAC and the Board, together with an action plan for continuous improvement.

Conclusion

Based on evidence from internal and external audit and the assurance processes in place, the Board is satisfied that the Trust maintained an adequate and effective framework for governance, risk management and internal control throughout the reporting period and up to the date of approval of these financial statements. The Board acknowledges that the Notice to Improve issued on 27 June 2025 reflected historic weaknesses in financial management and forecasting. Since that point, corrective measures recommended by the SRMA, internal audit and the Department for Education have been implemented as far and as rapidly as possible and governance arrangements have been strengthened. These improvements are embedded and continue to evolve as part of the Trust’s recovery plan and the managed rebrokering process in collaboration with the Department for Education.

Governance arrangements continue to evolve following leadership and structural changes, and the Board remains committed to further strengthening systems and controls in line with DfE expectations.

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

John Burgess
Chair of Trustees
Date:

Stephen Jefferson
Acting Accounting Officer

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

STATEMENT OF 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 Department for Education (DfE) 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 2024, 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 2024.

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

.....
Stephen Jefferson
Accounting Officer

Date:

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2025

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 Department for Education, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025;
- 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 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:

.....
John Burgess
Chair of Trustees
Date:

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 2025 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 2024 to 2025 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 2025 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 2024 to 2025 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the Trust operated at a deficit in the year to 31 August 2025 of £838,652. At the year end date, the restricted funds of the Trust stood at a deficit of £561,427 and the balance sheet shows net current liabilities of £487,775. Post year end the Trust's cash reserves have reduced further and a deficit is forecast for the year ending 31 August 2026. The Trust have approached the DfE who have indicated that they are willing to provide financial support, however at the date of signing these financial statements the terms of that support is not confirmed. The Trust is relying on DfE support to continue in operational existence for a period of 12 months from the point of signing the financial statements.

As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- 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;
- tested journal entries to identify unusual transactions;
- 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.

David Harper (Senior statutory auditor)

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Carlisle

Date:

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 2024 to 2025, 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 2024 to 31 August 2025 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 2024, 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 2024 to 2025. 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 2024 to 31 August 2025 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, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2024 to 31 August 2025 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors

Date:

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 2025**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and capital grants	4	45,576	-	56,848	102,424
Other trading activities		415,909	288,987	-	704,896
Investments	7	16,195	-	-	16,195
Charitable activities		-	12,953,946	-	12,953,946
Total income		477,680	13,242,933	56,848	13,777,461
Expenditure on:					
Charitable activities	9	477,680	13,809,059	329,374	14,616,113
Total expenditure		477,680	13,809,059	329,374	14,616,113
Net (expenditure)/income		-	(566,126)	(272,526)	(838,652)
Transfers between funds	20	(62,751)	62,751	-	-
Net movement in funds		(62,751)	(503,375)	(272,526)	(838,652)
Reconciliation of funds:					
Total funds brought forward		62,751	(58,052)	13,458,261	13,462,960
Net movement in funds		(62,751)	(503,375)	(272,526)	(838,652)
Total funds carried forward		-	(561,427)	13,185,735	12,624,308

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

The notes on pages 26 to 54 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 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	16	13,159,765	13,417,941
		<hr/>	<hr/>
		13,159,765	13,417,941
Current assets			
Debtors	17	497,310	596,074
Cash at bank and in hand		216,273	797,684
		<hr/>	<hr/>
		713,583	1,393,758
Creditors: amounts falling due within one year	18	(1,201,358)	(1,262,298)
		<hr/>	<hr/>
Net current liabilities / assets		(487,775)	131,460
Total assets less current liabilities		<hr/> 12,671,990	<hr/> 13,549,401
Creditors: amounts falling due after more than one year	19	(47,682)	(86,441)
		<hr/>	<hr/>
Total net assets		<hr/> 12,624,308 <hr/>	<hr/> 13,462,960 <hr/>

SOUTH CUMBRIA MULTI-ACADEMY TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 13414087

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2025

	Note		2025 £	2024 £
Funds of the Trust				
Restricted funds:				
Fixed asset funds	20	13,185,735	13,458,261	
Restricted income funds	20	(561,427)	(58,052)	
Total restricted funds	20		12,624,308	13,400,209
Unrestricted income funds	20		-	62,751
Total funds			12,624,308	13,462,960

The financial statements on pages 22 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Mr John Burgess
 Chair of Trustees
 Date:

The notes on pages 26 to 54 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 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(490,610)	47,779
Cash flows from investing activities	24	(71,198)	(108,159)
Cash flows from financing activities	23	(19,603)	(15,756)
Change in cash and cash equivalents in the year		(581,411)	(76,136)
Cash and cash equivalents at the beginning of the year		797,684	873,820
Cash and cash equivalents at the end of the year	25, 26	216,273	797,684

The notes on pages 26 to 54 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 2025

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 2024 to 2025 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Going concern

The Trust operated at a deficit in the year to 31 August 2025 of £838,652. At the year end date, the restricted funds of the Trust stood at a deficit of £561,427 and the balance sheet shows net current liabilities of £487,775.

Since the reporting date, cash balances have reduced and an in year deficit is forecast for the year ending 31 August 2026.

The Trustees have assessed the Trust's ability to continue as a going concern for at least twelve months from approval of these financial statements, taking account of forecast cash flows, creditor positions, Department for Education engagement and the cost reduction programme.

There remains a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. Notwithstanding this, the Trustees consider the going concern basis appropriate given actions already taken, continued oversight and expectation of support from the Department for Education and the planned managed rebrokering/merger process.

Should the rebrokering occur within 12 months from the date of signing the financial statements the trustees are aware of their obligations to enable the orderly windup of the Academy Trust soon after the transfer of all activities, assets and liabilities. This would be with the support of the DfE. More detail is included in the Trustees Report.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

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 2025

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 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 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.

2.7 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 2025

2. Accounting policies (continued)

2.7 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

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.

2.8 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.

2.9 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.

2.10 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.

2.11 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 17. 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 18 and 19. 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.

2.12 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 2025

2. Accounting policies (continued)

2.13 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.

2.14 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

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 27, 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 2025. 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 2.6.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

4. Income from donations and capital grants

	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Donations					
Transfer from local authority on conversion	-	-	-	-	4,870,630
Donations	45,576	-	12,500	58,076	100,970
Devolved capital formula	-	-	-	-	131,858
Capital grants	-	-	44,348	44,348	-
	<u>45,576</u>	<u>-</u>	<u>56,848</u>	<u>102,424</u>	<u>5,103,458</u>
<i>Total 2024</i>	<u>-</u>	<u>651,585</u>	<u>4,451,873</u>	<u>5,103,458</u>	

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

5. Funding for the Trust's charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Educational operations				
DfE/ESFA grants				
General Annual Grant	-	8,744,362	8,744,362	8,105,524
Other DfE/ESFA grants				
Pupil Premium	-	656,502	656,502	595,682
UFSM	-	153,505	153,505	124,975
Sports Premium	-	107,610	107,610	129,588
Other DfE/ESFA Grants	-	1,220,347	1,220,347	711,161
Other grants	-	-	-	3,991
	-	10,882,326	10,882,326	9,670,921
Local Authority grants				
SEN Funding	-	1,390,011	1,390,011	1,263,477
Early Years Funding	-	631,839	631,839	571,666
Other LA Grants	-	49,770	49,770	25,778
	-	2,071,620	2,071,620	1,860,921
	-	12,953,946	12,953,946	11,531,842
	-	12,953,946	12,953,946	11,531,842
<i>Total 2024</i>	<i>3,991</i>	<i>11,527,851</i>	<i>11,531,842</i>	

6. Income from other trading activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Catering	179,440	-	179,440	171,709
Educational trips & visits	-	288,987	288,987	166,323
Other trading activities	236,469	-	236,469	262,309
	415,909	288,987	704,896	600,341
<i>Total 2024</i>	<i>434,018</i>	<i>166,323</i>	<i>600,341</i>	

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

6. Income from other trading activities (continued)

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Investment income - other	16,195	16,195	20,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2024</i>	<i>20,905</i>	<i>20,905</i>	
	<hr/> <hr/>	<hr/> <hr/>	

8. Expenditure

	Staff Costs 2025 £	Premises 2025 £	Other 2025 £	Total 2025 £	<i>Total 2024 £</i>
Educational operations:					
Direct costs	9,639,092	-	862,814	10,501,906	10,110,190
Allocated support costs	1,788,306	894,068	1,431,833	4,114,207	3,500,318
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	11,427,398	894,068	2,294,647	14,616,113	13,610,508
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2024</i>	<i>10,451,900</i>	<i>615,178</i>	<i>2,543,430</i>	<i>13,610,508</i>	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	<i>Total 2024 £</i>
Educational operations	477,680	14,138,433	14,616,113	13,610,508
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2024</i>	<i>506,813</i>	<i>13,103,695</i>	<i>13,610,508</i>	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

10. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Educational operations	10,501,906	4,114,207	14,616,113	13,610,508
<i>Total 2024</i>	<u>10,110,190</u>	<u>3,500,318</u>	<u>13,610,508</u>	

Analysis of support costs

	Educational operations 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Staff costs	1,802,663	1,802,663	1,070,025
Depreciation	329,374	329,374	338,747
Other support costs	840,742	840,742	-
Technology costs	126,353	126,353	194,923
Admin costs	-	-	833,233
Premises	894,069	894,069	-
Maintenance & Repairs	-	-	75,292
Rent & Rates & Utilities	-	-	122,475
Catering	-	-	619,044
Legal costs	34,594	34,594	-
Other Supplies	-	-	41,367
Transport	-	-	18,485
CIF Expenditure	-	-	186,727
Governance costs	86,412	86,412	-
	<u>4,114,207</u>	<u>4,114,207</u>	<u>3,500,318</u>
<i>Total 2024</i>	<u>3,500,318</u>	<u>3,500,318</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2025	<i>2024</i>
	£	£
Operating lease rentals	(75,838)	<i>(74,742)</i>
Depreciation of tangible fixed assets	(329,374)	<i>(338,747)</i>
Fees paid to auditors for:		
- audit	(30,077)	<i>(26,228)</i>
- other services	(5,850)	<i>(1,530)</i>
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

12. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2025	2024
	£	£
Wages and salaries	8,347,948	7,064,564
Social security costs	885,214	680,290
Pension costs	1,959,845	1,614,192
Other employee benefits	96,705	136,728
	11,289,712	9,495,774
Agency staff costs	351,039	478,063
Staff restructuring costs	18,656	-
	11,659,407	9,973,837

Staff restructuring costs comprise:

	2025	2024
	£	£
Severance payments	13,256	-
Other restructuring costs	5,400	-
	18,656	-

b. Severance payments

The Trust paid 1 severance payments in the year (2024 - -), disclosed in the following bands:

	2025	2024
	No.	No.
£0 - £25,000	1	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

12. Staff (continued)

c. Staff numbers

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

	2025	2024
	No.	No.
Teacher	94	273
Administration and support	221	116
Management	22	16
	<u>337</u>	<u>405</u>

d. Higher paid staff

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

	2025	2024
	No.	No.
In the band £60,001 - £70,000	4	-
In the band £70,001 - £80,000	2	4
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	2	-
In the band £140,001 - £150,000	1	-
In the band £150,001 - £160,000	-	1
	<u>-</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of 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 £1,049,976 (2024 - £480,842).

SOUTH CUMBRIA MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

13. 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:

For the first year of being part of the Trust each school pays 6% of their general annual grant for the central services listed above. In their second year the schools pay 5% and any year following this 4% is paid.

In addition to these charges, an amount was levied to create a surplus within Central Services in order to support the rebrokering process. This levy was apportioned across the Academy Trust based on pupil numbers.

The actual amounts charged during the year were as follows:

	2025	<i>2024</i>
	£	£
Chetwynde School	116,052	<i>103,726</i>
Ormsgill Primary School	46,584	<i>53,107</i>
Vickerstown Primary School	42,048	<i>49,709</i>
Newbarns Primary and Nursery School	99,828	<i>94,963</i>
South Walney Junior School	51,336	<i>54,934</i>
Cambridge Primary School	58,212	<i>57,466</i>
Total	414,060	<i>413,905</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

14. 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:

		2025	2024
		£	£
Professor Andrew Wren, Chief Executive	Remuneration	150,000 -	150,000 -
		155,000	155,000
	Pension contributions paid	40,000 -	35,000 -
		45,000	40,000

During the year ended 31 August 2025, expenses totalling £7,697 were reimbursed or paid directly to 1 Trustee (2024 - £NIL to no Trustees).

15. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

16. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2024	2,309,403	11,171,446	530,339	127,819	14,139,007
Additions	-	-	50,815	20,383	71,198
At 31 August 2025	<u>2,309,403</u>	<u>11,171,446</u>	<u>581,154</u>	<u>148,202</u>	<u>14,210,205</u>
Depreciation					
At 1 September 2024	163,629	305,101	158,001	94,335	721,066
Charge for the year	54,543	199,007	51,942	23,882	329,374
At 31 August 2025	<u>218,172</u>	<u>504,108</u>	<u>209,943</u>	<u>118,217</u>	<u>1,050,440</u>
Net book value					
At 31 August 2025	<u><u>2,091,231</u></u>	<u><u>10,667,338</u></u>	<u><u>371,211</u></u>	<u><u>29,985</u></u>	<u><u>13,159,765</u></u>
At 31 August 2024	<u><u>2,145,774</u></u>	<u><u>10,866,345</u></u>	<u><u>372,338</u></u>	<u><u>33,484</u></u>	<u><u>13,417,941</u></u>

Included within long term leasehold property at the year end is land held at cost of £636,658.

17. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	28,948	3,308
Other debtors	34,011	12,959
VAT recoverable	31,980	311,058
Prepayments and accrued income	402,371	268,749
	<u><u>497,310</u></u>	<u><u>596,074</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

18. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Other loans	17,418	17,418
Trade creditors	257,499	329,647
Other taxation and social security	203,340	153,774
Other creditors	344,480	258,283
Accruals and deferred income	378,621	503,176
	1,201,358	1,262,298
	1,201,358	1,262,298

	2025	2024
	£	£
Deferred income at 1 September 2024	99,995	45,682
Resources deferred during the year	210,752	99,995
Amounts released from previous periods	(99,995)	(45,682)
	210,752	99,995
	210,752	99,995

Deferred income at the year end comprised £90,258 of Free School Meal income, Rates relief of £29,542, SEN income £73,347 and educational trips of £73,322.

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

	2025	2024
	£	£
Other loans	44,125	63,728
Other creditors	3,557	22,713
	47,682	86,441
	47,682	86,441

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

20. Statement of funds

	Balance at 1 September 2024	Income	Expenditure	Transfers in/out	Balance at 31 August 2025
Unrestricted funds					
General Funds	62,751	477,680	(477,680)	(62,751)	-
Restricted general funds					
General Annual Grant (GAG)	(16,047)	8,744,361	(9,310,487)	45,644	(536,529)
SEN Fund	-	1,390,011	(1,390,011)	-	-
Pupil Premium	-	656,502	(656,502)	-	-
Universal Infant Free School Meals	-	153,505	(153,505)	-	-
Other Local Authority Grants	-	681,609	(681,609)	-	-
Other DFE/ESFA Grants	-	1,327,958	(1,327,958)	-	-
Urgent Capital Support	2,049	-	-	(2,049)	-
Deficit undertaken on conversion	(44,054)	-	-	19,156	(24,898)
Educational trips	-	288,987	(288,987)	-	-
	<u>(58,052)</u>	<u>13,242,933</u>	<u>(13,809,059)</u>	<u>62,751</u>	<u>(561,427)</u>
Restricted fixed asset funds					
Inherited and donated funds	13,354,697	12,500	(277,352)	-	13,089,845
DFE/ESFA Capital Grants	94,082	44,348	(52,022)	-	86,408
CIF	9,482	-	-	-	9,482
	<u>13,458,261</u>	<u>56,848</u>	<u>(329,374)</u>	<u>-</u>	<u>13,185,735</u>
Total Restricted funds	<u>13,400,209</u>	<u>13,299,781</u>	<u>(14,138,433)</u>	<u>62,751</u>	<u>12,624,308</u>
Total funds	<u><u>13,462,960</u></u>	<u><u>13,777,461</u></u>	<u><u>(14,616,113)</u></u>	<u><u>-</u></u>	<u><u>12,624,308</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. 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 2024.

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

20. Statement of funds (continued)

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

	<i>Balance at 21 September 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 August 2024</i>
Unrestricted funds					
General Funds - all funds	110,650	458,914	(506,813)	-	62,751
Restricted general funds					
General Annual Grant (GAG)	3,320	8,106,415	(8,757,397)	631,615	(16,047)
Trip, music & exam fee's	18,988	166,323	(185,311)	-	-
SEN Fund	-	1,263,477	(1,263,477)	-	-
Sports Premium	16,248	129,588	(145,836)	-	-
Pupil Premium	-	595,682	(595,682)	-	-
Universal Infant Free School Meals	-	124,083	(124,083)	-	-
Other Local Authority Grants	41,920	25,778	(67,698)	-	-
Other DFE/ESFA Grants	139,479	711,162	(850,641)	-	-
Urgent Capital Support	2,049	-	-	-	2,049
Deficit undertaken on conversion	(64,024)	-	-	19,970	(44,054)
Transfer in from schools	-	651,585	-	(651,585)	-
Kindergarten	23,244	571,666	(594,910)	-	-
	<u>181,224</u>	<u>12,345,759</u>	<u>(12,585,035)</u>	<u>-</u>	<u>(58,052)</u>
Restricted fixed asset funds					
Inherited funds	9,424,454	4,219,045	(288,802)	-	13,354,697
DFE/ESFA Capital Grants	-	131,858	(37,776)	-	94,082
CIF	100,594	100,970	(192,082)	-	9,482
	<u>9,525,048</u>	<u>4,451,873</u>	<u>(518,660)</u>	<u>-</u>	<u>13,458,261</u>
Total Restricted funds	<u>9,706,272</u>	<u>16,797,632</u>	<u>(13,103,695)</u>	<u>-</u>	<u>13,400,209</u>
Total funds	<u><u>9,816,922</u></u>	<u><u>17,256,546</u></u>	<u><u>(13,610,508)</u></u>	<u><u>-</u></u>	<u><u>13,462,960</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2025 were allocated as follows:

	2025	<i>As restated</i>
	£	<i>2024</i>
		£
South Cumbria Multi-Academy Trust	250,000	<i>(190,226)</i>
Chetwynde School	(444,310)	<i>(48,735)</i>
Vickerstown School	(300,094)	<i>(75,057)</i>
Ormsgill School	(354,067)	<i>(187,852)</i>
Cambridge Primary School	(14,932)	<i>55,535</i>
Newbarns Primary and Nursery School	206,362	<i>148,227</i>
South Walney Junior School	95,614	<i>302,807</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	(561,427)	<i>4,699</i>
Restricted fixed asset fund	13,185,735	<i>13,458,261</i>
	<hr/>	<hr/>
Total	12,624,308	<i>13,462,960</i>
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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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 2025 £	Total 2024 £
South Cumbria Multi-Academy Trust	635,032	28,300	14,348	182,551	860,231	710,904
Chetwynde School	3,061,018	26,729	312,677	765,365	4,165,789	3,935,285
Ormsgill School	1,435,676	6,650	35,404	307,429	1,785,159	1,733,519
Vickerstown School	1,363,330	5,971	57,523	279,593	1,706,417	1,477,914
Cambridge Primary School	1,544,070	8,114	55,074	333,386	1,940,644	1,758,281
South Walney Junior School	886,060	5,001	76,472	369,110	1,336,643	1,196,268
Newbarns Primary and Nursery School	2,267,831	15,940	71,403	550,741	2,905,915	2,459,590
Trust	11,193,017	96,705	622,901	2,788,175	14,700,798	13,271,761

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	13,159,765	13,159,765
Current assets	687,613	25,970	713,583
Creditors due within one year	(1,201,358)	-	(1,201,358)
Creditors due in more than one year	(47,682)	-	(47,682)
Total	(561,427)	13,185,735	12,624,308

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22. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2025	2024
	£	£
Net (expenditure)/income for the year (as per Statement of financial activities)	(838,652)	3,646,038
Adjustments for:		
Depreciation	329,374	338,747
Decrease/(increase) in debtors	98,764	(359,208)
(Decrease)/increase in creditors	(80,096)	641,247
Transfer of assets on conversion	-	(4,219,045)
Net cash (used in)/provided by operating activities	(490,610)	47,779

23. Cash flows from financing activities

	2025	2024
	£	£
Repayments of borrowing	(19,603)	(15,756)
Net cash used in financing activities	(19,603)	(15,756)

24. Cash flows from investing activities

	2025	2024
	£	£
Purchase of tangible fixed assets	(71,198)	(108,159)
Net cash used in investing activities	(71,198)	(108,159)

25. Analysis of cash and cash equivalents

	2025	2024
	£	£
Cash in hand and at bank	216,273	797,684
Total cash and cash equivalents	216,273	797,684

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26. Analysis of changes in net debt

	At 1 September 2024 £	Cash flows £	Other non- cash changes £	At 31 August 2025 £
Cash at bank and in hand	797,684	(581,411)	-	216,273
Debt due within 1 year	(17,418)	17,418	(17,418)	(17,418)
Debt due after 1 year	(63,728)	-	19,603	(44,125)
	<u>716,538</u>	<u>(563,993)</u>	<u>2,185</u>	<u>154,730</u>

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27. 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 £223,115 were payable to the schemes at 31 August 2025 (2024 - £198,169) 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 ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome 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 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 £1,326,975 (2024 - £1,017,080).

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.

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27. 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 2025 was £663,530 (2024 - £742,000), of which employer's contributions totalled £642,815 (2024 - £560,000) and employees' contributions totalled £20,715 (2024 - £182,000). 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

	2025	2024
	%	%
Rate of increase in salaries	4.0	4.1
Rate of increase for pensions in payment/inflation	2.6	2.7
Discount rate for scheme liabilities	6.2	5.0
Inflation assumption (CPI)	2.5	2.6

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

	2025	2024
	Years	Years
<i>Retiring today</i>		
Males	21.4	21.4
Females	24	23.9
<i>Retiring in 20 years</i>		
Males	22.6	22.7
Females	25.5	25.6

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27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2025	<i>At 31 August 2024</i>
	£	£
Equities	3,240,000	2,822,000
Gilts	1,276,000	1,137,000
Property	678,000	603,000
Cash and other liquid assets	89,000	170,000
Other	3,641,000	3,000,000
Total market value of assets	8,924,000	7,732,000

The actual return on scheme assets was £446,000 (2024 - £571,000).

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

	2025	<i>2024</i>
	£	£
Current service cost	536,000	476,000
Interest income	(406,000)	(361,000)
Interest cost	297,000	261,000
Administrative expenses	29,000	26,000
Total amount recognised in the Statement of financial activities	456,000	402,000

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

	2025	<i>2024</i>
	£	£
At 1 September	5,867,000	3,399,000
Transferred in on existing academies joining the trust	-	1,460,000
Actuarial (gains)/losses	(1,447,000)	101,000
Interest cost	297,000	261,000
Employee contributions	205,000	182,000
Benefits paid	(68,000)	(12,000)
Current service cost	536,000	476,000
At 31 August	5,390,000	5,867,000

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27. Pension commitments (continued)

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

	2025	2024
	£	£
At 1 September	5,867,000	3,399,000
Transferred in on existing academies joining the trust	-	2,286,000
Actuarial gains/(losses)	40,000	210,000
Interest income	406,000	361,000
Member contributions	205,000	182,000
Benefits paid	(68,000)	(12,000)
Admin expenses	(29,000)	(26,000)
Employer contributions	638,000	560,000
Limit on asset ceiling	(1,669,000)	(1,093,000)
At 31 August	5,390,000	5,867,000

28. Operating lease commitments

At 31 August 2025 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	54,970	51,865
Later than 1 year and not later than 5 years	89,171	114,687
	144,141	166,552

29. 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.

30. 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.

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31. Post balance sheet events

While educational standards continued to show strengths across several schools, the Board concluded that the financial recovery and capital investment required exceed the resources available to the Trust acting alone, informing the subsequent decision to pursue rebrokering.

On 12 November 2025, after the reporting date, the Board ratified a decision to work with the Department for Education to rebroker all Trust schools and merge with a new Academy Trust. The decision reflects the scale of financial and organisational challenges and the level of external support required. The decision was made reluctantly. The Board will continue to discharge its responsibilities until transfers complete, including maintaining safeguarding, financial control and statutory compliance.

The Board will also continue to discharge its responsibilities up to the point at which South Cumbria Multi Academy Trust is dissolved and removed from the Companies House register.

The Board recognises that South Cumbria Multi Academy Trust will require ongoing financial support, including additional funding and resources, beyond those ordinarily provided through recurring income streams. Trustees believe that the Department for Education will continue to support the Trust in meeting liabilities and cash flow pressures not only during the rebrokering or merger process but also up to dissolution and removal from the Companies House register.