

The Fells Multi Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2024

Company Registration Number: 07472799
(England & Wales)



The Fells Multi Academy Trust

Contents	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	13
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19
Independent Reporting Accountant's Report on Regularity	23
Statement of Financial Activities Incorporating Income & Expenditure Account	25
Balance Sheet	26
Statement of Cashflows	27
Notes to the Financial Statements, Incorporating:	
Statement of Accounting Policies	28
Other Notes to the Financial Statements	33

Reference and Administrative Details

		Appointed	Resigned
Members	Richard Moore Elizabeth Moffatt Peter Townley Lisa Bibby		22/09/2023
Trustees who are Directors	Beth Curl Paul Edmondson Rebecca Batstone Kathryn Ritchie Richard Moore Brian Webster-Henderson	22/09/2023 01/09/2023	
Company Secretary		Sharon Housego	06/03/2024
MAT Senior Management Team:			
Chief Executive Officer (& Accounting Officer)	Paul Slater		
Chief Financial Officer	Billy Coxon		
Chief Operating Officer	Tracy Houlden		
The Queen Katherine School			
Headteacher	Jon Hayes		
Walney School			
Headteacher	John Richardson		
George Hastwell			
Headteacher	Rachel Slattery		31/08/2024

Reference and Administrative Details (continued)

Principal and Registered Office	The Queen Katherine School Appleby Road Kendal LA9 6PJ
Academy Addresses	The Queen Katherine School Appleby Road Kendal LA9 6PJ Walney School Sandy Gap Lane Barrow in Furness Cumbria LA14 3JL George Hastwell Moor Tarn Lane Barrow in Furness Cumbria LA14 3LW
Company Registration Number	07472799 (England & Wales)
Independent Auditor	Saint & Co. Chartered Accountants The Old Police Station Church Street Ambleside Cumbria LA22 0BT
Bankers	Lloyds Bank Plc 11 Finkle Street Kendal Cumbria LA9 4AG
Solicitors	Burnetts 6 Victoria Place Carlisle CA1 1ES

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a multi academy trust (MAT) for pupils aged 3 to 19 serving a catchment area in Cumbria. The MAT comprises of the following schools:

The Queen Katherine School which has a pupil capacity of 1440 and had a roll of 929 in the school census in October 2024.

Walney School which has a pupil capacity of 900 and had a roll of 527 in the school census in October 2024.

George Hastwell School which has a pupil capacity of 90 and had a roll of 95 in the school census in October 2024.

Structure, Governance and Management

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Queen Katherine Multi School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Fells Multi Academy Trust.

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

Members' Liability

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

Trustee's Indemnities

Each academy in the trust has purchased indemnity insurance to protect trustees and officers from claims arising in connection with Academy business.

Method of Recruitment and Appointment or Election of Trustees

The trustees are appointed under the terms of the academy's articles of association as follows:

- The members may appoint up to 30 trustees
- A minimum of two Local Parent trustees
- Up to 1 Local Authority trustee
- Number of staff trustees does not exceed one third of the total number of trustees
- Any Trustees elected by the Secretary of State for Education
- Number of co-opted trustees does not exceed one third of the total number of trustees

The term of office for all trustees and the chairs of each academy's LGB, is four years. The trustees who were in office and who served throughout the period, are listed on the reference and administrative details.

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

The training and induction provided for new trustees will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the charitable company. As there is normally expected to be only a small number of new trustees each year, inductions tend to be done informally and are tailored specifically to the individual.

Trustees' Report (continued)

Organisational Structure

The structure consists of the following levels: the members, the directors (trustees), the MAT officers and Academy Local Governing Bodies. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels whilst maintaining accountability.

The trustees control the academies at an executive level, whilst the Senior Leadership Teams in each academy (Headteachers and Deputies) implement the policies laid down by the trustees and report back to them. The Senior Leaders are responsible, in line with the Trust Schemes of Delegation, for the authorisation of spending within agreed budgets and the appointment of the majority of staff.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The MAT Board holds responsibility for setting the pay and remuneration of the academy's key management personnel in accordance with the Pay Policy for Teachers, based on the format of the DfE's model policy and NJC terms and conditions for support staff. Pay progression is based on an annual cycle running from 1st September to 31st August and is determined by achievement of pre determined performance objectives. Responsibility for the appraisal process is held by the MAT Board. The MAT Board has delegated responsibility for the appointment and performance management of the academy heads to the CEO.

Connected Organisations, including Related Party Relationships

The multi academy trust is made up of the following schools

- The Queen Katherine School
- Walney School (Joined MAT on 01/09/2014)
- George Hastwell School (Joined MAT on 01/09/2015)

Furness Educational Consortium

The Furness Education Consortium consists of six secondary schools, one pupil referral unit, two special schools, two sixth form colleges and one college of further education. In addition to the core group members there is also representation from the Primary consortium. These establishments work in partnership to deliver educational provision for the young people of the Furness area.

Kendal Collaborative Partnership

The Kendal Collaborative Partnership is made up of all 17 schools in total from Kendal primary schools, Kendal Nursery, Sandgate and two Kendal secondary schools. The joint vision of working together to enhance the educational opportunities and experience of young people by furthering high quality school improvement; raising achievement and access for all; and driving high aspirations through continuous professional development.

Cumbria Association of Secondary Headteachers Ltd (CASH)

The Cumbria Association of Secondary Headteachers meets termly to discuss local and national issues, allowing Headteachers to work together on a range of projects and support mechanisms. The organisation has an Executive Officer and annual fees paid into CASH support administrative work, training events and projects.

Trustees' Report (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	5.27

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	6
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£2,000
Total pay bill	£11,156,136
% of total pay bill spent on facility time	0.018%

Paid trade union activities

There was no paid union activity during the period

Engagement with employees (including disabled persons)

The trust policy in respect of applications for employment including disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled person are detailed in the following policies:

- Attendance and Wellbeing Policy
- Recruitment and Selection Procedure

Staff Council

Each of the academies hold regular staff council meetings at which staff can bring up any issues arising.

The Academy Consultative Committee (The ACC)

The ACC is not a negotiating body but may be involved in developing policies and agreements prior to formal negotiation where these have a formal impact. If there is a need for consultation relating to business transfer, TUPE or redundancy, the ACC would not take on this role, which would be undertaken through a consultancy mechanism specifically established for that purpose.

The Committee shall consist of the CEO and a representative from each recognised Trade Union Association. There will be one school based representative from each Trade Union and they will have been appointed as representative in the usual way. It is up to each Trade Union to select the attendee for each meeting. They will be members of the ACC for as long as they represent a Trade Union. The MAT Human Resources Manager will attend and where appropriate as deemed by the CEO, a MAT school Headteacher may attend. A regional representative may attend either by invitation or in lieu of a school representative.

The ACC will have powers of decision delegated, which will discuss MAT wide issues on the following:

- Pay and conditions of employment.
- Good practice with regards to matters of employment.
- Effective communication.
- Participation and involvement of staff.
- Effective and prompt resolution of issues and disputes.

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The principle activity of the academy trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the mainstream academies) offering a broad and balanced curriculum.

An additional objective is to promote for the benefit of individuals living in areas where the academies are situated and the surrounding areas who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The aim of the academy trust is to provide education for pupils of different abilities between the ages of 2 and 19.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Objectives, Strategies and Activities

The main objectives of the academy trust during the year ended 31 August 2024 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

The Fells Multi Academy Trust aims to develop individuals to achieve their full potential. As a trust we provide education of the highest quality in well-resourced premises. Relationships are constructive, with individuals being valued, nurtured and supported.

This is achieved through developing:

- a trusting, open, caring, inclusive friendly and structured atmosphere with comfortable relationships, clear expectations and with every individual valued;
- a focus on learning, guidance and monitoring for all students and staff, both inside and outside the classroom;
- showing commitment in our work, desire to learn, hard work, a spirit of enquiry and creativity, initiative.

The curriculum offered is distinctive and personalised to each school.

At key stage 3 we have a major focus on ensuring that all students develop core English, mathematics, science and ICT skills and the personal, learning and thinking skills to equip them with the competence and confidence to pursue both academic and vocational pathways in the future.

We focus on the development of vocational and work related education.

All students, at any age, are able to access the most appropriate provision offered in each of our academies to suit their particular interests and needs.

The academies enable a common approach to be taken to values and principles, standards, utilisation of management expertise, use of resources, and to the creation of a broad and rich opportunity for young people to achieve their maximum potential.

Trustees' Report (continued)

The academies also provide enriched provision and integrated services for children and young people in the area, including comprehensive extended services, and enable a wide range of services and facilities to be made available to the community which supports and compliments the local authority's children's services vision.

The academies follow the Fells Multi Academy Trust Equality Policy in respect of disabled persons regarding consideration to applications for employment, continuing their employment and their training, career development and promotion.

The academies hold weekly staff meetings, yearly performance management and produce termly newsletters to keep all staff aware of factors affecting the MAT.

Public Benefit

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The objective of the academies is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Strategic Report

Achievements and Performance

The Fells Multi Academy Trust achievements in the year include:

- the ongoing work undertaken in developing a shared services model to realise economies of scale and reduce costs for the academies
- the ongoing close working relationship between the academies to share knowledge and expertise, to seek out best practice and to realise the vision of the Trust.

The Queen Katherine School achievements and performance

QKS continued to build on the successes of previous years' across all aspects of our education provision. Our exam results at GCSE have a positive P8 of +0.06 (unvalidated). Post-16 results remain exceptional with over 41% of grades being A/A*.

CPD focussed on modelling and this was clearly evident in the way the lessons observed. Wider-curricular continues to grow and we have introduced better tracking systems to see who is participating and who is not allowing us to explore the reasons. Over 90% of our students have already been involved in activities beyond the classroom which is extremely pleasing.

Healthy finances have allowed us to increase capitation to departments as well as developing our facilities through investments in AV equipment for the upper school hall, window replacement and technology room refurbishments and a new school mini-bus.

Staff morale is good with absences low and morale high across the school. New staff have all settled in well to the school and have made positive starts to their QKS experience.

Trustees' Report (continued)

Walney School achievements and performance

2023-24 has seen school improvement continuing to move at strong pace. An Ofsted monitoring visit occurred in December 2023 and concluded that:

"Leaders have made progress to improve the school, but more work is necessary for the school to become good."

This aligned with school self-evaluation. External scrutiny by our school improvement partner Mark Williams has reported that:

"Leaders who observed with me have an accurate view of the strengths and next steps in each of the four focus areas highlighted above. This demonstrates well leaders' knowledge of the school. The impact of leaders' work on the quality of education and pupils' behaviour and attitudes to learning are clear to see: there have been good improvements in the quality of the four focus areas above. As such there is a good level of consistency of approach meaning pupils are knowing and remembering more."

The academic year in 2023-24 presented significant staffing challenges given the pressure created by the vast numbers of opportunities arising with BAE systems locally that are attractive to our employees. However, strong recruitment efforts resulted in the school being fully staffed in September 2024 with the staffing budget during the academic year balancing the use of supply staff with salary savings from vacant positions.

There are times of change ahead for the school with the movement to Furness Education Trust. This is on track to occur on 1st January 2025 and will present significant new opportunities and sources of funding for improvements to the physical condition of the school in the year ahead.

George Hastwell School achievements and performance

Throughout the year, the work between the Local Authority and the school has enabled for greater funding to come into the school, specifically targeted at specific students who were felt to be underfunded. The LA has also supported the extension of more places being offered to the local community with provision of funding to extend the use of Walney School as a second base for George Hastwell School. A discussion with the LA has also ensured that the space for these places is being funded by the LA rather than between the schools as we move to the schools being in different multi-academy trusts in the next academic year.

Pupil numbers continue to increase which has resulted in an increase in staffing to support them. A new headteacher was also appointed following the decision of the existing headteacher to retire at the end of the summer term. The new headteacher started in September.

The transfer of George Hastwell to Eden Trust was planned for September 2024 but this has not happened due to DfE decision making and is now expected to be completed by 1st January 2025. As part of the transition, an SLA has been agreed with Eden trust to provide support to the school and to the new headteacher.

School use the services of external professionals to support curriculum delivery and employ a Thrive practitioner and Music Therapist.

Improvements to the school environment and resources continue to be developed to enhance the school offer to all students.

School has used Eden Trust as an external reviewer and the reports have shown that the school is moving strongly towards good in the future.

Governors continue to be effective and to challenge the leadership of the school to ensure that the best use of budget is maintained to the benefit of all students.

Trustees' Report (continued)

Key Financial Performance Indicators

The trust established a financial budget at the start of the year and then monitored performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. It is anticipated that benchmarking will be a key tool in ensuring the academies are delivering value for money.

The Queen Katherine School	2024	2023	2022	2021	2020	2019
Pupil numbers	940	963	952	986	1087	1087
Staff costs as % of total costs	75.72%	75.92%	78.39%	78.68%	83.52%	75.97%
Full time equivalents teachers	52	53	55	55	58	58
Pupil teacher ratio	18.1	18.2	17.3	17.9	18.7	18.7
Walney School	2024	2023	2022	2021	2020	2019
Pupil numbers	493	488	505	501	559	559
Staff costs as % of total costs	78.06%	76.59%	71.12%	73.79%	83.18%	79.57%
Full time equivalents teachers	26	29	29	29	33	33
Pupil teacher ratio	19	16.8	17.4	17.3	16.9	16.9
George Hastwell School	2024	2023	2022	2021	2020	2019
Pupil numbers	89	85	77	68	68	68
Staff costs as % of total costs	85.51%	84.58%	86.62%	83.82%	88.79%	85.26%
Full time equivalents teachers	15	12	10	8	10	10
Pupil teacher ratio	5.9	7.1	7.7	8.5	6.8	6.8

Going Concern

After making appropriate enquiries, the MAT board has a reasonable expectation that each academy has adequate resources to continue in operational existence for the foreseeable future.

However, the values have been calculated on a going concern basis since the academy trust's intention is for the individual academies to remain a going concern but will operate in different Multi Academy Trusts after the transfer.

Further details regarding not adopting the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Overview

The Academy Trust's accounting period is 01 September 2023 to 31 August 2024.

The majority of each academy's income is obtained from the Education and Skills Funding Authority (ESFA) in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2024 and the related expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust ends the year in a very strong financial position based on the net current assets of £1,495,095 (2023: £1,685,125). Trustees are mindful of the impact of the increasing pension fund deficit on future employer costs.

During the period ended 31 August 2024, total general expenditure of £15,826,495 was covered by recurrent grant funding from the DfE together with other incoming resources and reserves brought forward. The general income was £290,239 less than expenditure for the year.

At 31 August 2024 the net book value of fixed assets was £10,019,483 and movements in tangible fixed assets are shown in notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of each Academy.

Trustees' Report (continued)

Reserves Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of the reserves. The trustees will keep the level of reserves under review.

The general unrestricted fund balance was £1,060,439 (2023: £920,317) at the year end. The trustees believe that this level of reserves is required to support the running of the MAT during an anticipated reduction in funding.

The GAG fund balance at the year end was £224,383 (2023: £651,761).

The designated all weather pitch fund balance was £nil (2023: £nil) at the year end, this fund is for the replacement of the all weather pitch.

The Trust aspires to hold reserves in the region of one month of annual expenditure to ensure it is able to produce a three year balanced budget, support a staffing model commensurate with curriculum requirements and maintain the Trust as a going concern in the event of unforeseen events, such as a pandemic. Trustees acknowledge that although the reserves level of £1,394,886 held at 31st August 2024 exceeds their expectations, this provides the security required to improve the learning environment during the next financial year.

Funds in Deficit

The trustees note that certain restricted funds are in deficit which have been disclosed in the funds note supporting the financial statements.

The MAT has no funds in deficit. However, Walney School is carrying a net deficit of £14,929 on these funds because in 23/24 the lagged funding on pupil numbers created an in year deficit. The academy trust expects this position to reverse to a surplus by the end of the 24/25 academic year.

Investment Policy

Reserves are currently held in an instant access account with the academy trust's bankers.

Principal Risks and Uncertainties

The board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The board considers that these arrangements have been effective throughout the period being reported.

The board has created a risk management policy, which formally documents the managerial action that is taking place, and should enable future risk management to be more systematic.

Trustees' Report (continued)

Financial and Risk Management Objectives and Policies

For each academy a budget for the period was agreed prior to the beginning of the accounting period. Management accounts were presented at termly Trust Board meetings for each academy and income and expenditure monitored against budget. The Risk, Audit and Finance Committee continues to scrutinise the financial performance and budget setting for short and medium-term time periods.

The Trust's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Finance manual
- Risk management policy

Principal Funding Sources

The majority of the academy's income is obtained from the Education and Skills Funding Authority (ESFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Trust estate management

The health and safety of students and staff is paramount and estate maintenance and improvement work is considered by trustees at termly meetings of The Risk, Audit and Finance Committee. This includes oversight of compliance with statutory duties to ensure the health and safety of building occupants.

Fundraising

During the period in question the Trust has not engaged professional fundraisers or commercial participators to undertake any fundraising activities on its behalf. The Trust has undertaken minor fundraising activities whereby students sought voluntary donations from parents, carers and the local community.

Plans for Future Periods

The Fells MAT is working with the DfE and three other Trusts - Eden, CET and FET - to whom the three schools currently within the Fells Trust are being transferred. The Fells Trust has made sure that all paperwork, contracts, information regarding the schools has been shared through solicitors so that transfer is smooth and beneficial to all concerned. The vast majority of the central team have all secured jobs within one of the transfer trusts also. The incoming trusts are all working closely with the schools already as we were expecting transfer to occur in September 2024, but as this has been delayed until January 2025 the work with the Trusts has continued to ensure the smoothest transition possible for each school.

Trustees' Report (continued)

Funds Held on Behalf of Others

The multi academy trust acts as an intermediary for the following projects, but has no responsibility for them. These are:

- 16-19 Bursary fund. The academy trust distributes the 16-19 bursary funds to students as an agent for the ESFA.

Auditor

Statement as to disclosure of information to auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the members of the board of trustees on 18 December 2024 and signed on its behalf by:



Beth Curl
Chair of Trustees

Governance Statement

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **MAT board** of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Beth Curl	8	8
Kathryn Ritchie	6	8
Richard Moore	4	8
Brian Webster-Henderson	5	8
Rebecca Batstone	5	8
Paul Edmondson	6	8

The **Risk, Audit and Finance Committee** is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the board of trustees by ensuring sound management of the academy's finances and resources, including proper planning, risk management, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Paul Edmondson	1	3
Beth Curl	3	3
Rebecca Batstone	1	3
Kathryn Ritchie	1	3
Brian Webster-Henderson	2	3
Richard Moore	2	3

Governance Review

Key changes in the composition of the board of trustees

This year has seen the Trust Board remain stable with only 1 change within the Board. Richard Moore moved from being a Member to a Trustee and taking over the role of Vice-Chair for the trust Board as the Trustees planned for the dissolution of the Trust and the transfer of the three schools to each of their separate receiving trusts.

Governance Statement (continued)

The coverage of the Board's Work

The Board continued to focus on the development of each school and the provision for students to enable growth and development leading to higher attainments for all students. It has also worked tirelessly with the DfE on the plans to transfer each of the schools into a new receiving trust. Initially this was planned for September 2024, but this has now been projected to be January 2025. Trustees are fully aware of all the needs for the schools to be ready for transfer and have supported Trust staff to make sure all necessary works have been completed in a timely fashion.

The Chair and CEO are in regular communication by phone and email and discuss issues as they rise. They have a good working relationship and support and challenge are exchanged in good balance.

The board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the board.

The Board has been small varying between 5 and 7 Trustees. This small number has meant that each Trustee has a strong sense of responsibility and accountability. The CEO in consultation with the Board has streamlined the information coming to the Board and focused on what the Board needs, avoiding duplication between the different levels of governance (Local Governing Bodies and the Trust Board).

The Skills Matrix for both Board Members and Local Governing Bodies is annually updated, providing a tool for recognising strengths and development areas for Governors and Trustees. The Chair has introduced a standing review of performance at the end of each Board meeting inviting suggestions of how Governance can be improved and suggestions have been acted on. Training opportunities have been planned for Governance at all levels, and the MAT Board also reviewed its Mission, Vision and Values whilst revising the Scheme of Delegation. This has been shared with all levels of Governance and has now been adopted.

Information about the quality of the data used by the board, and why the board finds it acceptable

The CEO has continued to ensure that paperwork is in a consistent format and has a clear data dashboard is produced for Trustees to access and have an overview of all of our schools. He has also visited and met with other CEOs locally and nationally to compare paperwork and procedures which has benefitted the Trust. The Scheme of Delegation has been revised to ensure clarity for all levels of governance, and policies have been reviewed and updated where needed. The Board continues to receive a Business and Management Report, a Finance Report and the CEO Report for each board meeting.

Conflicts of interest

The Academy Trust has a number of processes in place to manage conflicts of interest. These include:

- The work of the Pay Review Committee to consider decisions about executive pay and benefits
- Recording trustees declaration of interest in meeting agenda items
- Maintaining an up-to-date and complete register of interests, documented on the trust website and shared with finance staff to check before entering into contracts or procuring goods for the organisation
- Ensure goods or services provided by related parties are at no more than cost

Meetings

To ensure trustees and senior leaders maintain robust oversight of the academy trust, and take full responsibility for its financial affairs, stewardship of assets and use of resources efficiently to maximise outcomes for students, the Trust Board sets an annual calendar of meetings. During the 2023/24 financial year the Trust Board met a total of 8 times during the year and the Risk, Audit & Finance Committee met 3 times.

Governance Statement (continued)**Review Of Value For Money**

I accept that as Accounting Officer of The Fells Multi Academy Trust I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the MAT Board where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the multi academy trust has delivered improved value for money during the year.

Set out below are examples of how the academy trust's use of its resources has provided good value for money during the academic year:-

- To generate income the MAT marketed payroll and HR services, housed a satellite of the Maths Hub, enabled Sandgate School to utilise spare classroom capacity, all bringing in additional revenue.
- Utilised staff from QKS to provide support for Walney School in its determination to achieve a Good inspection result in the future. This has been provided at no cost to Walney School. Worked closely with receiving Trusts as well to bring expertise from those institutions to support the development and improvement within schools.
- A review of time expired contracts across the MAT to try and keep costs down where possible.
- Further Initiatives have been developed internally, which has further reduced the dependency on external educational provision providers.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of multi academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Fells Multi Academy Trust for the period 01 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2023 to 31 August 2024 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

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

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

Governance Statement (continued)

Internal Scrutiny

The board of trustees are aware of the revised FRC Ethical Standard for auditors which states that a firm providing external audit to an entity shall not also provide internal audit services to it. They have therefore considered the need for a specific internal audit function and appointed an internal auditor to scrutinise and report on the systems of financial control for the year ended 31 August 2024.

In addition, internal scrutiny of risk management, financial controls and non-financial controls was delivered via a review by Shaun Addison, former Finance Manager of the Queen Katherine School to conduct the review, based on his independence from the Trust and experience.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of bank reconciliations

On a termly basis the auditor reports to the Risk, Audit and Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The board of trustees confirm that the internal auditors have worked with the Trust to deliver their schedule of work.

This option has been chosen because it delivered the appropriate level of scrutiny of internal processes. All issues identified will be actioned.

Review of Effectiveness

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

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

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

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the board of trustees on 18 December 2024 and signed on its behalf by:



Beth Curl
Chair of Trustees



Paul Slater
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Fells Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2023.

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



Paul Slater
Accounting Officer

18/12/24

Date

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

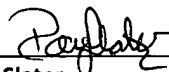
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

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

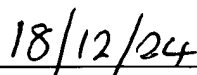
Approved by order of the members of the board of trustees and signed on its behalf by:



Beth Curl
Chair of Trustees



Paul Slater
Accounting Officer



Date

Independent Auditor's Report on the Financial Statements to the Members of The Fells Multi Academy Trust**Opinion**

We have audited the financial statements of The Fells Multi Academy Trust for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2023 to 2024.

Basis for opinion

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

Emphasis of Matter – financial statements prepared on a basis other than going concern

We draw your attention to note 27 to the financial statements which explains that the trustees intend for the academies within the Fells Multi Academy Trust to move into other Multi Academy Trusts within less than a year of the financial statements being approved. Therefore the trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in the accounting policies and note 27.

Other information

The other information comprises the information included in the annual report including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report on the Financial Statements to the Members of The Fells Multi Academy Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable to preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report on the Financial Statements to the Members of The Fells Multi Academy Trust (continued)

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- 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;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; 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 company'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;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

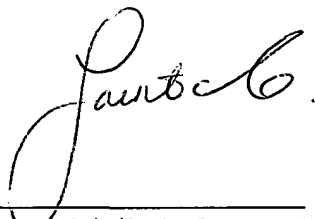
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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



Darren Little (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

18 December 2024 Date

Independent Reporting Accountant's Assurance Report on Regularity to The Fells Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22/11/2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Fells Multi Academy Trust during the period 01 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective Responsibilities of The Fells Multi Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of The Fells Multi Academy Trust's funding agreement with the Secretary of State for Education dated 01 August 2011 and the Academies Financial Handbook, extant from 1 September 2023, 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 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2023 to 31 August 2024 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- the school resource management self-assessment checklist (SRMSAT) was obtained and considered;
- responses to the top 10 'musts' for chairs and other trustees from the AFH was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests;
- where present obtaining the accounting officer's file.

Independent Reporting Accountant's Assurance Report on Regularity to The Fells Multi Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

This report is made solely to The Fells 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 The Fells 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 The Fells Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.



Darren Little (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

18 December 2024 Date

Statement of Financial Activities (Incorporating the Income and Expenditure Account)
for the Year Ended 31 August 2024

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2024	Total 2023
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	37,135	34,426	304,259	375,820	639,356
Transfer from local authority on conversion	28	-	-	-	-	-
Charitable activities :						
- Funding for the Academy trust's educational operations	3	361,163	13,205,723	-	13,566,886	12,456,284
Other trading activities	4	426,152	-	-	426,152	375,415
Investment income	5	13,902	-	-	13,902	386
		-	-	-	-	-
Total		838,352	13,240,149	304,259	14,382,760	13,471,441
Expenditure on:						
Raising funds	7	348,849	-	-	348,849	294,883
Charitable activities:						
- Academy's educational operations	8	388,413	13,255,018	1,834,215	15,477,646	13,687,189
		-	-	-	-	-
Total	6	737,262	13,255,018	1,834,215	15,826,495	13,982,072
Net income / (expenditure) before transfers						
Transfers between funds	11,19	101,090	(14,869)	(1,529,956)	(1,443,735)	(510,631)
		40,466	(169,926)	129,460	-	-
Net income/(expenditure) for the year		141,556	(184,795)	(1,400,496)	(1,443,735)	(510,631)
Other recognised gains / (losses)						
Actuarial (losses) gains on defined benefit pension schemes	24	-	(85,000)	-	(85,000)	2,859,000
Net movement in funds		141,556	(269,795)	(1,400,496)	(1,528,735)	2,348,369
Reconciliation of funds						
Funds brought forward to 1 September 2023	19	993,191	529,934	11,620,188	13,143,313	10,794,944
Fund balances carried forward at 31 August 2024		1,134,747	260,139	10,219,692	11,614,578	13,143,313

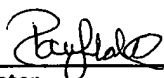
All of the academy's activities derive from acquisitions and continuing operations during the above two financial periods.

Balance Sheet as at 31 August 2024

Company Number 07472799

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	14		10,019,483		11,520,188
Investments	15		100,000		100,000
Current assets					
Stock	16	7,606		7,531	
Debtors	17	671,884		505,850	
Cash at bank and in hand		<u>2,024,648</u>		<u>2,107,610</u>	
		2,704,138		2,620,991	
Liabilities					
Creditors: Amount falling due within one year	18	<u>(1,209,043)</u>		<u>(935,866)</u>	
Net current assets			<u>1,495,095</u>		<u>1,685,125</u>
Total assets less current liabilities			11,614,578		13,305,313
Defined benefit pension scheme asset / (liability)	24		-		(162,000)
Total Net Assets			<u><u>11,614,578</u></u>		<u><u>13,143,313</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	19	10,219,692		11,620,188	
General funds	19	260,139		691,934	
Pension reserve	19,24	-		<u>(162,000)</u>	
Total restricted funds	19		10,479,831		12,150,122
Unrestricted income funds					
General fund	19	<u>1,134,747</u>		<u>993,191</u>	
Total unrestricted funds			1,134,747		993,191
Total funds			<u><u>11,614,578</u></u>		<u><u>13,143,313</u></u>

The financial statements were approved by the trustees, and authorised for issue on 18 December 2024 and signed on their behalf by:


 Paul Slater
 Accounting Officer


 Beth Curl
 Chair of Trustees

Statement of Cash Flows for the Year Ended 31 August 2024

	2024	2023			
Reconciliation of net income/expenditure to net cash inflow from operating activities	£	£			
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(1,443,735)	(510,631)			
Adjusted for:					
Interest receivable	(13,902)	(386)			
Depreciation	883,424	899,110			
Loss/(Profit) on disposal	700,336	-			
Capital grants from DfE and other capital income	(304,259)	(626,473)			
Decrease/(Increase) in stocks	(75)	(208)			
Decrease/(Increase) in debtors	(166,034)	(103,969)			
Increase/(Decrease) in creditors	273,177	(260,409)			
Decrease/(increase) in loans included in above	-	-			
Defined benefit pension scheme costs less contributions payable.	(262,000)	(123,000)			
Defined benefit pension scheme net finance costs	15,000	136,000			
Net cash provided by / (used in) operating activities	(318,068)	(589,966)			
Cashflows from investing activities					
Receipts from sale of tangible fixed assets	-	-			
Payments to acquire tangible fixed assets	(83,055)	(369,181)			
Capital grants from DfE and other capital income	304,259	626,473			
Interest received	13,902	386			
Net cash provided by / (used in) investing activities	235,106	257,678			
Cashflows from financing activities					
Repayments of borrowing	-	-			
Cash from new borrowing	-	-			
Net cash provided by / (used in) financing activities	-	-			
Change in cash and cash equivalents in the reporting period	(82,962)	(332,288)			
Reconciliation of net cash flow to movement in net funds					
(Decrease) / increase in cash in the period	(82,962)	(332,288)			
Change in net funds	(82,962)	(332,288)			
Cash and cash equivalents at 1 September 2023	2,107,610	2,439,898			
Cash and cash equivalents at 31 August 2024	2,024,648	2,107,610			
Analysis of cash and cash equivalents	01 Sep 23	Cashflows	31 Aug 24		
	£	£	£		
Cash in hand and at bank	2,107,610	(82,962)	2,024,648		
Total cash and cash equivalents	2,107,610	(82,962)	2,024,648		
Analysis of changes in net debt	01 Sep 23	Cash flows	New	Other non-	31 Aug 24
	£	£	agreements	cash changes	£
			£	£	
Cash	2,107,610	(82,962)	-	-	2,024,648
Loans falling due within one year	-	-	-	-	-
Loans falling due after more than a year	-	-	-	-	-
Finance lease obligations	-	-	-	-	-
Total	2,107,610	(82,962)	-	-	2,024,648

Notes to the Financial Statements for the Year Ended 31 August 2024**1. Statement of Accounting Policies**

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

General Information

The academy trust is a public benefit entity and a private company limited by guarantee, registered in England and Wales and is an exempt charity. The address of the registered office is The Queen Katherine School, Appleby Road, Kendal, LA9 6PJ, United Kingdom.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Fells Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

Due to the intention for all academies to move into other existing Multi Academy Trusts within less than a year of the financial statements being approved, the financial statements are therefore prepared on a basis other than going concern. However, the values have been calculated on a going concern basis since the academy trust's intention is for the individual academies to remain a going concern but will operate in different Multi Academy Trusts after the transfer.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants Receivable**

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

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

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

- **Donations**

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

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**1. Statement of Accounting Policies (Continued)**

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated Services and Gifts in Kind**

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

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

Deferred Income

Grants and other funding received for the Academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are exclusive of irrecoverable VAT, which is posted as a separate cost.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**1. Statement of Accounting Policies (Continued)****Fixed Assets**

Assets costing £2,000 or more (multiple assets not included if individual assets are under £2,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation

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

Freehold buildings	- straight line over the estimated economic life (8 to 50 years)
Plant and machinery	- straight line over the estimated economic life (15 years)
Furniture and equipment	- straight line over 10 years
ICT equipment	- straight line over 4 years
Motor vehicles	- 25% reducing balance

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

Assets purchased during the year are depreciated from the date they are brought into use. The depreciation is time apportioned.

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.

Investment Fixed Assets

Investment fixed assets are carried at fair value and are not depreciated. They are included in the restricted fixed asset fund and any unrealised or realised gains or losses on investments are included in the Statement of Financial Activities.

Liabilities

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

Provisions

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

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

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**Financial Instruments**

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. 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 the notes. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Pensions Benefits

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

Teachers' Pension Scheme

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

Local Government Pension Scheme

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

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

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

Fund Accounting

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the academy at the discretion of the trustees.

Unrestricted designated funds consist of amounts allocated or designated for specific purposes. The use of designated funds for their designated purpose will remain at the discretion of the trustees.

Restricted fixed asset funds reflect the fixed assets and capital grants for the purchase of fixed assets to be used for charitable purposes.

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with ESFA guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates, assumptions and judgements

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes, will impact on 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 2024. 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.

Furthermore this year the pension asset has been restricted to any surplus of scheme assets over 110% of the scheme liabilities, in line with the schemes funding strategy.

- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

2. Donations and capital grants	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
ESFA capital grants	-	304,259	304,259	124,853
Other capital grants	-	-	-	101,620
Other government capital grants	-	-	-	400,000
Donations	37,135	34,426	71,561	12,883
Gift in kind	-	-	-	-
	<u>37,135</u>	<u>338,685</u>	<u>375,820</u>	<u>639,356</u>
2023 total	<u>12,883</u>	<u>626,473</u>	<u>639,356</u>	
3. Funding for Academy's educational operations	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
DfE/ESFA Grants				
General Annual Grant (GAG)	-	8,397,656	8,397,656	7,842,487
General Annual Grant (GAG) - Post 16 Allocation	-	1,135,097	1,135,097	1,247,099
Other DfE/ESFA grants				
Pupil Premium	-	373,471	373,471	335,965
Teachers pay grant	-	142,571	142,571	-
Teachers pension grant	-	111,568	111,568	35,366
Schools supplementary grant	-	-	-	227,724
Mainstream schools additional grant	-	279,244	279,244	116,352
Recovery premium grant	-	105,134	105,134	99,128
National tutoring programme	-	6,053	6,053	16,543
Other ESFA grants	-	75,105	75,105	80,076
Other DfE Group grants	-	-	-	-
	<u>-</u>	<u>10,625,899</u>	<u>10,625,899</u>	<u>10,000,740</u>
Other Government Grants				
LA funds (Including Top-up SEN)	-	2,169,131	2,169,131	1,771,203
Other government grants	-	-	-	-
	<u>-</u>	<u>2,169,131</u>	<u>2,169,131</u>	<u>1,771,203</u>
School Fund Income	9,517	14,376	23,893	35,418
Catering	339,865	-	339,865	317,051
Other Educational Operations				
Educational activities and visits	-	295,097	295,097	223,101
Other	11,781	101,220	113,001	108,771
	<u>361,163</u>	<u>13,205,723</u>	<u>13,566,886</u>	<u>12,456,284</u>
2023 total	<u>336,615</u>	<u>12,119,669</u>	<u>12,456,284</u>	

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

4. Other trading activities	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
Lettings, room and All Weather Pitch (AWP) hire	151,622	-	151,622	141,933
Service provision	212,502	-	212,502	161,103
Insurance receipts - Trips	-	-	-	-
Primary Catering	62,028	-	62,028	72,379
	<u>426,152</u>	<u>-</u>	<u>426,152</u>	<u>375,415</u>
2023 total	<u>375,415</u>	<u>-</u>	<u>375,415</u>	

5. Investment Income	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
Bank interest receivable	13,902	-	13,902	386
	<u>13,902</u>	<u>-</u>	<u>13,902</u>	<u>386</u>
2023 total	<u>386</u>	<u>-</u>	<u>386</u>	

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

6. Resources Expended	Staff Costs	Non Pay Expenditure		2024 Total	2023 Total
	£	Premises £	Other Costs £	£	£
Expenditure on raising funds	250,070	67,765	31,014	348,849	294,883
Academy's educational operations					
Direct costs	8,866,888	1,402,507	607,977	10,877,372	9,321,793
Allocated support costs	2,013,327	1,216,214	1,048,761	4,278,302	4,112,217
Teaching School	-	-	-	-	-
Educational activities and school fund costs	25,851	-	296,121	321,972	253,179
	<u>11,156,136</u>	<u>2,686,486</u>	<u>1,983,873</u>	<u>15,826,495</u>	<u>13,982,072</u>
2023 total	<u>10,192,122</u>	<u>2,133,494</u>	<u>1,656,456</u>	<u>13,982,072</u>	

Incoming/Outgoing Resources for the Year Include:

	2024 £	2023 £
This is stated after charging:		
Depreciation	883,424	899,110
Loss/(Profit) on disposal	700,336	-
Operating leases	44,006	36,686
Fees payable to current auditor	17,170	16,350
- audit of the financial statements		
- other assurance services	2,445	2,115
- other services	-	-

7. Expenditure on raising funds	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Teaching and educational support staff costs	333	-	333	-
Support staff costs	249,737	-	249,737	199,195
Heat and light	16,312	-	16,312	14,237
Rent and rates	8,460	-	8,460	7,779
Maintenance of premises and equipment	21,417	-	21,417	18,613
Cleaning	21,576	-	21,576	18,870
Catering	31,014	-	31,014	36,189
Other support costs	-	-	-	-
	<u>348,849</u>	<u>-</u>	<u>348,849</u>	<u>294,883</u>
2023 total	<u>294,883</u>	<u>-</u>	<u>294,883</u>	

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

8. Charitable Activities	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Direct Costs - educational operations				
Teaching and educational support staff costs	-	8,866,888	8,866,888	8,128,622
Depreciation	-	702,171	702,171	717,076
Loss/(Profit) on disposal	-	700,336	700,336	-
Books, apparatus and stationery	-	231,134	231,134	163,097
Staff development	-	26,276	26,276	33,275
Examination fees	-	162,372	162,372	146,570
External Education Provision	-	107,343	107,343	61,995
Educational consultancy	-	8,513	8,513	1,934
Additional Pupil Premium costs	-	6,466	6,466	2,794
Other direct costs	-	65,873	65,873	66,430
	-	10,877,372	10,877,372	9,321,793
Support Costs - educational operations				
Support staff costs	203,173	1,810,154	2,013,327	1,851,425
Depreciation	-	181,253	181,253	182,034
Recruitment and support	-	23,711	23,711	35,721
Maintenance of premises	-	283,995	283,995	312,690
CIF expenditure	-	209,138	209,138	-
Equipment	-	23,652	23,652	31,478
Legal fees	-	-	-	260
Professional fees	-	107,117	107,117	57,219
Cleaning	-	112,782	112,782	286,723
Rent and rates	-	52,641	52,641	54,919
Water Rates	-	50,335	50,335	42,779
Heat and light	-	495,279	495,279	433,894
Insurance	-	34,718	34,718	31,343
Security	-	5,211	5,211	12,277
Transport	-	43,761	43,761	53,953
Catering	177,157	62,263	239,420	234,895
Technology costs	-	271,469	271,469	242,958
Operating Leases	-	35,517	35,517	33,811
Photocopying	-	8,489	8,489	2,875
Other support costs	-	9,444	9,444	6,141
Photocopying	-	10,150	10,150	8,191
Bank Interest and Charges	-	29,688	29,688	35,436
Other support costs	-	380,330	3,860,767	4,241,097
	380,330	3,860,767	4,241,097	3,951,022
Educational activities and school fund costs				
Educational activities	-	269,246	269,246	210,220
Educational activities staff costs	-	25,851	25,851	12,880
School Fund expenditure	8,083	18,792	26,875	30,079
School Fund expenditure staff costs	-	-	-	-
	8,083	313,889	321,972	253,179
Support costs - governance				
Legal fees	-	-	-	-
Professional fees	-	1,000	1,000	1,000
Net finance costs in respect of defined benefit pension schemes	-	15,000	15,000	136,000
Auditors remuneration	-	19,615	19,615	18,465
Internal auditors remuneration	-	1,590	1,590	5,730
	-	37,205	37,205	161,195
Total direct and support costs	388,413	15,089,233	15,477,646	13,687,189
2023 total	350,496	13,336,693	13,687,189	

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

9. Staff

a. Staff costs and employee benefits

	2024	2023
	£	£
Staff costs during the period were:		
Wages and salaries	8,358,261	7,495,088
Social security costs	791,091	730,952
Pension costs	1,766,953	1,728,054
Other employee benefits	-	-
Apprenticeship Levy	26,914	23,256
	10,943,219	9,977,350
Supply staff costs	212,917	183,504
Staff restructuring costs	-	31,268
	11,156,136	10,192,122
Staff restructuring costs comprise:		
Redundancy payments	-	7,088
Severance payments	-	24,180
Other restructuring costs	-	-
	-	31,268

b. Severance payments

The academy trust paid no severance payments in the year, disclosed in the following bands:

	2024
	No
0 - £25,000	-
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000+	-
	-

c. Special staff severance payments - Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £nil (2023: £24,180). Individually, the payments were: £nil.

d. Staff numbers

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

	2024	2023
	No	No
Charitable Activities		
Teachers	89	91
Administration and support	181	161
Management	12	12
	282	264

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

e. Higher paid staff

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

	2024 No	2023 No
£60,001 - £70,000	5	5
£70,001 - £80,000	4	2
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>12</u>	<u>10</u>

f. Key management personnel

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

	2024 £	2023 £
Senior Management Team	633,890	587,068
Staff Governors	-	-
	<u>633,890</u>	<u>587,068</u>

Employee benefits included in relation to the MAT Board. Not considered necessary to disclose information in relation to the local governing boards for the individual schools within the MAT.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

10. Central Services

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

- human resources
- financial services
- health and safety and facilities management
- legal services
- educational support services
- professional services

The trust charges for these services on the following basis:

- Each academy was charged a lump sum, plus a percentage of estimated GAG income for the year. This is reviewed annually by the MAT board.

The actual amounts charges during the year were as follows:

	2024	2023
	£	£
The Queen Katherine School	383,011	216,132
Walney School	269,138	152,533
George Hastwell School	184,726	97,430
	<u>836,875</u>	<u>466,095</u>

11. Transfers Between Funds

2024

Restricted general funds

General Annual Grant (GAG)

Unrestricted general funds contributions towards GAG deficits	-	
Purchase of fixed assets	(83,055)	
GAG contribution towards educational activities and visits	-	
GAG contribution to condition improvement fund projects	(46,405)	
Unrestricted catering fund overhead contribution	-	
Contribution to catering fund overspend	<u>(40,466)</u>	
		(169,926)
GAG contribution towards educational activities and visits		-
		<u>(169,926)</u>

Restricted fixed asset funds

Fixed assets used for charitable purposes

Purchases from General Annual Grant (GAG)	83,055	
Purchases from Capital Grants	-	
Purchases from unrestricted general funds	<u>-</u>	
		83,055
Capital Grants contributions towards additions		-
GAG contribution to condition improvement fund projects		<u>46,405</u>
		<u>129,460</u>

Unrestricted funds

Unrestricted general funds

Unrestricted school contribution to condition improvement fund project	-	
Unrestricted school contribution towards AWP fund	(3,273)	
Contributions towards GAG deficits	<u>-</u>	
		(3,273)
GAG Contribution to catering fund overspend		40,466
Unrestricted general funds contribution towards AWP overspend		3,273
Unrestricted catering fund to the General Annual Grant restricted general fund to cover the overhead costs that could not be directly allocated on a consistent basis (net transfer across academies).		-
		<u>40,466</u>

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

12. Related Party Transactions - Trustees' Remuneration and Expenses

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

Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

P Slater (Chief Executive Officer and Ex Officio Trustee):

Remuneration	£65,001 - £70,000	(2023: £60,001 - £65,000)
Employer's pension contributions	£15,001 - £20,000	(2023: £10,001 - £15,000)

During the year ended 31 August 2024 there was £Nil (2023: £Nil) travel and subsistence expenses reimbursed to the trustees.

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

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2023: £5,000,000 via Department for Education's risk protection arrangement) on any one claim and the cost for the year ended 31 August 2024 was £195 (2023: £186).

The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

14. Tangible Fixed Assets

	Freehold Land & Buildings	Long Leasehold Land & Buildings	Plant & Machinery	Furniture & Equipment	ICT Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£	£	£
As at 1 September 2023	7,153,470	6,623,150	6,369,609	521,840	69,399	24,958	20,762,426
Assets on conversion	-	-	-	-	-	-	-
Additions	-	-	-	37,935	-	45,120	83,055
Disposals	(772,632)	-	(331,128)	-	-	-	(1,103,760)
As at 31 August 2024	6,380,838	6,623,150	6,038,481	559,775	69,399	70,078	19,741,721
Depreciation							
As at 1 September 2023	2,736,244	1,774,114	4,368,322	286,641	56,286	20,631	9,242,238
Charge in year	215,269	200,729	402,588	46,460	6,016	12,362	883,424
Disposals	(166,116)	-	(237,308)	-	-	-	(403,424)
As at 31 August 2024	2,785,397	1,974,843	4,533,602	333,101	62,302	32,993	9,722,238
Net book values							
As at 31 August 2024	3,595,441	4,648,307	1,504,879	226,674	7,097	37,085	10,019,483
As at 1 September 2023	4,417,226	4,849,036	2,001,287	235,199	13,113	4,327	11,520,188

Land valuation

The trustees have valued the land at £1 for each academy in the MAT. This valuation reflects the fact that the land is tied specifically to educational use. No account has been taken in any potential development value.

Lease arrangements

The academy has a 125 year lease with Cumbria County Council for the land and buildings of Walney school, which commenced on 1 September 2014.

The academy has a 125 year lease with Cumbria County Council for the land and buildings of George Hastwell school, which commenced on 1 September 2015.

The academy trust's transactions relating to land and buildings during the year included:

- The granting of a leasehold on the Meadowview Nursery building for £12,000 per annum over a term of 5 years from 01/09/2023.
- The Trust granted a new lease with Westmorland & Furness Council on 04/09/2023 for Sandgate School. The lease term is 125yrs, ending on 3 September 2148 with a peppercorn rent of £1 per annum and there is a stipulation on Westmorland & Furness Council only to use the property as a SEN School.

The disposal shown above in the fixed asset note relates to this asset. This was due to the asset no longer being controlled by the entity and there are no future economic benefits expected to flow to the entity.

Condition Improvement Fund (CIF) projects

During the year the academy trust incurred expenditure on various projects which were funded by ESFA Condition Improvement Grants. The full cost of these projects have been treated as resources expended in the Statement of Financial Activities and are included within maintenance of premises.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**14. Tangible Fixed Assets (continued)****Valuation Details****The Queen Katherine School**

Included within freehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £11,649,701, £2,285,006 and £907,610 respectively on 23 June 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £5,682,023 at the date of conversion with integral features and plant and machinery remaining unchanged at £2,285,006 and £907,610 respectively.

The Sandgate building which was transferred to the academy in the year ended 31 August 2012 was valued on 23 June 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £772,632, £231,790 and £99,338 respectively. Due to a 125 year lease granted on 03/09/2023 this was removed from the balance sheet.

The trustees note that the valuation date is later than the date of conversion on 01 April 2011, but believe that the valuation will not be any different at the conversion date compared to the valuation date.

Walney School

In addition to the assets on conversion above there was also assets valued at £312,100 which fall below the capitalisation policy of the academy which have not been recognised.

Included within leasehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £12,337,677, £1,314,156 and £752,648 respectively on 24 June 2014 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £5,670,499 at the date of conversion with integral features and plant and machinery remaining unchanged at £1,314,156 and £752,648 respectively.

The trustees note that the valuation date is earlier than the date of conversion on 01 September 2014, but believe that the valuation will not be any different at the conversion date compared to the valuation date.

George Hastwell School

In addition to the assets on conversion above there was also assets valued at £107,373 which fall below the capitalisation policy of the academy which have not been recognised.

Included within leasehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £2,148,440, £230,572 and £149,129 respectively on 12 June 2015 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £952,650 at the date of conversion with integral features and plant and machinery remaining unchanged at £230,572 and £149,129 respectively.

The trustees note that the valuation date is earlier than the date of conversion on 01 September 2015, but believe that the valuation will not be any different at the conversion date compared to the valuation date.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

15. Fixed Asset Investments

Movement in fair value (market value)	2024 £	2023 £
Fair value (market value) at 1 September 2023	100,000	100,000
Acquisitions at cost	-	-
Movement in fair value in the year	-	-
Fair value (market value) at 31 August 2024	100,000	100,000

Analysis of investments between funds

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2024 £	Total Funds 2023 £
UK Property	-	-	100,000	100,000	100,000

The investment represents the school site house. It was transferred from the local authority on conversion when Walney school joined the MAT. The open market value as at 1 September 2014 was £100,000, this valuation was made by the trustees. The trustees consider that the property's current market value has not significantly changed since 1 September 2014.

16. Stock

	2024 £	2023 £
Catering	2,856	2,781
Stationery	4,500	4,500
Uniforms	250	250
	7,606	7,531

17. Debtors

	2024 £	2023 £
Trade debtors	75,933	37,584
VAT recoverable	114,588	103,402
Prepayments	127,726	157,327
Accrued income	341,466	192,866
Other debtors	12,171	14,671
	671,884	505,850

18. Creditors: Amounts Falling due Within One Year

	2024 £	2023 £
Trade creditors	458,405	278,181
Taxation and social security	182,518	175,729
Sundry creditors	233,409	202,173
ESFA creditor	35,385	76,789
Accruals	99,544	131,760
Deferred income	199,782	71,234
	1,209,043	935,866

Deferred Income

	2024 £	2023 £
Deferred income includes:		
Deferred income at 01 September 2023	71,234	135,135
Resources deferred in the year	199,782	71,234
Amounts released from previous years	(71,234)	(135,135)
Deferred income at 31 August 2024	199,782	71,234

Deferred income comprises:

LA funded statements and top ups	72,294	39,730
ESFA rates for the period to March in the new academic year	12,495	-
Westmorland and Furness Grants	54,653	-
School trips income for future trips	60,340	31,504
	199,782	71,234

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

19. Funds	Balance at 01-Sep 2023 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2024 £
Restricted General Funds					
General Annual Grant (GAG)	651,761	9,532,753	(9,790,205)	(169,926)	224,383
Pupil Premium	-	373,471	(373,471)	-	-
Teachers pay grant	-	142,571	(142,571)	-	-
Teachers pension grant	-	111,568	(111,568)	-	-
Schools supplementary grant	-	-	-	-	-
Mainstream schools additional grant	-	279,244	(279,244)	-	-
Recovery premium grant	-	105,134	(105,134)	-	-
National tutoring programme	-	6,053	(6,053)	-	-
Other DfE/ESFA grants	-	75,105	(75,105)	-	-
LA funds	-	2,169,131	(2,169,131)	-	-
Other LA Grants	-	-	-	-	-
Educational activities and visits	-	295,097	(295,097)	-	-
School Funds	40,173	14,376	(18,793)	-	35,756
Other restricted general funds	-	135,646	(135,646)	-	-
	<u>691,934</u>	<u>13,240,149</u>	<u>(13,502,018)</u>	<u>(169,926)</u>	<u>260,139</u>
Restricted Fixed Asset Funds					
Fixed assets used for					
Charitable purposes	11,520,188	-	(1,583,760)	83,055	10,019,483
Fixed asset investment	100,000	-	-	-	100,000
Devolved formula capital	-	41,317	(41,317)	-	-
Capital grants and donations	-	-	-	-	-
EFA capital maintenance fund 2023/24	-	262,942	(209,138)	46,405	100,209
EFA capital maintenance fund 2021/22	-	-	-	-	-
	<u>11,620,188</u>	<u>304,259</u>	<u>(1,834,215)</u>	<u>129,460</u>	<u>10,219,692</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(162,000)	-	247,000	(85,000)	-
Total Restricted Funds	<u>12,150,122</u>	<u>13,544,408</u>	<u>(15,089,233)</u>	<u>(125,466)</u>	<u>10,479,831</u>
Unrestricted Funds					
Unrestricted general funds	920,317	470,497	(327,102)	(3,273)	1,060,439
Unrestricted school funds	72,874	9,517	(8,083)	-	74,308
Catering fund	-	339,865	(380,331)	40,466	-
All Weather Pitch designated fund	-	18,473	(21,746)	3,273	-
Total Unrestricted Funds	<u>993,191</u>	<u>838,352</u>	<u>(737,262)</u>	<u>40,466</u>	<u>1,134,747</u>
Total Funds	<u>13,143,313</u>	<u>14,382,760</u>	<u>(15,826,495)</u>	<u>(85,000)</u>	<u>11,614,578</u>

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024.

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

General Annual Grant (GAG) fund

This represents the core funding for the educational activities of the schools that has been provided to the multi academy trust via the Educational & Skills Funding Agency (ESFA).

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

Pupil Premium

This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

LA Funds

This represents funding paid by Cumbria County Council to support a continuum of provision for students with special educational needs (SEN), learning difficulties and disabilities. This also includes the top up funding not received from the ESFA for George Hastwell school.

Teachers pay and pension grants

Teachers pay grant is provided to support teacher pay awards. Teachers pension grant is provided to support the increase in employer contributions to the Teachers' Pension Scheme from September 2019.

School Funds

This represents restricted contributions to be extended on specific projects, activities and materials for the benefit of the pupils.

Educational Activities and visits

This represents mainly parental contributions. Voluntary income and educational income to be expended on specific projects, activities and materials for the benefit of the pupils.

All Weather Pitch

This represents funding paid by external users of the all weather pitch, a designated fund to be used for the replacement of the pitch.

Catering

This represents funding relating to the provision of school meals to students and staff.

Funds in Deficit

The MAT has no funds in deficit. However, see below as individual academies within the Trust which are carrying a deficit at the year end.

Analysis of academies by fund balance

Fund balance at 31 August 2024 were allocated as follows:

	2024 £	2023 £
The Queen Katherine School	782,191	973,339
Walney School	(14,929)	158,203
George Hastwell	442,237	599,485
Central Services	185,387	(45,902)
Total before fixed assets and pension reserve	1,394,886	1,685,125
Restricted fixed asset fund	10,219,692	11,620,188
Pension reserve	-	(162,000)
Total	11,614,578	13,143,313

Walney School is carrying a net deficit of £14,929 on these funds because in 23/24 the lagged funding on pupil numbers created an in year deficit. The academy trust expects this position to reverse to a surplus by the end of the 24/25 academic year.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

Analysis of academies by cost

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 (excluding dep'n)	2024	2023
	£	£	£	£	£	£
Queen Katherine School	4,083,034	1,280,572	329,727	1,390,581	7,083,914	6,548,221
Walney School	2,500,382	487,012	174,644	664,877	3,826,915	3,666,616
George Hastwell	2,166,694	136,799	97,452	292,855	2,693,800	2,294,892
Central Services	117,111	384,532	6,155	130,308	638,106	573,233
Academy Trust	8,867,221	2,288,915	607,978	2,478,621	14,242,735	13,082,962

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

	Balance at 01-Sep 2022	Incoming resources	Resources expended	Gains, Losses and Transfers	Balance at 31-Aug 2023
	£	£	£	£	£
Restricted General Funds					
General Annual Grant (GAG)	725,601	9,089,586	(9,108,163)	(55,263)	651,761
Pupil Premium	-	335,965	(335,965)	-	-
Teachers pay grant	-	-	-	-	-
Teachers pension grant	-	35,366	(35,366)	-	-
Schools supplementary grant	-	227,724	(227,724)	-	-
Mainstream schools additional grant	-	116,352	(116,352)	-	-
Recovery premium grant	-	99,128	(99,128)	-	-
National tutoring programme	-	16,543	(16,543)	-	-
Other DfE/ESFA grants	-	80,076	(80,076)	-	-
LA funds	-	1,771,203	(1,771,203)	-	-
Other LA Grants	-	-	-	-	-
Educational activities and visits	-	223,100	(223,100)	-	-
School Funds	34,602	22,853	(17,282)	-	40,173
Other restricted general funds	-	101,773	(101,773)	-	-
	<u>760,203</u>	<u>12,119,669</u>	<u>(12,132,675)</u>	<u>(55,263)</u>	<u>691,934</u>
Restricted Fixed Asset Funds					
Fixed assets used for					
Charitable purposes	12,050,117	-	(899,110)	369,181	11,520,188
Fixed asset investment	100,000	-	-	-	100,000
Devolved formula capital	-	124,853	(124,853)	-	-
Capital grants and donations	-	501,620	(167,055)	(334,565)	-
EFA capital maintenance fund 2020/21	-	-	-	-	-
EFA capital maintenance fund 2021/22	-	-	-	-	-
	<u>12,150,117</u>	<u>626,473</u>	<u>(1,191,018)</u>	<u>34,616</u>	<u>11,620,188</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(3,008,000)	-	(13,000)	2,859,000	(162,000)
Total Restricted Funds	<u>9,902,320</u>	<u>12,746,142</u>	<u>(13,336,693)</u>	<u>2,838,353</u>	<u>12,150,122</u>
Unrestricted Funds					
Unrestricted general funds	819,517	376,222	(275,049)	(373)	920,317
Unrestricted school funds	73,107	12,565	(12,798)	-	72,874
Catering fund	-	317,051	(337,698)	20,647	-
All Weather Pitch designated fund	-	19,461	(19,834)	373	-
Total Unrestricted Funds	<u>892,624</u>	<u>725,299</u>	<u>(645,379)</u>	<u>20,647</u>	<u>993,191</u>
Total Funds	<u>10,794,944</u>	<u>13,471,441</u>	<u>(13,982,072)</u>	<u>2,859,000</u>	<u>13,143,313</u>

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

20. Analysis of Net Assets Between Funds

Fund balances at 31 August 2024 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	10,019,483	10,019,483
Tangible fixed assets investment	-	-	100,000	100,000
Current assets	1,134,747	1,246,204	323,187	2,704,138
Current liabilities	-	(986,065)	(222,978)	(1,209,043)
Pension scheme asset / (liability)	-	-	-	-
Total Net Assets	1,134,747	260,139	10,219,692	11,614,578

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	11,520,188	11,520,188
Tangible fixed assets investment	-	-	100,000	100,000
Current assets	993,191	1,624,092	3,708	2,620,991
Current liabilities	-	(932,158)	(3,708)	(935,866)
Pension scheme asset / (liability)	-	(162,000)	-	(162,000)
Total Net Assets	993,191	529,934	11,620,188	13,143,313

21. Long-term commitments, including under operating leases

Operating Leases

2024
£

2023
£

At the balance sheet date the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

Assets other than land and buildings		
Amounts due within one year	39,980	34,387
Amounts due between two and five years inclusive	47,942	35,704
Amounts due after five years	-	-
	<u>87,922</u>	<u>70,091</u>

22. Capital Commitments

2024
£

2023
£

Contracted for, but not provided in the financial statements

100,209	-
<u>100,209</u>	<u>-</u>

23. 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.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**24. Pension and Similar Obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2024 £	2023 £
Teachers' Pension Scheme	151,877	124,694
Local Government Pension Scheme	71,763	62,606
	<u>223,640</u>	<u>187,300</u>

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

	2024 £	2023 £
Teachers' Pension Scheme	1,233,152	1,072,347
Local Government Pension Scheme	648,425	575,399
Local Government Pension Scheme deficit recovery	147,376	203,308
LGPS current service cost/contributions adjustment	(262,000)	(123,000)
	<u>1,766,953</u>	<u>1,728,054</u>

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. 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 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**24. Pension and similar obligations (Continued)****Valuation of the Teachers' Pension Scheme (continued)**

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The pension costs paid to TPS in the period amounted to £1,233,152 (2023: £1,072,347).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August were as follows:

	2024	2023
	£	£
Employer's contributions	648,425	575,399
Employees' contributions	197,094	174,065
Local Government Pension Scheme deficit recovery	147,376	203,308
LGPS current service cost/contributions adjustment	<u>(262,000)</u>	<u>(123,000)</u>
Total contributions	<u>730,895</u>	<u>829,772</u>

The agreed contribution rates for future years are as follows:

The Queen Katherine School - 19.7% for employers and 5.5% to 12.5% for employees.

Walney School - 21.1% for employers and 5.5% to 12.5% for employees.

George Hastwell School - 18.1% for employers and 5.5% to 12.5% for employees.

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

At the balance sheet date the scheme is in surplus. The Academy has entered into an agreement effective from 1 April 2014 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 10 years from 1 April 2023, including £145,500 in the year ended 31 March 2024, £150,000 in 2024/25 and £154,600 in 2025/26.

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

24. Pension and similar obligations (Continued)

Principal Actuarial Assumptions	At 31 August 2024	At 31 August 2023
<i>Average across the academies in the MAT</i>		
Inflation assumption (CPI)	2.60%	2.80%
Rate of increase in salaries	4.10%	4.30%
Rate of increase for pensions in payment / inflation	2.70%	2.90%
Discount rate for scheme liabilities	5.00%	5.37%

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

	At 31 August 2024	At 31 August 2023
<i>Retiring today</i>		
Males	21.4	21.4
Females	23.9	23.8
<i>Retiring in 20 years</i>		
Males	22.7	22.7
Females	25.6	25.6

Sensitivity analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation. The figures are based on the surplus /deficit in the scheme before any surplus restriction.

	Deficit / Surplus)	At 31 August 2024 Change	Deficit / Surplus)	At 31 August 2023 Change
Discount rate + 0.1%	(369,000)	(246,000)	(54,000)	(216,000)
Discount rate - 0.1%	127,000	250,000	381,000	219,000
Mortality assumption - 1 year increase	168,000	291,000	410,000	248,000
Mortality assumption - 1 year decrease	(409,000)	(286,000)	(81,000)	(243,000)
CPI rate + 0.1%	127,000	250,000	380,000	218,000
CPI rate - 0.1%	(368,000)	(245,000)	(53,000)	(215,000)

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

24. Pension and similar obligations (Continued)

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2024 £	Fair value at 31 August 2023 £
Equities	5,125,000	4,666,000
Government bonds	2,063,000	1,559,000
Other bonds	-	-
Property	1,095,000	969,000
Cash / liquidity	308,000	270,000
Other	5,447,000	4,812,000
Total market value of assets	14,038,000	12,276,000
Present value of scheme liabilities		
- Funded	(13,915,000)	(12,438,000)
- Unfunded	-	-
Surplus/(deficit) in the scheme	123,000	(162,000)
Surplus restriction	(123,000)	-
Surplus / (deficit) recognised in the financial statements	-	(162,000)

Surplus Restriction

As noted above the actuary has valued the academy's share of the Cumbria LGPS to be a surplus of £123,000. The trust has restricted the amount of the surplus recognised as an asset, as FRS102 states that a surplus can only be recognised to the extent that it reduces future contributions. The rate of future contributions are set at the triennial reviews of the LGPS, the last one was at 31 March 2022. In the supporting valuation reports, this stated that only surpluses over 110% of liabilities are able to be returned to scheme participants through reduced future contributions. In the academy's case the assets do exceed 110% of the liabilities, therefore, under the scheme's current funding strategy the academy can reduce its future contributions.

The actual return on scheme assets in the period was £1,054,000 (2023: £549,000).

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

Amounts recognised in the Statement of Financial Activities are as follows:

	2024 £	2023 £
Current service cost (net of employee contributions)	(532,000)	(655,000)
Past service (cost)/gain	-	-
Administrative expenses	(27,000)	(24,000)
Net Interest cost	12,000	(112,000)
Effect of curtailments	-	-
Total operating charge	(547,000)	(791,000)

Analysis of other recognised gains and (losses)

Remeasurements (liabilities)	(339,000)	3,156,000
Remeasurements (assets)	377,000	(297,000)
Surplus restriction movement	(123,000)	-
Total charge	(85,000)	2,859,000

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

24. Pension and similar obligations (Continued)

	2024	2023
	£	£
Changes in the deficit / (surplus) in the year:		
Deficit / (surplus) in scheme at 1 September 2023	162,000	3,008,000
Current service cost	532,000	655,000
Past service cost/(gain)	-	-
Interest cost	667,000	620,000
Employer contributions	(794,000)	(778,000)
Actuarial (gain)/loss - Remeasurements	(38,000)	(2,859,000)
Administration expenses	27,000	24,000
Interest income	(679,000)	(508,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
Deficit / (surplus) at 31 August 2024	(123,000)	162,000
Surplus restriction	123,000	-
Deficit / (Surplus) recognised in the financial statements	-	162,000
Changes in the present value of defined benefit obligations were as follows:	2024	2023
	£	£
At 01 September 2023	12,438,000	14,524,000
Current service cost	532,000	655,000
Interest cost	667,000	620,000
Employee contribution	196,000	174,000
Past service cost/(gain)	-	-
Actuarial (gains)/losses - remeasurements	339,000	(3,156,000)
Curtailments	-	-
Benefits/transfers paid	(257,000)	(379,000)
Business combinations	-	-
Benefit obligation at 31 August 2024	13,915,000	12,438,000
Changes in the fair value of Academy's share of scheme assets:	2024	2023
	£	£
At 01 September 2023	12,276,000	11,516,000
Return on plan assets	679,000	508,000
Administrative expenses	(27,000)	(24,000)
Actuarial gain/(losses) - remeasurements	377,000	(297,000)
Employer contributions	794,000	778,000
Employee contribution	196,000	174,000
Benefits/transfers paid	(257,000)	(379,000)
Business combinations	-	-
Closing fair value of scheme assets at 31 August 2024	14,038,000	12,276,000

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

25. Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest.

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

26. Agency Arrangements

The academy acts as an intermediary for the following agency arrangements, but has no responsibility for them. The receipts and payments during the year have been excluded from the statement of financial activities. An amount is included in other creditors relating to undistributed funds that is repayable as shown below:

	16-19 Bursary
Fund balance at 01 September 2023	34,202
Receipts from ESFA during the year	17,097
Repayment of bursary to the ESFA	(16,298)
Distributions during the year	(18,786)
Fund balance at 31 August 2024	<u>16,215</u>

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

	16-19 Bursary
Fund balance at 01 September 2022	34,177
Receipts from ESFA during the year	16,142
Distributions during the year	(16,117)
Fund balance at 31 August 2023	<u>34,202</u>

16-19 Bursary Fund

The academy trust distributes the 16-19 bursary funds to students as an agent for the ESFA

27. Going Concern

The trustees have agreed that all schools in the Multi Academy Trust will transfer into other Multi Academy Trust within less than a year of the financial statements being approved. The financial statements are therefore prepared on a basis other than going concern. However, the values have been calculated on a going concern basis since the academy trust's intention is for the individual academies to remain a going concern but will operate in different Multi Academy Trusts after the transfer.