

**South Westmorland Multi Academy Trust  
(A Company Limited by Guarantee)**

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**Annual Report and Financial Statements**

**Year ended 31 August 2023**

Company Registration Number: 07646748 (England & Wales)

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

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**YEAR ENDED 31 AUGUST 2023**

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# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

### YEAR ENDED 31 AUGUST 2023

<b>Registered Charity Name</b>	South Westmorland Multi Academy Trust		
<b>Company Registration Number</b>	07646748 (England & Wales)		
<b>Principal and Registered Office</b>	Dallam School Milnthorpe Cumbria LA7 7DD		
	<b>Appointment Date</b>	<b>Resignation Date</b>	
<b>Members</b>			
* Mrs E J Fraser (Trustee)			
Mrs J Clarke			
Mr R J Pirie (DSCT)			
Rev S E Wilson			07/07/2023
Mrs S C Swindley	15/12/2022		
<b>Trustees / Directors</b>			
* Mrs E J Fraser			
* Mr R T Villiers-Smith			
* Mr M J Shevill			
Mr A J Knox			
Mrs P A Houghton			
Mrs J Lees			14/02/2023
* Mr A J Gerrard (Chair of MAT Board)			
<b>Ex Officio Trustees</b>			
Mrs R Williams (Headteacher)			18/11/2022
* Mr S J Henneberry	18/11/2022		
* Current members of the Risk, Audit & Finance Committee			

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2023

		Appointment Date	Resignation Date
<b>Company Secretary</b>	J Hamer		
<b>Senior Leadership Team:</b>			
Headteacher	R Williams		18/11/2022
Headteacher	S Henneberry	19/11/2022	
Assistant Headteacher	R Surtees		
Assistant Headteacher	D Oliver		
Assistant Headteacher	J Watton		31/12/2022
Chief Finance Officer	J Hamer		
<b>Independent Auditor</b>	Saint & Co Chartered Accountants The Old Police Station Church Street Ambleside Cumbria LA22 0BT		
<b>Bankers</b>	Lloyds Bank pic 11 Finkle Street Kendal Cumbria LA9 4AG		
<b>Solicitors</b>	Schofield Sweeney Springfield House 76 Wellington Street Leeds LS1 2AY		

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## TRUSTEES' REPORT

### YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. 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) serving a catchment area in Cumbria and Lancashire. The MAT comprises the following schools:

- Dallam School

Dallam school is a mixed, converter academy school with state boarding provision for pupils aged 11 to 19, serving a catchment area in Milnthorpe and the surrounding area. It has a pupil capacity of 1150 (increased from 1050 from 01 September 2021) and had a roll of 995 in the school census on 05 October 2023.

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

##### Constitution

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

The full board of trustees is responsible to the Secretary of State and to the school, its staff, pupils and parents for the successful leadership and management of the school. A smaller group of trustees also act as the trustees for the charitable activities of Dallam School Charitable Trust Limited and are also the directors of the charitable company for the purposes of company law.

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

The multi academy 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 multi academy trust's articles of association as follows:

- Up to 10 trustees, appointed under Article 50
- A minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Advisory Committees are established under Article 100a or if no provision is made for at least 2 Parent Local Advisors on each established Local Advisory Committee pursuant to Article 101A.
- In circumstances where the Trustees have not appointed Local Advisory Committees in respect of the Academies as envisaged in Article 100a or if no provision is made for at least 2 Parent Local Advisors on each established Local Advisory Committee pursuant to Article 101A there shall be a minimum of two Parent Trustees and otherwise such number as the Members shall decide who shall be appointed or elected in accordance with Articles 54 - 56.
- The total number of Trustees including the Accounting Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.
- Providing that the Accounting Officer agrees so to act, the Members may by ordinary resolution appoint the Accounting Officer as a Trustee.
- The Trustees may appoint Co-opted Trustees.

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT**

### **YEAR ENDED 31 AUGUST 2023**

#### Method of Recruitment and Appointment or Election of Trustees (continued)

New trustees are recruited on the basis of the skills and competencies required to address gaps highlighted in regular skills audits of the existing MAT board.

The term of office for all trustees is four years. The Accounting Officer is not appointed as a trustee. The trustees who were in office at 31st August 2023 or who served throughout the period, except where shown, are listed on page 1.

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

During the period under review the trustees held 6 meetings. The South Westmorland MAT recognises that new trustees do not necessarily have a background in education or a thorough understanding of the school. To ensure they receive the necessary support to undertake their duties as soon as possible, the induction and training process includes:

- A preliminary informal discussion with the Headteacher, and as necessary the Chair of the MAT or Local Advisory Committee, to ensure they understand their general responsibilities and time commitment
- An induction meeting with the Headteacher, Chair of the MAT and Chair of the Local Advisory Committee, to include a tour of the school
- An induction pack and initial training on the school systems and sources of information by the Clerk
- Assignment of a mentor from the existing Local Advisory Committee
- Regular training on developments in governance issues
- Annual training for each trustee related to their specific roles

#### Organisational Structure

The trustees are the charity trustees and are responsible for the general control and management of the administration of the trust in accordance with the provisions set out in the Memorandum and Articles of Association. The Board of Trustees is accountable for the performance of all academies within the trust and as such must:

Ensure clarity of vision, ethos and strategic direction

Hold the Academy Heads to account for the educational performance of the schools and their pupils, and the performance management of staff

Oversee the financial performance of the trust and make sure its money is well spent

The Trust Board is permitted to exercise all the powers of the Academy Trust and delegates responsibility for the day to day operations to the Accounting Officer. The Accounting Officer has the delegated responsibility for the operation of the trust including the performance of the trust's academies and performance management of the academy heads. Assistance is provided by the chairs of each Local Advisory Committee.

In the role of Accounting Officer the Chief Executive Officer holds overall responsibility for the academy trust's financial responsibilities and must ensure that the organisation is run with financial effectiveness and stability; avoiding waste and securing value for money. As leader of the MAT's leadership team the Accounting Officer can delegate executive management functions to the team and is responsible for their performance.

#### 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 has been delegated to the Head Teachers Pay Review Committee and Pay Review Committees, both sub committees of the MAT Board. The MAT Board has delegated responsibility for the appointment and performance management of the academy heads to the Accounting Officer through the Scheme of Delegation.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2023

### Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	3
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£1,800
Total pay bill	£6,091,934
% of total pay bill spent on facility time	0.030%

Paid trade union activities

There was no paid union activity during the period

### Related Parties and other Connected Charities and Organisations

The multi academy trust is made up of the following schools:

- Dallam School

Dallam School supports the rationale that there is strength in partnerships and is a member of the South Lakes Federation to bring rigour, challenge and a greater capacity for improvement. The collaborative federation is made up of nine secondary schools, Kendal College and a special school within the South Lakes area, providing an opportunity for curriculum enrichment, access for students to vocational courses and support for gifted and talented students. A series of 'thresholds for performance' or benchmarks for attainment and progress of students are set within the federation and support for improvement is provided where necessary.

Dallam School is also a member of the South Lakes Rural Partnership (SLRP), a group of secondary and primary phase schools working as part of a wide ranging partnership with a focus on school improvement, service provision, staff development, training, governance and leadership.

Dallam School benefits financially from Dallam School Charitable Trust, an unincorporated charity whose objects include assisting the trustees to defray the costs of maintenance of the school, assist in providing special benefits not normally provided by the DfE, and to promote the education of persons who are attending/have attended the school.

### **Objectives and Activities**

#### Objects and Aims

The main objects of the multi academy trust are:

- to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum
- to promote for the benefit of the inhabitants of the areas in which the academies are situated the provision of facilities for recreation or other leisure time occupation with the object of improving the condition of life.

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT**

### **YEAR ENDED 31 AUGUST 2023**

#### Objectives, Strategies and Activities

The main objectives for the year, the strategies for achieving them, and the key personnel and timeframes are all detailed within our school improvement plan. Progress toward these objectives was monitored through weekly meetings of the senior leadership team. South Westmorland Multi Academy Trust monitored and evaluated this progress through the Local Advisory Committee and regular Headteacher reports.

The priorities detailed in the school improvement plan during 2022-23 were as follows:

#### **SIP Priorities**

To focus on moving the Quality of Education from good to outstanding, by further refining our curriculum, ensuring consistent high-quality learning and teaching, and improving student outcomes still further, including closing the attainment gap for PP students, boys and students with high prior attainment.

To significantly improve the school culture and ethos, by focusing on systems and routines that support excellent behaviour, embedding our vision, values and aims and focusing on equality, diversity and inclusion.

To maintain our focus on staff and student wellbeing, through the wellbeing charter, including prioritising mental and physical health, having a clear communications policy, ensuring students and staff have a voice in decision making and reducing workload by streamlining systems and adhering to the directed time agreement.

To ensure financial stability with a rigorous business strategy, a clear improvement and development plan for boarding and a focus on multi-academy trust growth that improves outcomes for young people and families, and meets our vision, values and aims.

To ensure boarding is financially viable and moving from 'good' to 'outstanding' against the new NMS.

#### 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.

### **Strategic Report**

#### **Achievements and Performance**

During the academic year 2022-23, Dallam School and SWMAT made considerable progress towards the SIP priorities. Progression was measured and monitored through the local advisory committee meetings and our LAC champions, who provided both support and challenge to school leaders. LAC champions cover the following areas:

- Performance and evaluation (examination and performance data, pupil attendance and recruitment)
- Safeguarding
- SEND
- Pupil premium
- Equality
- Careers provision
- Sixth Form
- Boarding
- Mental health and wellbeing
- Personal development
- Behaviour and attitudes



# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2023

### Achievements and Performance (*continued*)

#### *The South Westmorland Multi Academy Trust achievements in the year include:*

- Internal appointment of a new Headteacher together with a substantially invigorated SLT including a new Deputy Headteacher, Head of Boarding and 3 new AHTs.
- Engaging in and leading discussions on MAT developments locally.
- External governance review with positive feedback on our ways of working and efficacy.
- Continued movement towards a strategic level of discussion in the MAT with key areas identified and agreed.

#### *Dallam School achievements in the year include:*

- The recruitment of a new, expanded senior leadership team, including the Headteacher, Deputy Headteacher and Head of Boarding.
- A clear understanding and application of curriculum intent, at both whole school and individual subject level.
- Improved positive school culture achieved by working with Behaviour Hubs, Anti-Racist Cumbria and the Anti-Bullying Alliance.
- Engagement in evidence-based research to drive our relational approaches to working with students in school and also to working with our wider school community.

### Key Financial Performance Indicators

#### **Dallam School**

#### Staffing costs as a % of total income (excluding capital income)

	2023	2022	2021	2020	2019	2018
Teaching staff	48.7%	52.8%	51.0%	54.1%	48.7%	46.1%
Support staff	19.2%	19.1%	20.0%	21.3%	22.2%	22.9%
Total	67.9%	71.9%	71.0%	75.4%	70.9%	69.0%

#### Teaching Staff

	2023	2022	2021	2020	2019	2018
Pupils on roll	1059	1082	1082	1075	1024	972
Full time equivalents teachers	61	64	67	68	66	63
Pupil teacher ratio	17.4	16.9	16.1	15.8	15.5	15.4

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT**

### **YEAR ENDED 31 AUGUST 2023**

#### **Going Concern**

After making appropriate enquiries, the MAT Board of trustees has a reasonable expectation that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it adopts the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

#### **Financial Review**

The South Westmorland Multi Academy Trust's financial statements are for the year ended 31 August 2023.

The Trust has continued to invest time and resource in exploring alternative markets for its boarding provision, post Brexit and Covid. Recruitment of boarding students has been significantly better than expectations in the 5 year recovery plan, particularly for the Dallam Experience programme.

The Academy Trust ends the year in a very strong financial position with net current assets totalling £916,656 (2022: £1,153,192). Trustees are mindful of the impact of the pension fund deficit on future employer costs, and the need to regrow the boarding provision post Brexit and the Covid-19 pandemic.

The majority of each academy's income is obtained from the Educational and Skills Funding Agency (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 2023 and the related expenditure are shown as restricted funds in the statement of financial activities.

Dallam School is a state boarding school with 141 boarding places. A large proportion of its income is generated from annual boarding fees.

Under Financial Reporting Standard 102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

During the period ended 31 August 2023, total general expenditure of £8,552,220 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over general expenditure for the year was £135,590.

At 31 August 2023 the net book value of fixed assets was £10,987,648 and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT**

### **YEAR ENDED 31 AUGUST 2023**

#### 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 continue to keep the level of reserves under review.

The general unrestricted fund balance at the year end was £221,698 (2022: £195,120). The trustees believe that this level of reserves is required to support the running of the school. The designated sports fund at the year end was £185,893 (2022: £178,281), this fund is for the purchase of sports equipment and the resurfacing 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 £932,648 held at 31st August 2023 exceeds their expectations, this provides the security required to support the boarding provision and mitigate the boarding fund deficit during the five year recovery plan.

#### 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.

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. The academy has previously entered into an agreement effective from 01 April 2014 to make additional contributions in addition to normal funding levels. It is anticipated that further payments will be made over 10 years from 01 April 2023.

Boarding Fund - Trustees approved a balanced three-year budget, with healthy reserves for the period to 31/08/2026. As a result of the exceptional circumstances arising from Brexit and the Covid-19 pandemic, the Boarding Fund has been supported by a transfer of £100,000 from General Unrestricted Funds for the financial period ended 31/08/2023. A new Head of Boarding has been appointed to develop strong contacts with boarding agents and increase boarding student recruitment. As a result of these measures, we aim to bring the fund out of deficit by 2026.

#### Principal Funding Sources

The main sources of income for the year were: The ESFA, boarding provision, the local authority, community and outdoor education courses and the Dallam School Charitable Trust.

#### Investment Policy

The Board of Trustees aims to ensure value for money when considering investment decisions whilst exercising caution and ensuring security of funds takes precedence over revenue maximisation. Any reserves are currently held in a range of higher interest accounts with the multi academy trust's bankers. The main Lloyds Bank account is an instant access account which currently attracts an interest rate of 0.1% pa.

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

The major risks the multi academy trust is exposed to concern the real terms cut in funding by the Department for Education. The multi academy trust mitigates these risks by preparing a 3 year budget forecast and closely monitoring the budgetary position. The multi academy trust maintains a risk register which is monitored on a termly basis by the Risk, Audit & Finance Committee, established by the trustees.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## TRUSTEES' REPORT

### YEAR ENDED 31 AUGUST 2023

#### Financial and Risk Management Objectives and Policies

A budget for the period was agreed prior to the beginning of the accounting period. Management accounts were presented at each termly Risk, Audit & Finance Committee trustee meeting and income and expenditure monitored against budget. All the MAT's financial policies, systems and controls are disclosed in the MAT's Financial Regulations Manual.

#### Risk Management

The trustees have reviewed all major risks to which the MAT is exposed and systems have been established to mitigate those risks. A risk register has been produced, as per guidance in the Academy Trust Handbook which demonstrates the results of the risk assessment process. The trust recognises and manages present and future risk to ensure the effective and continued operation of Dallam School and will update its procedures accordingly as and when additional academies join the MAT. A contingency and business continuity plan has been prepared to deal with crises that could face the MAT. The MAT has effective systems of internal financial controls and this is explained in more detail in the statement on internal control.

#### Trust Estate Management

Trustees have a responsibility to ensure the trust's estate is safe, well maintained and complies with relevant regulations. The Trust has a 10 year Land and Buildings plan that is reviewed by trustees at termly Risk, Audit and Finance Committee meetings. During the year trustees have approved the installation of solar panels to reduce the school's carbon footprint and mitigate the risk of rising energy costs.

#### 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 which included a whole school sponsored walk, whereby students sought voluntary donations from parents, carers and the local community. The development of a rigorous approach to external fundraising will be a priority moving forwards.

#### **Plans for Future Periods**

##### *The South Westmorland Multi Academy Trust*

- MAT development – actively participate in what is a rapidly changing educational environment locally to ensure the SWMAT is able to secure School Improvement Support in the immediate and next few years for the benefits of students and staff.
- People strategy – develop a strategy that will ensure that the SWMAT retains its most able and talented staff and attracts the best talent when recruiting.
- Environment – develop a strategy that will ensure that the SWMAT is seen as being proactive in reducing their environmental impact and ensuring that students leave with an understanding of environmental issues facing local, national and international communities.
- Curriculum (KS3/KS4) – to develop a balanced, rigorous, coherent, integrated, appropriate, focused and relevant curriculum offer, supported by high quality teaching and resources.
- Sixth Form (including post-16 curriculum) – to build an attractive, relevant and forward-thinking curriculum in our Sixth Form to retain and attract students to study with us post-16.
- Community – agree a strategy to re-engage with our students, parents/carers, and local community to ensure that Dallam School's current and future activities are seen in a positive light.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2023

### Plans for Future Periods (*continued*)

#### *Dallam School*

To create a safe, inclusive, respectful and vibrant culture through; high quality personal development provision; valuable and productive time with form tutors and pastoral leads; and increased extra and super curricular opportunities to nurture, develop and stretch students' talents and relationships.

- To focus on high quality daily teaching by; embedding the EEF five-a-day; using high think/participation ratios and finely calibrated assessments to identify learning gaps, misconceptions, and next steps; implementing quality first teaching strategies for all students, to support disadvantaged children and children with SEND; securing effective professional development; and applying whole school strategies to improve student progress in reading and mathematics.
- To realise a strong school community through establishing positive relationships built on a knowledge of our people and their contexts, consistent routines, boundaries and expectations, an understanding of social emotional learning (SEL), parental engagement, a robust people strategy, community outreach and promoting a love of learning and sense of belonging.

#### *Dallam Boarding*

- To create a content, calm, inclusive and caring community where boarding pupils will thrive
- To attract and retain new students
- To develop a Dallam Experience offer with a focus on cultural and social immersion

Each area of implementation will be supported by effective professional development, clear systems, reformed leadership roles and responsibilities, policies and protocols, explicit communication, regular quality assurance and modelled through behaviours of leaders.

### **Funds Held on Behalf of Others**

The multi academy trust acts as a intermediary for the 16-19 Bursary fund, but has no responsibility, the trust distributes the funds to students as an agent for the ESFA.


### **Auditor**

In so far as the trustees are aware:

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

Saint & Co Chartered Accountants were formally re-appointed by the Members at a meeting of the Trust held on 19th December 2023.

The Trustees' report, incorporating a strategic report, was approved by order of the members of the board of trustees on 19th December 2023 and signed on its behalf by:



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Mr A J Gerrard  
Chair of Trustees

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2023

### Scope of Responsibility

As trustees, we acknowledge that we have overall responsibility for ensuring that the South Westmorland 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 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 South Westmorland 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 has formally met 12 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
Ms R T Williams (Headteacher & Accounting Officer)	6	7
Mr S J Henneberry (Headteacher & Accounting Officer)	5	5
Mr A J Gerrard (Chair)	12	12
Mrs E J Fraser	12	12
Mrs P A Houghton	12	12
Dr A J Knox	10	12
Mrs J Lees	8	9
Mr M J Shevill	8	12
Mr R T Villiers-Smith	10	12

### Governance Review

#### *Key changes in the composition of the Board of Trustees*

The Trust Board has lost one experienced member last year. We have been able to recruit a LAC member with experience in finance who will join the Risk Audit and Finance Committee whilst gaining knowledge of the school in his role as a LAC Member. It is our intention to consider him as a Trustee in the near future as he has already expressed an interest in taking up that post.

#### *The coverage of its work*

The Board has been active in discussions within the South Lakes Federation about the future of school improvement through the SLF and how schools may develop within wider MAT structures in the locality. Internally the Board will focus on a small number of strategic areas which will be covered in its meetings on rotation. These areas are: MAT development; sixth form provision; recruitment and retention; community engagement; environment; and boarding.

The board has made significant changes to the SLT at Dallam school appointing a new Head, Deputy Head and 3 new Assistant Heads. We have also appointed a new Head of Boarding.

The board works closely with senior officers to ensure financial probity. The Risk Register is reviewed on a regular basis and boarding recruitment is followed closely.

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT**

### **YEAR ENDED 31 AUGUST 2023**

#### *The coverage of its work (continued)*

The MAT Board has approved a change in senior leadership structure to increase capacity and reflect the complexities at the school. Trustees have supported the shortlisting and interview process for the appointment of a new Deputy Headteacher, Head of Boarding and 3 Assistant Headteachers who started work in September 2023.

Across the financial year, the Board, working closely with senior officers, fulfilled its duty in ensuring financial probity. Trustees have continued to have a focus on improvements in boarding and regular updates on boarding recruitment and marketing activity have been provided to trustees and discussed in detail.

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

The Board and its committees meet both virtually and face to face. A skills audit and the Chair's 360 review has taken place. There is a good mix of skills and experience within the board. Individual Trustee interviews will take place this year to identify any board improvements and training needs. The board is becoming increasingly strategically focussed now the new Head, Deputy and SLT are all in place. Trustees are active in meetings challenging leaders and other Trustees in an open, honest way. The concept of radical candour is often quoted.

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

The data provided to the MAT and Local Advisory Committee is of good quality and is provided in good time for questions to be sent in before the meetings. The data dashboard needs some improvement to make data easier to assimilate for those not involved in the day to day work of the school. Safeguarding, Pupil Premium and SEND reports are all well presented using standard formats. The Self Evaluation Form and School Improvement Plan structures have been improved; abstracts of the most important and urgent activities are shown in a separate report for the MAT and Local Advisory Committee. Financial reports have been tailored to suit the needs of the Local Advisory Committee to prevent duplication. Key performance indicators are discussed increasingly within the context of local and national comparators where available. Detailed reports on changes to budget allocations and variance are included for clarity and discussion. Audit data is regularly discussed at termly meetings of the Risk, Audit & Finance Committee..

The Board has ensured that it has met regularly and the data it has used over the last year has therefore always been up to date. Communication between trustees and senior officers has been very good; the Board of Trustees met with officers 12 times between the 1st September and the 31st August. An additional mid-year meeting between the Chair and Vice Chair of the Board and the Board's Members also took place.

#### ***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

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2023

### **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 2022/23 financial year the Trust Board met a total of 12 times during the year and the Risk, Audit & Finance Committee met 3 times.

The Risk, Audit and Finance Committee is a sub-committee of the MAT Board. Its purpose is to assist the decision making of the board of trustees by ensuring sound management of the multi academy trust's finances, resources, systems of internal control and risk profile, including proper planning, monitoring and probity. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr M J Shevill (Chair)	3	3
Mrs E J Fraser	2	3
S J Henneberry (Headteacher & Accounting officer)	3	3
Mrs J Lees	0	1
Mr R T Villiers-Smith	2	3
Ms R T Williams (Headteacher & Accounting Officer - resigned)	0	0

### **Review of Value for Money**

As Accounting Officer the chief executive has responsibility for ensuring that the multi academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, 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 by:

During the 2022/23 academic and financial year the South Westmorland Multi Academy Trust has undertaken a number of initiatives to derive greater value for money from its operations whilst also ensuring it provides the best possible outcomes for its students. Below a number of areas are highlighted along with specific examples of how the trust has addressed each.

Improving educational outcomes - the Trust has focussed on ensuring financial stability with a rigorous business strategy, a clear improvement and development plan for boarding and a focus on multi-academy trust growth that improves outcomes for young people and families, and meets our vision, values and aims.

Financial Governance and Oversight - the Trustees have strong oversight of the financial management of the MAT's budgets. The Risk, Audit and Finance Committee meet termly to review the financial position of the MAT, to receive reports and challenge decisions, before reporting to the full board. In addition to the annual external audit, a separate firm of auditors were engaged to conduct an internal audit of financial controls, and an internal audit of non-financial controls and risk management was carried out via a peer review, in accordance with best practice. Evidence of the MAT's ethos of obtaining value for money and adherence to systems of internal control is provided in their termly reports submitted for scrutiny to the Risk, Audit and Finance Committee.



# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2023**

### **Review of Value for Money (continued)**

Ensuring efficient and effective use of resources - the Trust ensures there is a continual focus on best value for money and understands how assets can be used to maximise students' progress and outcomes. The Chief Finance Officer takes care to ensure all purchases and contracts deliver value for money, using tendering to obtain at least three quotes and challenging any item which does not deliver a clear benefit. Dallam School continues to work with other local schools in the South Lakes Federation to undertake cost comparisons, particularly of contracted services, which ensures value for money. The Chief Finance Officer is a member of a local network of SBMs who meet regularly to discuss issues affecting schools and to initiate procurement advantages where possible.

Reviewing controls and managing risks - the Risk Register is reviewed on a regular basis by the Risk, Audit and Finance Committee to assess the likelihood and impact of risks and how these can be mitigated. The Chief Finance Officer and Accountant review the budget and costs on a monthly basis and submit detailed reports to trustees. Any significant variances and, in particular, changes to staffing costs are highlighted and addressed. Changes to staff contracts are carefully planned and overseen by the Accounting Officer and any agreed increments endorsed by the Trust Board within the scope of the delegated responsibilities.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the MAT's 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 South Westmorland Multi Academy Trust for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

The Trust identifies risks, with reference to its risk register, and modifies its checks accordingly. Where procedures or systems have changed, such as in the boarding provision, additional meetings have been convened to ensure a suitable level of scrutiny is applied.

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the MAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the Risk, Audit and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2023**

### **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 2023.

In addition, internal scrutiny of risk management and non-financial controls was delivered via a peer review by the chief financial officer from another academy trust. The Trust appointed Angela Johnson, Chief Financial Officer of the Lunesdale Learning Trust to conduct the review, based on her 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 purchases systems;
- testing of bank reconciliations

On a termly basis the internal 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 auditor has worked with the Trust to deliver their schedule of work.

### **Review of Effectiveness**

The accounting 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 peer reviewer;
- 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.

Approved by order of the members of the board of trustees on 19th December 2023 and signed on its behalf by:

  
\_\_\_\_\_  
Mr A J Gerrard  
Chair of Academy Trustees

  
\_\_\_\_\_  
Mr S J Henneberry  
Accounting Officer

## **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**YEAR ENDED 31 AUGUST 2023**

As accounting officer of South Westmorland 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 2022, 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 2022.

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.

Signed:

A handwritten signature in black ink, appearing to read 'S J Henneberry', written over a horizontal line.

**Mr S J Henneberry**  
**(Accounting Officer)**

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



M F A J Gerrard  
Chair of Academy Trustees

19-12-23 Date

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SOUTH WESTMORLAND MULTI ACADEMY TRUST**

**YEAR ENDED 31 AUGUST 2023**

### **Opinion**

We have audited the financial statements of South Westmorland Multi Academy Trust for the year ended 31 August 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2022 to 2023.

### **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.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the South Westmorland Multi Academy Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the 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.

## **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SOUTH WESTMORLAND MULTI ACADEMY TRUST *(continued)***

**YEAR ENDED 31 AUGUST 2023**

#### **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 have been prepared in accordance with applicable legal requirements.

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

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

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SOUTH WESTMORLAND MULTI ACADEMY TRUST *(continued)***

**YEAR ENDED 31 AUGUST 2023**

### **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.

## SOUTH WESTMORLAND MULTI ACADEMY TRUST

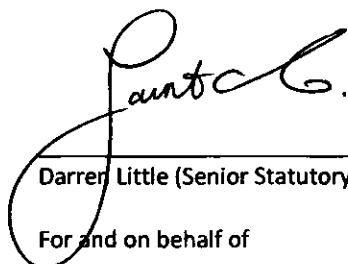
### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SOUTH WESTMORLAND MULTI ACADEMY TRUST *(continued)*

YEAR ENDED 31 AUGUST 2023

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](http://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

*19 December 2023* ..... Date



## **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SOUTH WESTMORLAND MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY YEAR ENDED 31 AUGUST 2023**

In accordance with the terms of our engagement letter dated 21/06/2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Westmorland Multi Academy Trust during the period 01 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective Responsibilities of the South Westmorland Multi Academy Trust's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirement of the South Westmorland 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 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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.

## SOUTH WESTMORLAND MULTI ACADEMY TRUST

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

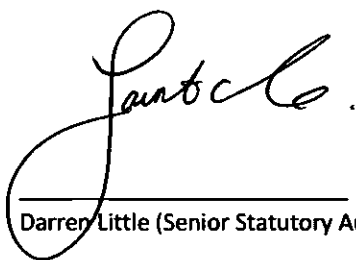
YEAR ENDED 31 AUGUST 2023

#### 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### Use of our report

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

19 December 2023 Date

## SOUTH WESTMORLAND MULTI ACADEMY TRUST

### STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

#### YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	106,847	-	73,337	180,184	669,575
<i>Charitable activities :</i>						
- Funding for the academy trust's educational operations	3	275,927	7,323,503	-	7,599,430	7,116,321
- Provision of boarding activities	28	-	1,111,143	-	1,111,143	1,082,371
Other trading activities	4	152,489	900	-	153,389	125,632
Investment income	5	3,384	-	-	3,384	300
<b>Total</b>		<b>538,647</b>	<b>8,435,546</b>	<b>73,337</b>	<b>9,047,530</b>	<b>8,994,199</b>
<b>Expenditure on:</b>						
Raising funds	7	129,865	-	-	129,865	107,846
<i>Charitable activities :</i>						
- Academy trust educational operations	8	317,498	7,028,981	390,230	7,736,709	8,092,048
- Provision of boarding activities	8/28	-	1,075,876	686,896	1,762,772	1,539,022
<b>Total</b>	6	<b>447,363</b>	<b>8,104,857</b>	<b>1,077,126</b>	<b>9,629,346</b>	<b>9,738,916</b>
<b>Net income / (expenditure) before transfers</b>						
		91,284	330,689	(1,003,789)	(581,816)	(744,717)
Transfers between funds	11	(57,094)	(222,716)	279,810	-	-
<b>Net Income/(expenditure) for the year</b>		<b>34,190</b>	<b>107,973</b>	<b>(723,979)</b>	<b>(581,816)</b>	<b>(744,717)</b>
<b>Other recognised gains / (losses)</b>						
Actuarial (losses) gains on defined benefit pension scheme	17/22	-	1,071,000	-	1,071,000	3,804,000
<b>Net movement in funds</b>		<b>34,190</b>	<b>1,178,973</b>	<b>(723,979)</b>	<b>489,184</b>	<b>3,059,283</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 01 September 2022		373,401	(845,974)	11,209,636	10,737,063	7,677,780
<b>Total funds carried forward at 31 August 2023</b>		<b>407,591</b>	<b>332,999</b>	<b>10,485,657</b>	<b>11,226,247</b>	<b>10,737,063</b>

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

A Statement of Total Recognised Gains and Losses is not required as all the gains and losses are included in the Statement of Financial Activities.


# SOUTH WESTMORLAND MULTI ACADEMY TRUST

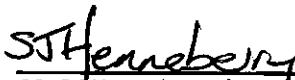
## BALANCE SHEET

**31 AUGUST 2023**

		2023		2022	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		10,987,648		11,547,701
<b>Current assets</b>					
Stock	13	3,699		4,766	
Debtors	14	759,619		1,505,051	
Cash at bank and in hand		<u>1,560,215</u>		<u>1,597,069</u>	
		2,323,533		3,106,886	
<b>Liabilities</b>					
Creditors: amount falling due within one year	15	<u>(1,406,877)</u>		<u>(1,953,694)</u>	
<b>Net current assets</b>			<u>916,656</u>		<u>1,153,192</u>
<b>Total Assets less current liabilities</b>			<u>11,904,304</u>		<u>12,700,893</u>
Creditors: amount falling due after more than one year	16		(396,057)		(604,830)
<b>Net assets excluding pension asset / liability</b>			<u>11,508,247</u>		<u>12,096,063</u>
Defined benefit pension scheme asset / (liability)	22		<u>(282,000)</u>		<u>(1,359,000)</u>
<b>Total Net Assets</b>			<u>11,226,247</u>		<u>10,737,063</u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset funds	17	10,485,657		11,209,636	
General funds	17	614,999		513,026	
Pension reserve	17	<u>(282,000)</u>		<u>(1,359,000)</u>	
<b>Total restricted funds</b>	17		<u>10,818,656</u>		<u>10,363,662</u>
<b>Unrestricted income funds</b>					
General funds	17	<u>407,591</u>		<u>373,401</u>	
<b>Total unrestricted funds</b>			<u>407,591</u>		<u>373,401</u>
<b>Total funds</b>			<u>11,226,247</u>		<u>10,737,063</u>

The financial statements were approved by the governors, and authorised for issue on 19 December 2023 and signed on their behalf by:

  
 \_\_\_\_\_  
 Mr B T Villiers-Smith

  
 \_\_\_\_\_  
 Mr S J Henneberry (Accounting Officer)

Company Registration Number: 07646748

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## STATEMENT OF CASHFLOWS

YEAR ENDED 31 AUGUST 2023

	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £			
<b>Reconciliation of net income / (expenditure) to net cashflow from operating activities</b>					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(581,816)	(744,717)			
<i>Adjusted for:</i>					
Interest receivable	(3,384)	(300)			
Loss on disposal of fixed assets	225	-			
Depreciation	695,320	673,284			
Capital grants from DfE/ESFA	(73,337)	(551,820)			
Interest on finance lease rental payments	96,382	96,382			
Decrease/(increase) in stocks	1,067	(1,291)			
Decrease/(increase) in debtors	745,432	(88,754)			
Increase/(decrease) in creditors	(561,272)	315,840			
Decrease/(increase) in salix loans included in above	6,061	5,195			
Defined benefit pension scheme costs less contributions payable.	(69,000)	244,000			
Defined benefit pension scheme net finance costs	63,000	89,000			
<b>Net cash provided by / (used in) operating activities</b>	<b>318,678</b>	<b>36,819</b>			
<b>Cashflows from investing activities</b>					
Receipts from sale of tangible fixed assets	-	-			
Payments to acquire tangible fixed assets	(135,492)	(53,638)			
Capital grants from DfE/ESFA	73,337	551,820			
Interest received	3,384	300			
Interest on finance lease rental payments	(96,382)	(96,382)			
<b>Net cash provided by / (used in) investing activities</b>	<b>(155,153)</b>	<b>402,100</b>			
<b>Cashflows from financing activities</b>					
Receipts from Salix loans	-	-			
Repayments made on Salix loans	(6,061)	(5,195)			
Capital element of finance lease rental payments	(194,318)	(194,318)			
<b>Net cash provided by / (used in) financing activities</b>	<b>(200,379)</b>	<b>(199,513)</b>			
<b>Increase / (Decrease) in cash in the year</b>	<b>(36,854)</b>	<b>239,406</b>			
<b>Reconciliation of net cash flow to movement in net funds</b>					
Increase/(decrease) in cash in the period	(36,854)	239,406			
Cash and cash equivalents at 1 September 2022	1,597,069	1,357,663			
<b>Cash and cash equivalents at 31 August 2023</b>	<b>1,560,215</b>	<b>1,597,069</b>			
<b>Analysis of cash and cash equivalents</b>					
	<b>1 Sep 2022</b>	<b>Cash flows</b>	<b>31 Aug 2023</b>		
	£	£	£		
Cash in hand and at bank	1,597,069	(36,854)	1,560,215		
<b>Total cash and cash equivalents</b>	<b>1,597,069</b>	<b>(36,854)</b>	<b>1,560,215</b>		
<b>Analysis of changes in net debt</b>					
	<b>1 Sep 2022</b>	<b>Cash flows</b>	<b>New</b>	<b>Other non-</b>	<b>31 Aug 2023</b>
	£	£	agreements	cash changes	£
			£	£	
Cash	1,597,069	(36,854)	-	-	1,560,215
Loans falling due within one year	(6,061)	6,061	-	(14,455)	(14,455)
Loans falling due after more than a year	(102,840)	-	-	14,455	(88,385)
Finance lease obligations	(696,309)	194,318	-	-	(501,991)
<b>Total</b>	<b>791,859</b>	<b>163,525</b>	<b>-</b>	<b>-</b>	<b>955,384</b>

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 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 Dallam School, Milnthorpe, Cumbria, LA7 7DD.

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

#### 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The trust meets the definition of a public benefit entity under FRS 102.

#### Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Incoming resources

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

#### Grants 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.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 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 academy trust has provided the goods or services.

#### **Donated goods, facilities and services**

Donated goods, facilities and services. Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of 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'.

#### **Donated fixed assets**

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.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 1. Statement of Accounting Policies (*Continued*)

#### **Tangible fixed assets**

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

Land and buildings are classed as long leasehold if there is over 50 years unexpired lease term at the balance sheet date.

Tangible fixed assets since the Academy was established are included in the accounts at cost, net of depreciation and any provision for impairment.

Single assets costing less than £2,000 or similar groups of assets purchased or ordered together of less than £2,000 are written off in the year of purchase.

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

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings	- straight line over the estimated economic life (24 to 53 years)
Long leasehold buildings	- straight line over the estimated economic life (31 to 60 years)
Long leasehold land	- straight line over the remaining life of the lease
Short leasehold land & buildings	- straight line over the remaining life of the lease
Plant and machinery	- straight line over the estimated economic life (10 to 32 years)
Furniture and equipment	- straight line over 5 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.

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.

No depreciation is provided on freehold land.

The total depreciation charge is allocated to direct costs and support costs pro-rata to the number of employees.

A full years depreciation is charged in the year of purchase and no charge is made in the year of disposal.



# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 1. Statement of Accounting Policies (*Continued*)

#### **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.

#### **Public Benefit Entity Concessionary Loans**

Public benefit entity concessionary loans shall initially be measured at the amount received and recognised in the statement of financial position. In subsequent years, the carrying amount of concessionary loans in the financial statements shall be adjusted to reflect any accrued interest payable.

#### **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.

#### **Finance lease agreements**

Where the academy enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the SOFA at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

#### **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.

#### **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.

#### **Stock**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 1. Statement of Accounting Policies (*Continued*)

#### **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.

#### **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.

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.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 1. Statement of Accounting Policies (*Continued*)

#### **Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from EFA 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- 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.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 2. Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £
ESFA Capital grants	-	73,337	73,337	551,820
Capital grants	-	-	-	-
Donations	3,847	-	3,847	14,755
Dallam School Charitable Trust Donation	103,000	-	103,000	103,000
	<u>106,847</u>	<u>73,337</u>	<u>180,184</u>	<u>669,575</u>
Less Boarding Capital Grants	-	-	-	(526,057)
	<u>106,847</u>	<u>73,337</u>	<u>180,184</u>	<u>143,518</u>
2022 total	<u>107,755</u>	<u>35,763</u>	<u>143,518</u>	

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

	Unrestricted Funds £	Restricted Funds £	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	5,340,321	5,340,321	5,179,262
General Annual Grant (GAG) - Post 16	-	942,904	942,904	929,128
<b>Other DfE / ESFA grants</b>				
Pupil Premium	-	155,525	155,525	143,336
Teachers pay grant	-	-	-	12,155
Teachers pension grant	-	33,085	33,085	34,346
Schools supplementary grant	-	155,307	155,307	64,772
Mainstream schools additional grant	-	75,844	75,844	-
Other ESFA grants	-	53,957	53,957	42,091
Other DfE Group grants	-	-	-	-
	-	<u>6,756,943</u>	<u>6,756,943</u>	<u>6,405,090</u>
Less Boarding exceptional circumstances funding	-	(290,700)	(290,700)	(290,700)
	-	<u>6,466,243</u>	<u>6,466,243</u>	<u>6,114,390</u>
<b>Other Government grants</b>				
Local Authority Funded Statements	-	118,453	118,453	171,420
Other Local Authority Grants	-	69,736	69,736	26,328
	-	<u>188,189</u>	<u>188,189</u>	<u>197,748</u>
<b>Exceptional government funding</b>				
COVID-19 additional funding (ESFA/DfE)				
Catch-up premium	-	-	-	-
National tutoring programme	-	8,235	8,235	2,924
Recovery premium grant	-	36,708	36,708	18,542
Coronavirus exceptional support	-	-	-	-
COVID-19 additional funding (non - ESFA/DfE)				
Mass testing and vaccination fund	-	-	-	19,709
Other Coronavirus funding	-	-	-	-
	-	<u>44,943</u>	<u>44,943</u>	<u>41,175</u>
Less Boarding Exceptional government funding	-	-	-	-
	-	<u>44,943</u>	<u>44,943</u>	<u>41,175</u>
<b>School Fund Income</b>	-	35,174	35,174	29,730
<b>Catering</b>	268,933	-	268,933	246,112
<b>Other Educational Operations</b>				
Educational Activities and Visits	-	150,820	150,820	69,133
Community & Outdoor Education	-	-	-	-
Other	6,994	438,134	445,128	418,033
	<u>275,927</u>	<u>7,323,503</u>	<u>7,599,430</u>	<u>7,116,321</u>
2022 total	<u>254,439</u>	<u>6,861,882</u>	<u>7,116,321</u>	

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

#### Exceptional government funding

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

The academy has claimed £8,235 in respect of the national tutoring programme. This has been used to cover staffing costs.

The academy received £36,708 in respect of the Recovery Premium Grant. This has been used to cover staffing costs.

#### 4. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £
Sports Lettings	70,105	-	70,105	64,126
Other Lettings	15,013	-	15,013	8,248
Insurance receipts	-	900	900	-
Insurance receipts - Boarding	-	-	-	-
Insurance receipts - Trips	-	-	-	-
Staff insurance receipts	-	-	-	-
Service Provision	67,371	-	67,371	53,258
	<u>152,489</u>	<u>900</u>	<u>153,389</u>	<u>125,632</u>
Less Boarding insurance receipts	-	-	-	-
	<u>152,489</u>	<u>900</u>	<u>153,389</u>	<u>125,632</u>
2022 total	<u>125,632</u>	<u>-</u>	<u>125,632</u>	

#### 5. Investment Income

	Unrestricted Funds £	Restricted Funds £	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £
Bank Interest Receivable	3,384	-	3,384	300
	<u>3,384</u>	<u>-</u>	<u>3,384</u>	<u>300</u>
2022 total	<u>300</u>	<u>-</u>	<u>300</u>	

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

6. Expenditure	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £
<b>Expenditure on raising funds</b>	103,535	26,330	-	129,865	107,846
<b>Academy's educational operations</b>					
Direct costs	4,357,230	158,083	386,504	4,901,817	4,890,528
Allocated support costs	1,087,014	550,410	1,012,047	2,649,471	3,113,841
Educational activities and school fund costs	-	-	185,421	185,421	87,679
	<u>5,444,244</u>	<u>708,493</u>	<u>1,583,972</u>	<u>7,736,709</u>	<u>8,092,048</u>
<b>Provision of boarding activities</b>					
Direct costs	-	148,131	-	148,131	151,819
Allocated support costs	544,155	757,316	313,170	1,614,641	1,387,203
	<u>544,155</u>	<u>905,447</u>	<u>313,170</u>	<u>1,762,772</u>	<u>1,539,022</u>
	<u><b>6,091,934</b></u>	<u><b>1,640,270</b></u>	<u><b>1,897,142</b></u>	<u><b>9,629,346</b></u>	<u><b>9,738,916</b></u>
2022 total	<u>6,073,975</u>	<u>1,522,424</u>	<u>2,142,517</u>	<u>9,738,916</u>	
<b>Incoming/outgoing resources for the period</b>				<b>Year Ended 31 Aug 23 £</b>	<b>Year Ended 31 Aug 22 £</b>
This is stated after charging:					
Depreciation				695,320	673,284
Loss on disposal of fixed assets				225	-
Operating leases				384,821	381,711
Fees payable to auditor				13,000	13,495
- audit of the financial statements				2,490	1,625
- other assurance services				-	-
- other services				-	-
				<u>1,095,856</u>	<u>1,070,115</u>
<b>7. Expenditure on raising funds</b>				<b>Year Ended 31 Aug 23 £</b>	<b>Year Ended 31 Aug 22 £</b>
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>			
Teaching and educational support staff	11,405	-		11,405	15,398
Support staff costs	92,130	-		92,130	70,088
Maintenance of premises and equipment	11,746	-		11,746	7,337
Rent and rates	-	-		-	174
Heat and light	14,584	-		14,584	14,845
Catering	-	-		-	-
Printing, postage, stationery & photocopying	-	-		-	4
Advertising	-	-		-	-
Licence & affiliation fees	-	-		-	-
Other support costs	-	-		-	0
	<u>129,865</u>	<u>-</u>		<u>129,865</u>	<u>107,846</u>
2022 total	<u>107,846</u>	<u>-</u>		<u>107,846</u>	

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

8. Charitable Activities	Unrestricted Funds £	Restricted Funds £	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £
<b>Direct costs - educational operations</b>				
Teaching and educational support staff	-	4,357,230	4,357,230	4,445,669
Depreciation	-	157,984	157,984	157,640
Loss on disposal of fixed assets	-	99	99	-
Books, apparatus and stationery	-	84,030	84,030	76,130
Staff development	-	28,134	28,134	8,140
Examination fees	-	138,006	138,006	118,248
Educational consultancy	-	43,482	43,482	67,609
Academic intervention and tutoring	-	92,852	92,852	17,092
	-	<u>4,901,817</u>	<u>4,901,817</u>	<u>4,890,528</u>
<b>Direct costs - boarding</b>	-	<u>148,131</u>	<u>148,131</u>	<u>151,819</u>
	-	<u>5,049,948</u>	<u>5,049,948</u>	<u>5,042,347</u>
<b>Allocated support costs - educational operations</b>				
Support staff costs	140,441	946,573	1,087,014	1,115,421
Depreciation	-	200,866	200,866	185,334
Loss on disposal of fixed assets	-	126	126	-
Recruitment and support	-	33,254	33,254	37,055
Maintenance of premises and equipment	-	135,913	135,913	88,623
Maintenance CIF	-	7,817	7,817	504,845
Professional fees	-	26,971	26,971	42,168
Legal fees	-	7,964	7,964	11,619
Cleaning	-	4,817	4,817	4,788
Rent and rates	-	73,188	73,188	58,705
Heat and light	-	80,060	80,060	75,695
Insurance	-	28,469	28,469	28,563
Transport	-	389,789	389,789	378,566
Catering	171,397	43,871	215,268	197,433
Printing, postage, stationery & photocopying	-	31,726	31,726	31,968
Advertising	-	20,522	20,522	12,969
Licence & affiliation fees	-	65,006	65,006	55,678
Telephone	-	12,302	12,302	13,797
Bank charges	-	14,806	14,806	12,354
Technology costs	-	104,498	104,498	127,832
Other support costs	5,660	8,490	14,150	13,662
	<u>317,498</u>	<u>2,237,028</u>	<u>2,554,526</u>	<u>2,997,075</u>
<b>Support costs - boarding</b>	-	<u>1,614,641</u>	<u>1,614,641</u>	<u>1,387,203</u>
	<u>317,498</u>	<u>3,851,669</u>	<u>4,169,167</u>	<u>4,384,278</u>
<b>Educational activities and school fund costs</b>				
Educational activities	-	150,820	150,820	69,133
Educational activities staff costs	-	-	-	-
School Fund expenditure	-	34,601	34,601	18,546
	-	<u>185,421</u>	<u>185,421</u>	<u>87,679</u>
<b>Support costs - governance</b>				
Legal fees	-	-	-	-
Professional fees	-	16,455	16,455	12,646
Support staff costs	-	-	-	-
Net finance costs in respect of defined benefit pension schemes	-	63,000	63,000	89,000
Auditors remuneration				
Audit of the financial statements	-	13,000	13,000	13,495
Other costs	-	2,490	2,490	1,625
	-	<u>94,945</u>	<u>94,945</u>	<u>116,766</u>
<b>Total direct and support costs</b>	<u>317,498</u>	<u>9,181,983</u>	<u>9,499,481</u>	<u>9,631,070</u>
2022 total	<u>281,330</u>	<u>9,349,740</u>	<u>9,631,070</u>	

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

#### 9. Staff costs

	Year Ended 31 Aug 23 £	Year Ended 31 Aug 22 £
Staff costs during the period were:		
Wages and salaries	4,358,674	4,204,480
Social security costs	435,264	402,585
Operating costs of defined benefit pension schemes	983,591	1,255,964
Apprenticeship levy	7,385	5,934
	5,784,914	5,868,963
Supply staff costs	260,108	185,889
Staff restructuring costs	46,912	19,123
	6,091,934	6,073,975
Staff restructuring costs comprise:		
Redundancy payments	7,109	-
Severance payments	39,803	19,123
Other restructuring costs	-	-
	46,912	19,123

#### Severance payments

The academy trust paid one severance payments in the year, disclosed in the following bands:

	2023 No	
0 - £25,000	1	
£25,001 - £50,000	1	
£50,001 - £100,000	-	
£100,001 - £150,000	-	
£150,000+	-	
	2	

#### Special staff severance payments - Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £2,000 (2022: £19,123). Individually, the payments were: £2,000.

#### Staff numbers

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

	2023 No	2022 No
Teachers	61	66
Administration and support	89	87
Management	9	8
	159	161



# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

#### Higher paid staff

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

	2023 No	2022 No
£60,001 - £70,000	3	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	2
	<u>5</u>	<u>4</u>

#### 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:

	2023 £	2022 £
Senior Management Team	792,782	756,060
Staff Governors	-	-
	<u>792,782</u>	<u>756,060</u>

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 10. Central Services

No central services were provided by the multi academy trust to its academies during the period and central charges arose.

### 11. Fund Transfers

During the period the following transfers were made between funds:

Transfers to / from General Annual Grant funds are analysed below:

Fixed asset additions in the year purchased by GAG	(59,378)
Transferred from general annual grant funds to the unrestricted catering fund to cover the overspend in the current period on the provision of catering to the academy's pupils.	(42,906)
	-
<b>Net transfer to / (from) General Annual Grant funds</b>	<b>(102,284)</b>

Transfers to/from the general unrestricted funds are analysed below:

Transfer to community and outdoor education to cover overspend	-
Transfer from unrestricted funds to boarding restricted fund	(100,000)
<b>Net transfer to / (from) unrestricted general funds</b>	<b>(100,000)</b>

Transfers to the restricted fixed asset fund analysed below:

Fixed asset additions in the year purchased by GAG	59,378
Fixed asset additions in the year purchased by DFC	50,000
Fixed asset additions in the year purchased by Boarding	26,114
Proceeds from sale of assets used to purchase additions	-
<b>Total net additions during year</b>	<b>135,492</b>
Transfer from the boarding restricted general fund	-
To cover depreciation charge on finance lease	194,318
School contribution on CIF electrical upgrade project 3	-
School contribution on CIF electrical upgrade project 4	-
Transfer from school unrestricted funds	-
Transfer from General Annual Grant funds	-
School contribution on CIF electrical project	-
Transfers to / from ESFA DFC funds	(50,000)
Transfers to / from ESFA condition improvement funds	-
<b>Total transfer to restricted fixed assets funds</b>	<b>279,810</b>

For transfers in relation to the restricted fixed asset finance lease fund please refer to the boarding trading account note to the accounts.

## 12. Tangible Fixed Assets

	Freehold Land & Buildings	Long Leasehold Land & Buildings	Short Leasehold Land & Buildings	Assets Under Construction	Plant & Machinery	Furniture & Equipment	Motor Vehicles	ICT Equipment	Total
Cost	£	£	£	£	£	£	£	£	£
As at 01 September 2022	4,386,033	7,063,214	4,047,228	-	2,504,367	466,121	71,185	392,080	18,930,228
Reclassification	-	-	-	-	76,113	15,602	-	43,777	135,492
Additions	-	-	-	-	-	(274,518)	(3,000)	(341,408)	(618,926)
Disposals	-	-	-	-	-	207,205	68,185	94,449	18,446,794
As at 31 August 2023	<u>4,386,033</u>	<u>7,063,214</u>	<u>4,047,228</u>	<u>-</u>	<u>2,580,480</u>	<u>207,205</u>	<u>68,185</u>	<u>94,449</u>	<u>18,446,794</u>
<b>Depreciation</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 01 September 2022	884,316	1,410,341	2,888,445	-	1,325,830	422,372	65,931	385,292	7,382,527
Charge in year	79,788	127,819	325,807	-	131,362	16,078	1,259	13,207	695,320
Disposals	-	-	-	-	-	(274,518)	(2,775)	(341,408)	(618,701)
As at 31 August 2023	<u>964,104</u>	<u>1,538,160</u>	<u>3,214,252</u>	<u>-</u>	<u>1,457,192</u>	<u>163,932</u>	<u>64,415</u>	<u>57,091</u>	<u>7,459,146</u>
<b>Net book value</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 31 August 2023	<u>3,421,929</u>	<u>5,525,054</u>	<u>832,976</u>	<u>-</u>	<u>1,123,288</u>	<u>43,273</u>	<u>3,770</u>	<u>37,358</u>	<u>10,987,648</u>
As at 31 August 2022	<u>3,501,717</u>	<u>5,652,873</u>	<u>1,158,783</u>	<u>-</u>	<u>1,178,537</u>	<u>43,749</u>	<u>5,254</u>	<u>6,788</u>	<u>11,547,701</u>

## Valuation

The long leasehold land and buildings (structure and external works) and the freehold land and buildings (structure and external works) were valued at £6,969,044 and £4,386,033 respectively as at 01 August 2011 by Tony Snape MRICS Registered Valuer, who is independent of the charitable company. The basis of valuation of the assets was Existing Use Value using a Depreciated Replacement Cost approach in accordance with FRS15 Tangible Fixed Assets.

The integral services installations, classified as plant & machinery, in relation to the long leasehold land and buildings and freehold land and buildings were valued at £2,419,463 as at 01 August 2011 by Tony Snape MRICS Registered Valuer, who is independent of the charitable company. The basis of valuation of the assets was Existing Use Value using a Depreciated Replacement Cost approach in accordance with FRS15 Tangible Fixed Assets.

The short leasehold was valued at £2,850,000 as at 01 August 2011 by Tony Snape MRICS Registered Valuer, who is independent of the charitable company. The basis of valuation of the assets was Existing Use Value in accordance with Statement of Standard Accounting Practice No. 21 (SSAP 21) and classified as a Finance Lease and capitalised based on future rental payments at a 10% yield.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

#### 12 Tangible Fixed Assets (continued)

##### Finance lease agreements

Included within the net book value of £10,987,648 (2022: £11,547,701) is £832,976 (2022: £1,158,783) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £325,807 (2022: £325,807).

##### Lease arrangements

The academy has a 15 year lease with the Dallam School Charitable Trust for the use of the Heversham boarding site, which expires on 23 March 2026.

During the year ended 31 August 2018 the academy entered into a 9 year lease with the Dallam School Charitable Trust for the use of the Community Centre at the Milnthorpe site, which expires on 23 March 2026.

During the year ended 31 August 2022 the academy entered into a 3 year peppercorn lease with the Dallam School Charitable Trust for the use of Heversham St Peters C of E School, Leasgill, which expires on 14 February 2025.

##### Treatment of Condition Improvement Projects

During the year the academy had various CIF electrical upgrade projects which were funded by ESFA Condition Improvement Fund grants. The cost of the projects has been treated as resources expended in the Statement of Financial Activities.

<b>13. Stock</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Catering	2,799	3,866
Educational supplies	-	-
Stationery	-	-
Other	900	900
	<u>3,699</u>	<u>4,766</u>
<b>14. Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	340,320	524,569
VAT recoverable	54,065	98,991
Prepayments	331,644	366,080
Accrued income	33,590	514,711
Other debtors	-	700
	<u>759,619</u>	<u>1,505,051</u>

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

15. Creditors: amounts falling due within one year	2023 £	2022 £
Trade creditors	197,769	236,471
Taxation and social security	-	93,323
Sundry creditors	37,292	42,723
EFA creditor	42,950	73,691
Salix Loans	14,455	6,061
Accruals	208,422	261,430
Deferred income	634,306	855,522
Boarding deposits	77,364	190,154
Finance leases due within one year	194,319	194,319
	<u>1,406,877</u>	<u>1,953,694</u>
<b>Deferred income</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Deferred income at 01 September 2022	855,522	702,352
Resources deferred in the year	634,306	855,522
Amounts released from previous years	(855,522)	(702,352)
Deferred income at 31 August 2023	<u>634,306</u>	<u>855,522</u>
Deferred income comprises:		
Boarding income in relation to the next financial year	565,645	646,168
School income for future trips	42,910	31,650
LA funded statements for September to March in the next financial year	-	-
EFA Rates rebate	25,751	22,365
Pupil bus passes for the next academic year	-	155,339
Community education Autumn term fees for the next financial year	-	-
	<u>634,306</u>	<u>855,522</u>

Included within creditors are public benefit concessionary loans (Salix loan) from the ESFA which is provided on the following terms. Repayable by instalments over 8 years with payments in arrears and are interest free.

16. Creditors: amounts falling due after more than one year	2023 £	2022 £
Salix Loans	88,385	102,840
Finance leases due after more than one year	307,672	501,990
	<u>396,057</u>	<u>604,830</u>

The finance lease is secured over the boarding facilities.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2023 £	2022 £
Salix Loans	35,690	48,337
Finance leases	-	-
	<u>35,690</u>	<u>48,337</u>

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

17. Funds	Balance at 01-Sep £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug £
<b>Restricted Fixed Asset Funds</b>					
Fixed Assets used for Charitable purposes					
Other	10,378,732	-	(359,075)	109,378	10,129,035
Boarding	1,168,969	-	(336,470)	26,114	858,613
Finance lease fund	(696,309)	-	-	194,318	(501,991)
ESFA formula capital fund	-	73,337	(23,337)	(50,000)	-
ESFA condition improvement fund					
Electrical - Milnthorpe	4,244	-	(4,244)	-	-
Electrical - Leasgill	3,574	-	(3,574)	-	-
Electrical - Boarding House	321,598	-	(321,598)	-	-
Electrical - Sports Hall	28,828	-	(28,828)	-	-
Non ESFA Capital project	-	-	-	-	-
Other Capital Grants	-	-	-	-	-
	<u>11,209,636</u>	<u>73,337</u>	<u>(1,077,126)</u>	<u>279,810</u>	<u>10,485,657</u>
<b>Restricted General Funds</b>					
<b>DfE / ESFA Revenue Grants</b>					
General Annual Grant (GAG)	709,560	5,992,525	(5,703,676)	(102,284)	896,125
Pupil Premium	-	155,525	(155,525)	-	-
Teachers pay grant	-	-	-	-	-
Teachers pension grant	-	33,085	(33,085)	-	-
Schools supplementary grant	-	155,307	(155,307)	-	-
Mainstream schools additional grant	-	75,844	(75,844)	-	-
Other DfE/ESFA Grants	-	53,957	(53,957)	-	-
<b>Other Government Grants</b>					
Local Authority Funded Statements	-	118,453	(118,453)	-	-
Other Local Authority Grants	-	69,736	(69,736)	-	-
<b>Exceptional government funding</b>					
National tutoring programme	-	8,235	(8,235)	-	-
Recovery premium grant	-	36,708	(36,708)	-	-
<b>Boarding Fund</b>	(285,903)	1,111,143	(1,075,876)	(120,432)	(371,068)
<b>School Funds</b>	89,369	35,174	(34,601)	-	89,942
<b>Other trading activities</b>	-	900	(900)	-	-
<b>Other Educational Operations</b>					
Educational Activities and Visits	-	150,820	(150,820)	-	-
Community & Outdoor Education	-	-	-	-	-
Other	-	438,134	(438,134)	-	-
	<u>513,026</u>	<u>8,435,546</u>	<u>(8,110,857)</u>	<u>(222,716)</u>	<u>614,999</u>
<b>Restricted Pension Reserve Funds</b>					
Pension reserve	(1,359,000)	-	6,000	1,071,000	(282,000)
<b>Total Restricted Funds</b>	<u>(845,974)</u>	<u>8,435,546</u>	<u>(8,104,857)</u>	<u>848,284</u>	<u>332,999</u>
<b>Unrestricted Funds</b>					
General Unrestricted Funds	195,120	199,609	(73,031)	(100,000)	221,698
Designated Sports Fund	178,281	70,105	(62,493)	-	185,893
Catering Fund	-	268,933	(311,839)	42,906	-
<b>Total Unrestricted Funds</b>	<u>373,401</u>	<u>538,647</u>	<u>(447,363)</u>	<u>(57,094)</u>	<u>407,591</u>
<b>Total Funds</b>	<u>10,737,063</u>	<u>9,047,530</u>	<u>(9,629,346)</u>	<u>1,071,000</u>	<u>11,226,247</u>

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 AUGUST 2023

#### 17. Funds (*continued*)

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 2023.

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 school that has been provided to the academy via the Education & Skills Funding Agency (ESFA).

#### **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 their less disadvantaged peers.

#### **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.

#### **LA Funded Statements**

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.

#### **Boarding**

This represents funding paid by boarding students for the provision of boarding accommodation and associated activities.

#### **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.

#### **Community & Outdoor Ed**

This represents funding received for the provision of adult learning courses, plus student course fees for full cost recovery courses and adventure weeks.

#### **Sports Lettings**

This represents funding paid by external users of the sporting facilities, a designated fund to be used for the replacement of sports equipment and the resurfacing of the all weather pitch.

#### **Catering**

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

# **SOUTH WESTMORLAND MULTI ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 AUGUST 2023**

#### **Funds in Deficit**

**Finance Lease Fund** - this fund has been entered into the accounts within the restricted fixed assets funds in order to show in the fixed assets used for charitable purposes fund the full value of the fixed assets at the year end. The deficit balance on this fund is equal to the finance lease creditor disclosed in the accounts.

**Pension Reserve Fund** - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. The academy has previously entered into an agreement effective from 01 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 01 April 2023.

**Boarding Fund** - Trustees approved a balanced three-year budget, with healthy reserves for the period to 31/08/2026. As a result of the exceptional circumstances arising from Brexit and the Covid-19 pandemic, the Boarding Fund has been supported by a transfer of £100,000 from General Unrestricted Funds for the financial period ended 31/08/2023. A new Head of Boarding has been appointed to develop strong contacts with boarding agents and increase boarding student recruitment. As a result of these measures, we aim to bring the fund out of deficit by 2026.



# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 17. Funds (continued)

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

Funds	Balance at 01-Sep £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug £
<b>Restricted Fixed Asset Funds</b>					
Fixed Assets used for Charitable purposes					
Other	10,668,068	-	(342,974)	53,638	10,378,732
Boarding	1,499,279	-	(330,310)	-	1,168,969
Finance lease fund	(890,627)	-	-	194,318	(696,309)
ESFA formula capital fund	-	25,763	(25,763)	-	-
ESFA condition improvement fund					
Electrical - Milnthorpe	351,430	-	(347,186)	-	4,244
Electrical - Leasgill	161,233	-	(157,659)	-	3,574
Electrical - Boarding House	-	348,193	(88,195)	61,600	321,598
Electrical - Sports Hall	-	177,864	(180,686)	31,650	28,828
Non ESFA Capital project	-	10,000	-	(10,000)	-
	<u>11,789,383</u>	<u>561,820</u>	<u>(1,472,773)</u>	<u>331,206</u>	<u>11,209,636</u>
<b>Restricted General Funds</b>					
<b>DfE / ESFA Revenue Grants</b>					
General Annual Grant (GAG)	526,311	6,108,390	(5,850,117)	(75,024)	709,560
Pupil Premium	-	143,336	(143,336)	-	-
Teachers pay grant	-	12,155	(12,155)	-	-
Teachers pension grant	-	34,346	(34,346)	-	-
Schools supplementary grant	-	64,772	(64,772)	-	-
Other DfE/ESFA Grants	-	42,091	(42,091)	-	-
<b>Other Government Grants</b>					
Local Authority Funded Statements	-	171,420	(171,420)	-	-
Other Local Authority Grants	-	26,328	(26,328)	-	-
<b>Exceptional government funding</b>					
National tutoring programme	-	2,924	(2,924)	-	-
Recovery premium grant	-	18,542	(18,542)	-	-
Mass testing fund	-	19,709	(19,709)	-	-
Other Coronavirus funding	-	-	-	-	-
<b>Boarding Fund</b>	(240,875)	791,671	(649,131)	(187,568)	(285,903)
<b>School Funds</b>	78,185	29,730	(18,546)	-	89,369
<b>Other trading activities</b>	-	-	-	-	-
<b>Other Educational Operations</b>					
Educational Activities and Visits	-	69,133	(69,133)	-	-
Community & Outdoor Education	-	-	(11,711)	11,711	-
Other	-	409,706	(409,706)	-	-
	<u>363,621</u>	<u>7,944,253</u>	<u>(7,543,967)</u>	<u>(250,881)</u>	<u>513,026</u>
<b>Restricted Pension Reserve Funds</b>					
Pension reserve	(4,830,000)	-	(333,000)	3,804,000	(1,359,000)
<b>Total Restricted Funds</b>	<u>(4,466,379)</u>	<u>7,944,253</u>	<u>(7,876,967)</u>	<u>3,553,119</u>	<u>(845,974)</u>
<b>Unrestricted Funds</b>					
General Unrestricted Funds	186,033	177,888	(57,090)	(111,711)	195,120
Designated Sports Fund	168,743	64,126	(54,588)	-	178,281
Catering Fund	-	246,112	(277,498)	31,386	-
<b>Total Unrestricted Funds</b>	<u>354,776</u>	<u>488,126</u>	<u>(389,176)</u>	<u>(80,325)</u>	<u>373,401</u>
<b>Total Funds</b>	<u>7,677,780</u>	<u>8,994,199</u>	<u>(9,738,916)</u>	<u>3,804,000</u>	<u>10,737,063</u>

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 AUGUST 2023**

### 17. Funds (continued)

Total funds analysis by academy	2023	2022
Fund balance at 31 August 2023 were allocated as follows:		
Dallam School	1,022,590	886,427
Central Services	-	-
Total before fixed assets and pension reserve	<u>1,022,590</u>	<u>886,427</u>
Restricted fixed asset fund	10,485,657	11,209,636
Pension reserve	(282,000)	(1,359,000)
<b>Total</b>	<u><b>11,226,247</b></u>	<u><b>10,737,063</b></u>

### Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding dep'n)	2023	2022
	£	£	£	£	£	£
Dallam School	4,368,635	1,723,299	386,504	2,455,363	8,933,801	9,065,632
Central Services	-	-	-	-	-	-
<b>Academy Trust</b>	<u><b>4,368,635</b></u>	<u><b>1,723,299</b></u>	<u><b>386,504</b></u>	<u><b>2,455,363</b></u>	<u><b>8,933,801</b></u>	<u><b>9,065,632</b></u>
2022 total	<u>4,461,067</u>	<u>1,612,908</u>	<u>282,369</u>	<u>2,709,288</u>	<u>9,065,632</u>	

### 18. Analysis of Net Assets Between Funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	10,987,648	10,987,648
Current assets	407,591	1,852,638	63,304	2,323,533
Current liabilities	-	(1,149,254)	(257,623)	(1,406,877)
Long term creditors	-	(88,385)	(307,672)	(396,057)
Pension scheme asset / (liability)	-	(282,000)	-	(282,000)
<b>Total Net Assets</b>	<u><b>407,591</b></u>	<u><b>332,999</b></u>	<u><b>10,485,657</b></u>	<u><b>11,226,247</b></u>

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	-	-	11,547,701	11,547,701
Current assets	373,401	2,375,241	358,244	3,106,886
Current liabilities	-	(1,759,375)	(194,319)	(1,953,694)
Long term creditors	-	(102,840)	(501,990)	(604,830)
Pension scheme asset / (liability)	-	(1,359,000)	-	(1,359,000)
<b>Total Net Assets</b>	<u><b>373,401</b></u>	<u><b>(845,974)</b></u>	<u><b>11,209,636</b></u>	<u><b>10,737,063</b></u>

**SOUTH WESTMORLAND MULTI ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2023**

<b>19. Long-term commitments, including under operating leases</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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	8,123	380,723
Amounts due between two and five years inclusive	20,307	28,429
Amounts due after five years	-	-
	<b>28,430</b>	<b>409,152</b>

Included within the above operating lease disclosure is an amount totalling £nil (2022: £372,600) in relation to a contract charge with KT Coaches for the provision of transportation of pupils to and from school (The Academy collects money from pupils in relation to the sales of bus passes). From 01 September 2023 the home to school transport contract is now operated by a third party.

<b>20. Commitments Under Finance Leases</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable finance leases was:		
Land and buildings		
Amounts due within one year	290,700	290,700
Amounts due between two and five years inclusive	460,275	750,975
Amounts due after five years	-	-
	<b>750,975</b>	<b>1,041,675</b>

Dallam School has a 15 year lease with the Dallam School Charitable Trust (monthly rent of £24,225) for the use of the Heversham boarding site, which expires on 23 March 2026.

<b>21. Capital Commitments</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Contracted for, but not provided for in the financial statements	-	358,244
	<b>-</b>	<b>358,244</b>

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 AUGUST 2023**

### 22. 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 2016 and of the LGPS 31 March 2022.

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

	<b>2023</b>	<b>2022</b>
	£	£
Teachers' Pension Scheme	-	-
Local Government Pension Scheme	-	-
	-	-

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

	<b>2023</b>	<b>2023</b>
	£	£
Teachers' Pension Scheme	632,363	640,472
Local Government Pension Scheme	312,370	254,225
Local Government Pension Scheme deficit recovery	107,858	117,267
LGPS current service cost/contributions adjustment	(69,000)	244,000
	983,591	1,255,964

### 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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 22. Pension and similar obligations *(Continued)*

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £632,363 (2022: £640,472).

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 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 (LGPS)

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

	2023	2022
	£	£
Employer's contributions	312,370	254,225
Employees' contributions	99,193	81,249
Local Government Pension Scheme deficit recovery	107,858	117,267
LGPS current service cost/contributions adjustment	(69,000)	244,000
Total contributions	<u>450,421</u>	<u>696,741</u>

The agreed contribution rates for future years are 20.4% for employers and 5.5% to 8.5% for employees depending on pay bands.

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 deficit. The Academy has previously 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 £92,400 in 2023/24, £95,300 in 2024/25 and £98,200 in 2025/26.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 AUGUST 2023**

### 22. Pension and similar obligations (Continued)

The principal actuarial assumptions are:

	At 31 August 2023	At 31 August 2022
Inflation assumption (CPI)	2.80%	2.80%
Rate of increase in salaries	4.30%	4.30%
Rate of increase for pensions in payment / inflation	2.90%	2.90%
Discount rate for scheme liabilities	5.40%	4.30%

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 2023	At 31 August 2022
<i>Retiring today</i>		
Males	21.4	22.6
Females	23.8	25.3
<i>Retiring in 20 years</i>		
Males	22.7	24.1
Females	25.6	27.1

#### Sensitivity analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation.

	At 31 August 2023		At 31 August 2022	
	Deficit	Change	Deficit	Change
Discount rate + 0.1%	179,000	(103,000)	1,224,000	(135,000)
Discount rate - 0.1%	387,000	105,000	1,497,000	138,000
Mortality assumption - 1 year increase	399,000	117,000	1,485,000	126,000
Mortality assumption - 1 year decrease	167,000	(115,000)	1,235,000	(124,000)
CPI rate + 0.1%	387,000	105,000	1,498,000	139,000
CPI rate - 0.1%	179,000	(103,000)	1,223,000	(136,000)

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

	Fair value at 31 August 2023	Fair value at 31 August 2022
	£	£
Equities	2,185,000	1,658,000
Government bonds	730,000	700,000
Other bonds	-	-
Property	454,000	478,000
Cash / liquidity	127,000	153,000
Other	2,254,000	1,943,000
<b>Total market value of assets</b>	<b>5,750,000</b>	<b>4,932,000</b>
Present value of scheme liabilities		
- Funded	(6,032,000)	(6,291,000)
- Unfunded	-	-
<b>Surplus/(deficit) in the scheme</b>	<b>(282,000)</b>	<b>(1,359,000)</b>

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.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 AUGUST 2023**

### 22. Pension and similar obligations (Continued)

The actual return on scheme assets in the period was £240,000 (2022: -£349,000).

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

	<b>2023</b>	<b>2022</b>
	£	£
Current service cost (net of employee contributions)	(352,000)	(615,000)
Administrative expenses	(12,000)	(11,000)
Past service (cost)/gain	-	-
Net Interest cost	(51,000)	(78,000)
<b>Total operating charge</b>	<b><u>(415,000)</u></b>	<b><u>(704,000)</u></b>
<b>Analysis of other recognised gains and (losses)</b>		
Remeasurements (liabilities)	921,000	4,240,000
Remeasurements (assets)	150,000	(436,000)
<b>Total charge</b>	<b><u>1,071,000</u></b>	<b><u>3,804,000</u></b>

### Changes in the deficit / (surplus) in the year:

	<b>2023</b>	<b>2022</b>
	£	£
Deficit / (surplus) in scheme at 1 September 2022	1,359,000	4,830,000
Current service cost	352,000	615,000
Past service cost/(gain)	-	-
Interest cost	273,000	165,000
Employer contributions	(421,000)	(371,000)
Actuarial (gain)/loss - Remeasurements	(1,071,000)	(3,804,000)
Administration expenses	12,000	11,000
Interest income	(222,000)	(87,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>Deficit / (surplus) at 31 August 2023</b>	<b><u>282,000</u></b>	<b><u>1,359,000</u></b>

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

	<b>2023</b>	<b>2022</b>
	£	£
At 01 September 2022	6,291,000	9,739,000
Current service cost	352,000	615,000
Interest cost	273,000	165,000
Employee contribution	99,000	81,000
Past service cost/(gain)	-	-
Actuarial (gains)/losses - remeasurements	(921,000)	(4,240,000)
Benefits/transfers paid	(62,000)	(69,000)
<b>Benefit obligation at 31 August 2023</b>	<b><u>6,032,000</u></b>	<b><u>6,291,000</u></b>

### Changes in the fair value of Academy's share of scheme assets:

	<b>2023</b>	<b>2022</b>
	£	£
At 01 September 2022	4,932,000	4,909,000
Return on plan assets	222,000	87,000
Administrative expenses	(12,000)	(11,000)
Actuarial gain/(losses) - remeasurements	150,000	(436,000)
Employer contributions	421,000	371,000
Employee contribution	99,000	81,000
Benefits/transfers paid	(62,000)	(69,000)
<b>Closing fair value of scheme assets at 31 August 2023</b>	<b><u>5,750,000</u></b>	<b><u>4,932,000</u></b>

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 23. 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.

The following related party transactions took place in the period of account:

#### Related parties

- *Dallam School Charitable Trust.*  
Mr R J Pirie (member), Mr R Villiers-Smith (trustee), Mr J C Watton (Assistant Headteacher), Ms R T Williams (Accounting Officer - resigned) and Mr S J Henneberry (Accounting Officer) who acted for the academy during the period also acted as trustees for Dallam School Charitable Trust. The trustees have no equitable interest in either entity.
- *Settlebeck School*  
The Chief Financial Officer (CFO) for the SWMAT also acts as the CFO for Settlebeck School through a non profit annual service level agreement.

#### Expenditure Related Party Transactions

- *Dallam School Charitable Trust.*  
Dallam School paid a monthly rent of £24,225 for the Counter Part Lease to the Dallam School Charitable Trust for the premises at the Heversham Site. During the year ended 31 August 2023 the total rent paid was £290,700 (2022: £290,700).

The rent payable is at arms length, the rental value was calculated by an independent valuer through Lloyds Bank. None of the trustees participated in, nor influenced this valuation.

During the year ended 31 August 2019 Dallam School paid in addition to the monthly rent of £24,225, an upfront annual rental payment of £290,700 (2022: £290,700) this balance is shown in prepayments at the year end.

During the year ended 31 August 2022 the academy entered into a 3 year peppercorn lease with the Dallam School Charitable Trust for the use of Heversham St Peters C of E School, Leasgill, which expires on 14 February 2025.

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

#### Income Related Party Transactions

- *Dallam School Charitable Trust.*  
During the year Dallam School Charitable Trust made donations to the South Westmorland Multi Academy Trust of £103,000 (2022: £103,000). At the year end the South Westmorland Multi Academy Trust owed the Dallam School Charitable Trust £Nil (2022: £Nil).
- *Settlebeck School*  
During the year the SWMAT invoiced Settlebeck School £32,000 (2022: £31,000) for financial services.
- *Kirkbie Kendal School*  
During the year the SWMAT invoiced Kirkbie Kendal School £15,200 (2022: £nil) for financial services.



# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 24. Related Party Transactions - Trustees' Remuneration and Expenses

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

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 and other benefits for the period was as follows:

Ms R Williams (Headteacher and ex-officio trustee):		
Remuneration	65,000 to £69,999	(2022: £90,000 to £94,999)
Employer's pension contributions	£5,000 to £9,999	(2022: £20,000 to £24,999)
Mr S Hennerburry (Headteacher and ex-officio trustee):		
Remuneration	£75,000 to £79,999	(2022: £n/a)
Employer's pension contributions	£15,000 to £19,999	(2022: £n/a)

The trustees received £Nil (2022: £Nil) expenses in the year ended 31 August 2023.

### 25. 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 (2022: £5,000,000).

The cost of this insurance is included in the total insurance cost and amounted to £72. (2022: It is not possible to quantify the trustees and officers indemnity element from the overall cost of the scheme membership as the overall cover is paid on a per pupil price.)

### 26. 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.

### 27. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. The receipts and distributions 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 to ESFA as shown below:

	2023	2022
Fund balance at 01 September 2022	34,825	36,180
Receipts from ESFA during the year	8,296	4,903
Distributions during the year	(14,292)	(6,258)
Fund balance at 31 August 2023	<u>28,829</u>	<u>34,825</u>

In accordance with the guidance in the accounts direction the 16-19 bursary has been treated as an agency arrangement as the trust is acting as a paying agent for the ESFA.

# SOUTH WESTMORLAND MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

### 28. Academy Boarding Trading Account

	Year Ended 31 Aug 23		Year Ended 31 Aug 22	
Income	£	£	£	£
<i>Allocated to general boarding fund</i>				
Fee income	713,799		737,041	
Other income	106,644		54,630	
Insurance receipts	-		-	
Exceptional government funding (see note 3)	290,700		290,700	
<i>Allocated to restricted fixed asset boarding fund</i>		1,111,143		1,082,371
Grant income	-		526,057	
Gifts in kind (see note 3)	-		-	526,057
<b>Expenditure</b>				
<i>Allocated to general boarding fund</i>				
Staff costs	544,155		427,399	
Maintenance	86,333		134,399	
Finance charge	* 96,382		96,382	
Rates	69,612		58,698	
Heat & light	51,846		58,355	
Cleaning	10,760		7,909	
Staff development	7,332		790	
Catering	87,132		62,302	
Reprographics	1,345		385	
Bank charges	1,565		1,220	
Transport	7,707		14,186	
Recharges	25,589		30,807	
Commission	17,569		3,130	
Legal fees	21,406		6,021	
Professional fees	20,188		6,122	
Other	26,955		31,726	
<i>Allocated to restricted fixed asset boarding fund</i>		(1,075,876)		(939,831)
Maintenance	350,426		268,881	
Legal and professional	-		-	
Depreciation on finance lease	* 194,318		194,318	
Depreciation	142,152		135,992	
Loss on disposal of fixed assets	-		-	
		(686,896)		(599,191)
<b>Trading Statement Surplus/ (Deficit) on Boarding</b>		(651,629)		69,406
<b>Boarding Funds Reconciliation</b>				
	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Finance Lease Asset Funds</b>	<b>Total</b>
	£	£	£	£
Boarding funds surplus/ (deficit) brought forward	(285,903)	1,519,395	(696,309)	537,183
Trading statement surplus/ (deficit)	35,267	(686,896)	-	(651,629)
<b>Boarding funds before transfers</b>	(250,636)	832,499	(696,309)	(114,446)
Assets purchased during the period	(26,114)	26,114	-	-
Transfer to boarding fund from unrestricted funds	100,000	-	-	100,000
Adj Contribution to CIF project and fund Salix loan	-	-	-	-
Depreciation charge on finance lease	(194,318)	-	194,318	-
<b>Boarding funds carried forward</b>	(371,068)	858,613	(501,991)	(14,446)

\* This represents the rental payments across to the Dallam School Charitable Trust during the period.