

Registration number: 06895426

**Furness Education Trust**  
**(A company limited by guarantee)**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 August 2022**



## **Furness Education Trust**

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## **Furness Education Trust**

### **Reference and Administrative Details**

#### **Members**

Janet Garner

Craig Bland

Steve Timms (appointed 7 September 2021)

#### **Trustees**

Phil Athersmith (appointed 28 July 2022)

James Brimelow

Anne Burns

Graeme Corkill

Edward Creighton (resigned 31 August 2022)

Jane Dean-Wilcock

Jayne Moorby (appointed 23 March 2022)

Hilary Ellam

Adam Hearnden

David Kelly

Stuart Knagg

John Shields

Mark Woodham

#### **Chief Executive Officer**

Simon Laheney

#### **Company Secretary**

John Rawsthorne

#### **Senior Management Team**

Simon Laheney, Chief Executive Officer, Headteacher

John Rawsthorne, Chief Operating Officer

Janine Pierce, Executive Headteacher

Caroline Walker, Headteacher

#### **Principal and Registered Office**

Furness Academy

Park Drive

Barrow-In-Furness

Cumbria

LA13 9BB



## **Furness Education Trust**

### **Reference and Administrative Details (continued)**

#### **Company Registration Number**

06895426

#### **Auditors**

RSM UK Audit LLP  
Statutory Auditor  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

#### **Bankers**

Barclays Bank  
86 Dalton Road  
Barrow-in-Furness  
Cumbria  
LA14 1JH

#### **Solicitors**

Just People (HR) Limited  
Blencathra House  
Graham Street  
PENRITH  
CA11 9LE

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

Furness Education Trust operates four academies:

Furness Academy - a secondary academy for students aged 11 to 16 serving a catchment area in Barrow-in-Furness, Cumbria. It has a student capacity of 1,200 and had a roll of 1,103 in the school census in May 2022.

Parkside Academy - a primary academy for pupils aged 2 to 11 serving a catchment area in Barrow-in-Furness, Cumbria. It has a pupil capacity of 305 and had a roll of 301 in the school census in May 2022.

Yarlside Academy - a primary academy for pupils aged 3 to 11 serving a catchment area in Barrow-in-Furness, Cumbria. It has a pupil capacity of 248 and had a roll of 246 in the school census in May 2022.

Victoria Academy - a primary academy for pupils aged 7 to 11 serving a catchment area in Barrow-in-Furness, Cumbria. It has a pupil capacity of 220 and had a roll of 193 in the school census in May 2022.

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The company registration number is 06895426

The Trustees act as the Trustees for the charitable activities of Furness Education Trust and are also the Directors of the charitable company for purposes of company law. Details of the Trustees who served during the year, and to the dates these accounts are approved, are included in the Reference and Administrative Details on page 3.

##### ***Members' liability***

Members of the charitable company are nominated by either the Secretary of State or by the sponsor organisation BAE Systems Marine Limited

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

##### ***Trustees' indemnities***

The Trust provides Trustees Liability Insurance to cover the Trustees in respect of negligence or breach of duty which could attach to them in relation to their role at the Trust. The Trust provides no other indemnities to Trustees.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### ***Method of recruitment and appointment or election of Trustees***

New Trustees are appointed in accordance with the Trust's Articles of Association, as follows:

- Up to nine Trustees are appointed by the Sponsor. These Trustees are not necessarily from the sponsor's organisation.
- The Trustees can appoint up to four co-opted Trustees

The Trust Board is responsible for recruiting new Trustees that are appropriately skilled and experienced, seeking where necessary the approval of the Members for each appointment and for developing succession plans for key roles.

#### ***Policies and procedures adopted for the induction and training of Trustees***

A programme of induction is provided for new Trustees depending on their existing experience and is tailored to their needs. The induction provides an overview of the Trust Governance structure, explains the duties of Trustees and Directors, and provides a copy of the induction pack that includes the latest version of the Department for Education's Governance Handbook and the Academy Trust Handbook. An annual skills audit, designed to identify areas of individual expertise to ensure that Trustees' strengths are utilised fully by the Board, is undertaken. The skills audit also enables Trustees' training needs to be identified and training to be provided as and when required, particularly in the preparation of Trustees for new roles within the Board. All Trustees are required to complete a register of interests, which is updated on an annual basis.

The Trust also subscribes to the 'National Governance Association' (NGA), 'The Key for School Governors', and the Governors Information Service in Cumbria. These provide training opportunities throughout the year for new and existing Trustees, but also provide much helpful governance advice and information.

#### ***Organisational structure***

The Trust Board's duties and responsibilities are: to derive and implement strategies for future development of the Trust; to supervise financial performance; to hold the CEO and Headteachers to account, through a productive and supportive relationship, for the educational performance of the Trust; and to acquire confidence through assurance activities that the need for any changes are identified, implemented and demonstrated to add real value.

The routine operational management of the Trust is delegated to the Chief Executive Officer, supported by the Headteachers and Chief Operating Officer. The Headteachers undertake the key leadership role overseeing educational, pastoral and administrative functions and they determine the recruitment of all teaching and support staff. The day to day administration is undertaken within the policies and procedures approved by the Trustees. The Chief Executive Officer is the Trust's Accounting Officer, and his financial and other authorities are set out in the Scheme of Delegation.

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

The Remuneration, Search and Governance Committee is a sub-committee of the main Trust Board and their role is to consider, and, where required, to advise the Board of Trustees, or to act under delegation on behalf of the Board on matters regarding the appraisal, KPIs and remuneration of Chief Executive Officer, Chief Financial Officer and Headteacher(s).

Performance Management of the CEO and Headteachers is carried out by a sub-committee of Trustees, including an external adviser.

## Furness Education Trust

### Trustees' Report for the Year Ended 31 August 2022(continued)

#### *Trade union facility time*

##### **Relevant union officials**

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
3	2.89

##### **Percentage of time spent on facility time**

Percentage of time

**Number of employees**

1%-50%

3

##### **Percentage of pay bill spent on facility time**

**2022**

Provide the total cost of facility time

2,159

Provide the total pay bill

9,248,361

Provide the percentage of the total pay bill spent on facility time, calculated as: ( total cost of facility time ÷ total pay bill ) x 100

0.02

##### **Paid trade union activities**

**2022**

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

100

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

#### ***Connected organisations, including related party relationships***

Furness Education Trust has a single educational sponsor BAE Systems Marine Limited.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### ***Engagement with employees (including disabled persons)***

The Trust is compliant with the Public Sector Equality Duty (PSED), with Trust-wide equality objectives that encourage the elimination of discrimination, advancement of equality of opportunity and the fostering of good relations.

The Trust strive to ensure that the recruitment, retention and ongoing development of staff is undertaken in a fair and equitable manner to support the Trust's vision and values.

The Trust see all members of the Trust and wider community of equal value:

- Whether or not they are disabled;
- Whatever their ethnicity, culture, religious affiliation, national origin or socio-economic circumstances;
- Whichever their gender and sexual orientation; and
- Whatever their age.

The Trust is focused on engaging with all members of its Academy communities, including its employees. This is done through both informal and formal exercises to allow staff to share their views, along with formal survey opportunities, regular bulletins and staff briefings.

The Trust also engages with employees through trade union representatives. The Trust has strengthened its relationships with trade unions during the year.

#### ***Engagement with suppliers, customers and others in a business relationship with the trust***

The Trust has had regard to the need to foster the company's business relationship with suppliers, customers and others.

The governance register of business interests is published on the Trust website. The Trust will always ensure best value when making business decisions.

The Trust acts in a way most likely to promote the success of the company and in doing so has regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Objectives and activities**

##### ***Objects and aims***

Furness Education Trust serves 1,843 children in four schools. The Trust schools are presently all graded good or outstanding and have a good record of school improvement.

The Trust is ambitious that its good schools move from being good schools to amazing schools, where performance can be compared to the best across the country. The Trust has looked to capitalise on and benefit from adopting successful practice evidenced in other Trust schools.

##### **Furness Education Trust Aims**

- To work together as a family of like-minded schools underpinned by our moral purpose to drive educational excellence through high aspiration, outstanding achievement and lifelong learning skill for all our pupils and students.
- To place the needs of all our young people at the centre of everything that we do.
- For the work of the Trust to have a sustained impact upon school improvement.

##### **Furness Education Trust values**

- Excellence – delivering excellence in all areas, providing the best for our students and community
- Collaboration – working together for the benefit of all our children across the Trust
- Integrity – sharing our challenges so that we can trust and support each other to improve
- Aspiration – creating aspiration for both staff and students, encouraging high expectations and improving life chances for all children regardless of their background

The Trust is keen to promote the use of new and innovative technologies in teaching and learning and promote best practice in the continuous professional development of its excellent teaching staff. To this end the Trust has developed a comprehensive CPD programme which incorporates new research and evidence based practice to support first class teaching and learning, including a detailed programme of ICT CPD led by a Microsoft training Academy.

##### ***Objectives, strategies and activities***

The Trust action plans are all focused around the objectives contained in the approved School Development Plan. Strategic management and financial oversight are provided by the Trust Board and supporting Committee Meetings (see Governance Statement).

All activities of the Trust are aimed at ensuring that these action plans are properly implemented and progress on them is regularly monitored. The Headteachers lead on these operational matters and the Trustees, together with the Governors in Local Academy Committees, hold the Headteachers to account. With regard to financial oversight, the Trust Board requires balanced budgets to be achieved with appropriate financial management and safeguards in place.

The Trustees and elected Governors determine the measures that need to be taken, both individually and collectively, to assure themselves that the information routinely provided by the Headteachers and the Senior Leadership Team (SLT) at the Board and Committee Meetings are sufficient and properly representative of actual performance in the schools. To enable this, topic and subject areas are allocated to all Trustees and Governors (some shared) and they are encouraged to establish, on a regular basis, Academy visit programmes with nominated staff leads. In addition, the Trust Board has appointed an independent and experienced Academy Improvement Partner who, three times per year, visits the Trust to review the progress on Self Evaluation, the School Development Plan and the detailed education performance data, and provides a report on each visit to the Board.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### ***Public benefit***

The Academy Trust has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit) in exercising its powers or duties. In setting the objectives and planning the activities the Trustees have carefully considered the Charity Commissions general guidance on public benefit.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

Furness Education Trust received an application from Newton Primary School to join the Trust. The application was approved by the Regional School's Commissioner in May 2022 and following a process of due diligence, the Secretary of State signed the funding agreement on 30 August 2022. Newton Village Academy will join the Trust on 1 September.

Parkside Academy was inspected by Ofsted in October 2021 and the outcome was an overall effectiveness rating of Good; with outstanding qualities including behaviour and attitudes and early years provision. This was the first Ofsted inspection of a Furness Education Trust academy since the merger of Furness Academies Trust and Inspired Learning Trust in 2019. Inspections are expected at other Furness Education Trust school during the coming academic year.

Furness Academy continues to be the secondary school of choice for the Furness Peninsula with a higher number of first choice applicants than any other local secondary school. For the fourth year, Furness Academy was over-subscribed with over 400 applications from local year 6 students and over 290 of these placing Furness Academy as their first choice preference. Furness Academy has temporarily increased its published admission number for the academic year 2022/2023, offering places to 260 students.

During the third year as Furness Education Trust, the financial position has been further strengthened and Trust Services have grown. The team which provides HR, finance, site management, catering, marketing & public relations and IT services has been commended by senior leaders across the Trust for their support and delivery of their services.

Furness Academy's 2022 results are the best results ever achieved by the school in terms of student attainment, with more students than ever before attaining and securing strong passes in English and Maths and overall attainment across the subjects improving. These results continue the strong trend of improvement made by the school over many years. Based on the latest result, attainment figures have improved significantly since 2017. Strong pass (grade 5) in English and Maths has increased by 17.5% and standard pass (grade 4) in English and Maths improved by 11.8%.

Furness Education Trust entered a new partnership with Barrow AFC Community Trust, to deliver the Furness School Games provision for schools across the peninsula. The Furness School Games organiser role has been delivered by Furness Academy, as part of Furness Education Trust, for a number of years. The partnership looks to maintain school engagement, in schools across Furness, ensuring students are able to develop and support their psychological and physiological fitness. Alongside this, the programme will offer leadership and volunteering opportunities.

Furness Academy has been chosen to be the newest member of the Andrew Lloyd Webber Music in Secondary Schools Trust Programme (MiSST). The Academy will become the only the 5th school outside of London to be linked with the MiSST programme. The MiSST programme funds one-to-one instruments and professional tuition in schools, on a three year programme, beginning with Year 7 students in the academic year 2022/2023. These students will continue their music tuition, with different instrument options, throughout Year 8 and 9 with a view to achieving a grade 3 in their preferred instrument. Moving forward, each incoming year group from September 2022 will join the MiSST programme and will receive an instrument and tuition during Key Stage 3.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Strategic Report**

The Trust appointed an Executive Headteacher to lead the primary academies, Yarlside and Victoria. Since appointment, Victoria Academy has had a number of successes including increased pupil applications and a successful bid for funding of £250,000 for a new roof with future bids for funding planned. With the new roof and the installation of LED lighting throughout the school, the Trust is working hard to reduce the carbon footprint of all of the Trust schools.

South Cumbria School Direct delivered teacher training to 14 trainee teachers this year, undergoing their training with the Trust, 11 primary teachers and three secondary teachers. Many of those who completed placements with the Trust have been retained as employees.

The Trust continued to deliver free school meal vouchers to 360 students across the Trust during school holiday periods.

The Furness Education Trust primary schools dominated the county Key Steps Gymnastics competition held in Penrith. The Yarlside Academy team are Key Step 1 County Champions and the Parkside Academy team are Key Step 3 County Champions and Key Steps 2 runners-up.

The Trust as continued to deliver a programme of curriculum development and common strategies in a number of areas. This has been developed through shared CPD and the creation and development of through curriculums, a strategic education priority for the Trust.

It was another successful year for the Trust's Erasmus+ projects. The SWITCH project, granted in 2018, successfully completed with much praise from the British Council. The Bridge project, awarded in August 2020, held in person meetings in 2021, with Furness Academy and the Yarlside Academy PTA working collaboratively and travelling to Lithuania, Portugal and Italy during this academic period.

Furness Academy was successful in the first round of the new Turing Scheme, the post Brexit replacement for Erasmus+ programme. This scheme funded 40 students and 8 staff members to travel to Italy in June 2022, fully funded, to take part in a school exchange and cultural visit. Furness Academy also submitted an application for the 2022/2023 academic year, which was approved by Turing, one of only 66 schools in England to have a successful application. Worth over £50,000, the project will see 20 students and 6 staff members travel to India and Cambodia during 2023.

Furness Academy has continued with its student laptop scheme. Phase 3 was rolled out to the new intake of Year 7 students, with over 250 students joining the scheme. For students who do not join the scheme, a daily loan system has been implemented so that no student is at a disadvantage.

Both Yarlside and Parkside academics were Primary Science Quality Marks for their 2020-2021 Science curriculum in October 2021. The report from Primary Science Quality Mark team referenced the positive impact of Trust-wide collaboration on the delivery of science teaching and learning.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Strategic Report**

##### ***Key financial performance indicators***

The Joint Finance & General Planning and Audit & Risk Assurance Committee of the Trust Board met three times during the year to review financial performance. Key indicators are the percentage of staff costs as a percentage of total income and the management of income and expenditure against budget and forecast. The revised budget forecast, excluding fixed asset fund and pension fund movements was £413,000 and actual reported surplus was £556,000, prior to transfers to the fixed asset reserve. The Quality of Education and Standards Committee and Local Academy Committees, together with the Trust Board, review performance data including student achievement, student attendance and key stage results.

##### ***Going concern***

After making appropriate enquiries, the Trust Board has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust has reported a healthy surplus for the year and reserves of £1.866m. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Strategic Report**

##### ***Promoting the success of the Trust***

The Trust Board is focused on promoting the success of the Trust and ensuring the Trust remains successful and sustainable in the long term. Fundamental to this success is ensuring that employees are treated fairly and that we encourage sound and enduring engagement and relationships with all stakeholders including students, parents, suppliers and customers and our wider community. We strive for excellence in all aspects of our operations and value our emphasis on leadership in line with the values of the Trust.

##### **Financial review**

The majority of the Trust's income was received in the form of grants, either directly from the Department for Education, or via the Local Authority or other organisations. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Grant income from the DfE/ESFA and Cumbria County Council was £11.748m (2021: £10.608m). Total income for the Trust was £12.870m (2021: £11.208m).

Capital expenditure in 2021/22 was £749k (2021: £218k) and the income is included in the restricted fixed asset fund in the Statement of Financial Activities. The fund is reduced by the annual depreciation charge over the useful life of the assets concerned, as shown in the accounting policies.

Expenditure for the year was £13,558m (2021: £12.143m) a large part of which comprised staff costs. There was a requirement to make payments of £242k (2021: £241k) to the pension fund to cover historic deficits.

There was an in-year surplus of £431k (2021: £244k), which is reflected in the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds. This is made up of a trading surplus of £556k less transfers of £125k from the General Restricted Fund to the Restricted Fixed Asset Fund to cover the shortfall on capital projects undertaken.

As of 31 August 2022 reserves (restricted general funds, excluding pension reserves, plus unrestricted reserves) stand at £1.866m (2021: £1.434m). The Trustees are aware of the implications of government changes to the funding formula for academies and the impact of lagged funding of growth in student numbers. They are satisfied that there are sufficient reserves to cushion the impact of these changes in the short term.

Under accounting standard FRS 102 s.28, it is necessary to charge projected deficits on the Local Government Pension scheme to the Income & Expenditure Account, and to show any liabilities on the Balance Sheet. The pension fund liability was inherited from Cumbria County Council in 2009, and as at the 31 August 2022 showed a deficit of £2.532m (2021: £10.355m). The decrease in the liability has been reflected as a gain in the current year. It should be noted that the scheme deficit does not present a liquidity problem for the Trust.

##### ***Reserves policy***

The Trustees regularly review the finances, budgets and spend against budget as part of their effective governance of the Trust. The reserve levels are reviewed annually and the Trustees have determined that the appropriate level of reserves should be £485k for the Trust as a whole. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. A deficit position of the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years. The Trust has committed to spending of £100,000 in 2022/23 to develop its IT infrastructure and £143,000 from the Euro account to support international travel for students.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Strategic Report**

##### ***Investment policy***

The Trust's Treasury Management Policy sets out the Trust's objectives and procedures in relation to investing cash and other resources. The Trust aims to maximise returns from long and short term investments, whilst ensuring funds are not placed at risk and that sufficient cash is available to meet day to day operational requirements. A cautious approach will be taken when determining amounts and durations and only low risk investments will be used. Additionally, the Trust continues to comply with all Department for Education rules on such matters.

##### ***Principal risks and uncertainties***

Furness Education Trusts Risk Register is considered by the Joint Finance & General Planning and Audit & Risk Assurance Committee of the Trust Board three times per year. Furness Education Trust's principal risks concern examination results, Ofsted inspections, growth of information technology, finances and coronavirus related financial and non-financial risks. Each separate risk has an owner and control measures are in place to mitigate the impact of such risks.

##### **Fundraising**

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

## Furness Education Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

#### Strategic Report

##### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	247,682	201,238
<b>Energy consumption break down (kWh)</b>		
Gas	145,271	122,583
Electricity	80,046	77,126
Transport fuel	23,429	1,529
<b>Scope 1 emissions in metric tonnes CO2e</b>		
Owned transport - mini-buses	5.60	0.38
Gas consumption	26.52	22.45
Total scope 1	32.12	22.83
<b>Scope 2 emissions in metric tonnes CO2e</b>		
Purchased electricity	15.48	16.38
<b>Total gross emissions in metric tonnes CO2e</b>	<b>47.6</b>	<b>39.21</b>
<b>Intensity ratio</b>		
Tonnes CO2e per pupil	0.03	0.02

##### Quantification and Reporting Methodology:

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

##### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

##### Measures taken to improve energy efficiency

- As part of our electricity tender, we source our energy from green suppliers
- LED feasibility studies at academies and implemented general policy of replacing old light fittings with LED as failure of equipment occurs.
- As part of our plan to reduce our carbon footprint, we are currently in the process of collating proposals for Solar Panels to be installed trust wide

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Strategic Report**

##### ***Plans for future periods***

Furness Education Trust aims to develop closer partnerships. The Trust will continue to strengthen teaching and learning, curriculum development, improve resource procurement and incorporate other schools in the local area that are interested in joining the Trust as an equal and equitable member. Furness Education Trust has incorporated Newton Village Academy into the Trust on 1 September 2022, with further growth likely.

Furness Academy continues to develop extensive links with its feeder schools and engages with students and parents in Years 4, 5 and 6 of primary feeder schools. This improves primary to secondary transition and STEM learning experiences. The continued success of this approach can be seen in the Academy expected intake for the 2022/2023 academic year which at 271 is the highest intake since locating to the new buildings. It is the expectation that this will be maintained in 2023/24.

The Trust continues to develop its partnership with its sponsor, BAE Systems Marine Limited, realigning the teaching and learning structure in the school to reflect the Academy focus on STEM learning. The BAE Systems support from Trustees and STEM Ambassadors will continue to support the development of high-quality teaching and learning along with an effective operational business supporting all Academy activities.

## **Furness Education Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Auditor**

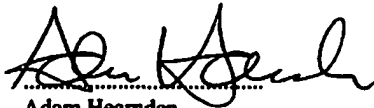
Insofar as the Trustees are aware:

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

#### ***Reappointment of auditor***

RSM UK Audit LLP has indicated its willingness to continue in office.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Trust Board on 15.12.22 and signed on its behalf by:



Adam Hearnden  
Trustee

## **Furness Education Trust**

### **Governance Statement**

#### **Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Furness Education 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 Governance Handbook and competency framework for governance.

The Trust Board has delegated the day-to-day responsibility to Simon Laheney, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Furness Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Trust Board maintains a register of interests which is regularly reviewed. Prior to each board and committee meeting, Trustees are required to declare any interests. Trustees will be excluded from any agenda items where there may be a perceived conflict of interest.

The Trust Board has formally met 4 times during the year. Attendance during the year at meetings of the Trust Board was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Adam Hearnden	3	4
Edward Creighton	2	4
Graeme Corkill	3	4
Mark Woodham	4	4
Hilary Ellam	3	4
Stuart Knagg	4	4
Jane Dean-Wilcock	1	4
John Shields	4	4
Anne Burns	0	4
David Kelly	3	4
James Brimelow	3	4
Simon Laheney	4	4
Phil Athersmith	0	0

## **Furness Education Trust**

### **Governance Statement (continued)**

The Finance and General Planning Committee and Audit and Risk Assurance Committee merged to become the Joint Finance & General Planning and Audit & Risk Assurance Committee. This is a sub-committee of the main Trust Board. Its purpose is to oversee the management of Trust's finances and resources, and assist the decision making of the Trust Board. The Committee gives detailed consideration of issues as they arise, through receipt of reports covering both progress against current plans or new proposals and initiatives. The committee will advise the Trust Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, the committee also deals with the appointment and the scope of work of the Internal Auditor and the Financial Statement Auditor. During the year, the Committee reviewed the recommendations arising from the visits of the Internal Auditor and discussed improvements to the Trust's risk management processes.

Key priority areas for the Committee this year have included:

- Review of management accounts
- Strategic budget planning and review of the annual budget
- Review of financial statements
- Review of capital building projects
- Review of internal audit reports
- Review of statutory auditor's management letter
- Risk Management
- Academy Trust Handbook

Attendance at meetings during the year was as follows:

	<b>Meetings attended</b>	<b>Out of a possible</b>
<b>Trustee</b>		
Adam Hearnden	2	3
Graeme Corkill	2	3
Stuart Knagg	2	3
James Brimelow	2	3
Simon Laheney	3	3
Mark Woodham	3	3
Hilary Ellam	2	3
Jane Dean-Wilcock	2	3
Anne Burns	2	3
Edward Creighton	2	3

#### **Effective oversight of funds**

The Trust Board maintains effective oversight of funds through scheduled Trust Board meetings, meetings of the Joint Finance & General Planning and Audit & Risk Assurance Committee. These Committees report to the Trust Board. In addition, there are regular reports to the Chair of the Trust Board, outside of the meeting cycle, which are shared with Trust Board members.

## **Furness Education Trust**

### **Governance Statement (continued)**

#### **Review of value for money**

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

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 Trust Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by benchmarking and tendering contracts with suppliers to drive down costs and improve quality, including IT support services, payroll services, insurance, reprographics and capital building projects.

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

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

#### **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 Trust Board;
- regular reviews by the Joint Finance & General Planning and Audit & Risk Assurance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Trust Board has decided:

- to employ Armstrong Watson as internal auditor

## **Furness Education Trust**

### **Governance Statement (continued)**

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular the checks carried out in the current period included:

- a review of the finance function, including an assessment of the systems control environment.

The auditor reports to the Trust Board, through the Joint Finance & General Planning and Audit & Risk Assurance Committee on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

There were no material control or other issues reported by the Responsible Officer to date.

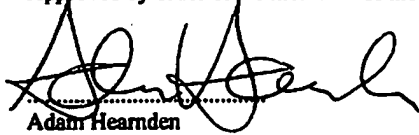
#### **Review of effectiveness**

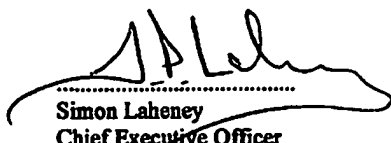
As Accounting Officer, Simon Laheney has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- 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 Joint Finance & General Planning and Audit & Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on **15/12/22** and signed on its behalf by:

  
Adam Hearnden  
Trustee

  
Simon Laheney  
Chief Executive Officer

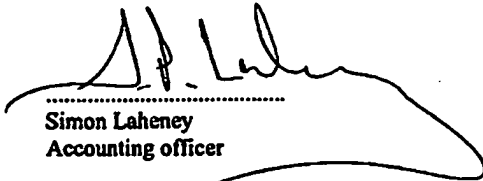
## **Furness Education Trust**

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

As Accounting Officer of Furness Education Trust I have considered my responsibility to notify the Academy Trust Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place 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 Academies Trust Handbook 2021.

I confirm that I and the Academy Trust Trust Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Trust Handbook 2021.

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 Trust Board and ESFA.



.....  
Simon Laheney  
Accounting officer

Date: 19/07/22.....

## **Furness Education Trust**

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

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

Company law requires the Trustees to prepare financial statements for each financial 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:

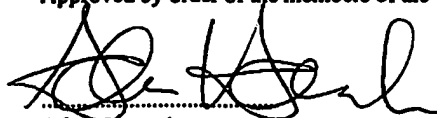
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform 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 Trust Board on 15/12/22.. and signed on its behalf by:



Adam Hearnden  
Trustee

## **Furness Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Furness Education Trust**

#### **Opinion**

We have audited the financial statements of Furness Education Trust (the "charitable company") for the year ended 31st August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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), and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Furness Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Furness Education Trust (continued)**

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report 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 Directors' Report or the Strategic Report included within the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 set out on page 20, the trustees (who act as trustees for the charitable activities of the charitable company 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 the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

#### **Auditor Responsibilities for the audit of the financial statements**

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

## **Furness Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Furness Education Trust (continued)**

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

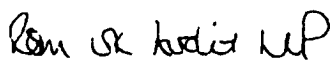
A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Furness Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Furness Education Trust (continued)**

#### **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.



.....  
Karen Musgrave (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants

Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

19/12/22  
Date:.....

# Furness Education Trust

## Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2021/22 Total £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	64	445	509
<i>Charitable activities:</i>					
Funding for the Academy					
Trust's educational operations	4	-	11,748	-	11,748
Teaching schools	28	-	13	-	13
Other trading activities	5	600	-	-	600
<b>Total</b>		<b>600</b>	<b>11,825</b>	<b>445</b>	<b>12,870</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy Trust educational operations	8	615	11,919	1,020	13,554
Teaching schools	28	-	4	-	4
<b>Total</b>		<b>615</b>	<b>11,923</b>	<b>1,020</b>	<b>13,558</b>
<b>Net (expenditure)/income</b>		<b>(15)</b>	<b>(98)</b>	<b>(575)</b>	<b>(688)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>(125)</b>	<b>125</b>	<b>-</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	27	-	8,492	-	8,492
<b>Net movement in funds/(deficit)</b>		<b>(15)</b>	<b>8,269</b>	<b>(450)</b>	<b>7,804</b>
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		381	(9,301)	32,560	23,640
<b>Total funds/(deficit) carried forward at 31 August 2022</b>		<b>366</b>	<b>(1,032)</b>	<b>32,110</b>	<b>31,444</b>

# Furness Education Trust

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

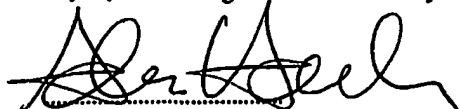
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2020/21 Total £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	11	152	163
<i>Charitable activities:</i>					
Funding for the Academy					
Trust's educational operations	4	-	10,608	-	10,608
Teaching schools	28	-	84	-	84
Other trading activities	5	353	-	-	353
<b>Total</b>		<b>353</b>	<b>10,703</b>	<b>152</b>	<b>11,208</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy Trust educational operations	8	530	10,533	1,019	12,082
Teaching schools	28	-	61	-	61
<b>Total</b>		<b>530</b>	<b>10,594</b>	<b>1,019</b>	<b>12,143</b>
<b>Net (expenditure)/income</b>		<b>(177)</b>	<b>109</b>	<b>(867)</b>	<b>(935)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>(87)</b>	<b>87</b>	<b>-</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(973)	-	(973)
<b>Net movement in funds/(deficit)</b>		<b>(177)</b>	<b>(951)</b>	<b>(780)</b>	<b>(1,908)</b>
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2020		558	(8,350)	33,340	25,548
<b>Total funds/(deficit) carried forward at 31 August 2021</b>		<b>381</b>	<b>(9,301)</b>	<b>32,560</b>	<b>23,640</b>

# Furness Education Trust

(Registration number: 06895426)  
Balance Sheet as at 31 August 2022

	Note	2022 £ 000	2021 £ 000
<b>Fixed assets</b>			
Tangible assets	13	32,079	32,350
<b>Current assets</b>			
Stocks	14	30	16
Debtors	15	659	534
Cash at bank and in hand	24	3,033	2,220
		<u>3,722</u>	<u>2,770</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(1,794)</u>	<u>(1,088)</u>
<b>Net current assets</b>		<u>1,928</u>	<u>1,682</u>
<b>Total assets less current liabilities</b>		<u>34,007</u>	<u>34,032</u>
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(31)</u>	<u>(37)</u>
<b>Net assets excluding pension liability</b>		<u>33,976</u>	<u>33,995</u>
<b>Pension scheme liability</b>	27	<u>(2,532)</u>	<u>(10,355)</u>
<b>Net assets including pension liability</b>		<u>31,444</u>	<u>23,640</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	18	1,500	1,053
Restricted fixed asset fund	18	32,110	32,561
Restricted pension fund	18	<u>(2,532)</u>	<u>(10,355)</u>
		<u>31,078</u>	<u>23,259</u>
<b>Unrestricted funds</b>			
Unrestricted general fund	18	<u>366</u>	<u>381</u>
<b>Total funds</b>		<u>31,444</u>	<u>23,640</u>

The financial statements on pages 27 to 53 were approved by the Trustees, and authorised for issue on ~~15/12/22~~ and signed on their behalf by:



Adam Hearnden  
Trustee

# **Furness Education Trust**

## **Statement of Cash Flows for the year ended 31 August 2022**

	Note	2022 £ 000	2021 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	1,121	351
<b>Cash flows from investing activities</b>	23	(304)	(66)
<b>Cash flows from financing activities</b>	22	<u>(4)</u>	<u>42</u>
<b>Change in cash and cash equivalents in the year</b>		813	327
<b>Cash and cash equivalents at 1 September</b>		<u>2,220</u>	<u>1,893</u>
<b>Cash and cash equivalents at 31 August</b>	24	<u>3,033</u>	<u>2,220</u>

## **Furness Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### **1 Accounting policies**

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

##### **Basis of preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### **Going concern**

The Trustees have performed forecasts for 22/23 when assessing whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

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

##### **Grants**

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

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

Capital grants are recognised 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

## **Furness Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### ***Donations***

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

##### ***Other income***

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

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

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

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

##### ***Transfer of existing academies into the trust***

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

##### ***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.

##### ***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.

All resources expended are inclusive of irrecoverable VAT.

## **Furness Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### ***Expenditure on raising funds***

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

##### ***Charitable activities***

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

##### ***Tangible fixed assets***

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Buildings	5-50 years straight line
Land	Land is not depreciated
Assets under construction	No depreciation charged until brought into use
Computer equipment	3-5 years straight line
Furniture and equipment	1-6 years straight line
Motor vehicles	2-5 years straight line

## **Furness Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 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.

##### **Leased assets**

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

##### **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 note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Stock**

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

##### **Taxation**

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

## **Furness Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension 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. 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 of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

## **Furness Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### **Critical accounting estimates and areas of judgement**

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

##### ***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

#### **2 General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State some academies within the Academy Trust were subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the Trust exceeded the limits during the year ended 31 August 2022.

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 3 Donations and capital grants

	Restricted funds £ 000	Restricted fixed asset funds £ 000	2021/22 Total £ 000	2020/21 Total £ 000
<b>Other voluntary income</b>				
Educational trips and visits	-	-	-	-
Capital grants	-	445	445	152
Other donations	64	-	64	11
	<u>64</u>	<u>445</u>	<u>509</u>	<u>163</u>

The income from donations and capital grants was £509,016 (2021: £163,481) which was allocated between the funds as follows; £Nil unrestricted funds (2021: £Nil), £64,241 restricted funds (2021: £11,308), £444,775 restricted fixed asset funds (2021: £152,174) and £Nil endowment funds (2021: £Nil).

#### 4 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2021/22 Total £ 000	2020/21 Total £ 000
<b>DfE/ESFA revenue grants</b>			
General annual grant (GAG)	9,684	9,684	8,533
Universal Infant Free School Meals	63	63	69
Others	100	100	7
Pupil number adjustments	30	30	107
PE and sports grant	61	61	46
Teachers pay grant	4	4	106
Rates reclaim	62	62	62
Pupil premium	647	647	546
	<u>10,651</u>	<u>10,651</u>	<u>9,476</u>
<b>Other government grants</b>			
Local authority grants	1,006	1,006	1,109
Special education projects	91	91	23
	<u>1,097</u>	<u>1,097</u>	<u>1,132</u>
<b>Total grants</b>	<u>11,748</u>	<u>11,748</u>	<u>10,608</u>

The funding for educational operations was £11,748,437 (2021: £10,608,443) which was allocated between the funds as follows; £Nil unrestricted funds (2021: £Nil), £11,748,437 restricted funds (2021: £10,608,443), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 5 Other trading activities

	Unrestricted funds £ 000	2021/22 Total £ 000	2020/21 Total £ 000
Hire of facilities	43	43	6
Catering income	425	425	274
School shop sales	22	22	7
Other sales	110	110	66
	<u>600</u>	<u>600</u>	<u>353</u>

The income from other trading activities was £599,887 (2021: £352,547) which was allocated between the funds as follows; £559,887 unrestricted funds (2021: £352,547), £Nil restricted funds (2021: £Nil), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).

#### 6 Investment income

	2021/22 Total £ 000	2020/21 Total £ 000
Bank Interest	-	-

The income from other trading activities was £103 (2021: £Nil) which was allocated between the funds as follows; £103 unrestricted funds (2021: £Nil), £Nil restricted funds (2021: £Nil), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).

#### 7 Expenditure

	Non-Pay Expenditure			2021/22 Total £ 000	2020/21 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
<b>Academy's educational operations</b>					
Direct costs	7,058	-	525	7,583	6,859
Allocated support costs	3,085	1,686	1,200	5,971	5,223
Teaching School	-	-	4	4	61
	<u>10,143</u>	<u>1,686</u>	<u>1,729</u>	<u>13,558</u>	<u>12,143</u>

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 7 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021/22 £ 000	2020/21 £ 000
Operating lease rentals	21	26
Depreciation	1,020	1,019
Fees payable to auditor – audit	22	18
- other audit services	-	-
	<hr/>	<hr/>

#### 8 Charitable activities

	2021/22 £ 000	2020/21 £ 000
Direct costs - educational operations	7,583	6,859
Support costs - educational operations	5,971	5,223
Teaching schools	4	61
	<hr/>	<hr/>
	13,558	12,143

	Educational operations £ 000	2021/22 Total £ 000	2020/21 Total £ 000
<b>Analysis of support costs</b>			
Support staff costs	3,085	3,085	2,674
Depreciation	1,020	1,020	1,019
Technology costs	242	242	173
Premises costs	666	666	556
Legal costs - other	51	51	4
Other support costs	896	896	773
Governance costs	11	11	24
	<hr/>	<hr/>	<hr/>
Total support costs	5,971	5,971	5,223

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 9 Staff

##### Staff costs

	2021/22 £ 000	2020/21 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	7,111	6,629
Social security costs	647	581
Operating costs of defined benefit pension schemes	2,232	1,879
	<u>9,990</u>	<u>9,089</u>
Supply staff costs	121	68
Staff restructuring costs	2	-
Staff development and other staff costs	30	30
	<u>10,143</u>	<u>9,187</u>

##### Staff restructuring costs comprise:

	2021/22 £ 000	2020/21 £ 000
Severance payments	<u>2</u>	<u>-</u>

##### Severance payments

The academy trust paid 1 severance payment in the year, disclosed in the following bands:

0 - £25,000	1
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##### Special severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,423 (2021: £Nil). Individually, the payment was £2,423.

##### Staff numbers

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

	2021/22 No	2020/21 No
<b>Charitable Activities</b>		
Teachers	99	93
Administration and support	182	182
Management	12	10
	<u>293</u>	<u>285</u>

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 9 Staff (continued)

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2021/22 No	2020/21 No
£60,001 - £70,000	-	2
£70,001 - £80,000	4	3
£80,001 - £90,000	1	3
£90,001 - £100,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

##### 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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,008,776 (2021: £933,528).

#### 10 Central services

The academy trust charges for these services on the following basis:

- Furness Academy: 6% of GAG, 6% of trading income, 70% share of LGPS deficit payments, 70% contribution for CEO
- Parkside Academy: 6% of GAG, 10% share of LGPS deficit payments, 6% of 3-4 year funding
- Victoria Academy: 6% of GAG, 10% share of LGPS deficit payments
- Yarlsdale Academy: 6% of GAG, 10% share of LGPS deficit payments, 6% of 3-4 year funding

The actual amounts charged during the year were as follows:

	2021/22 £ 000	2020/21 £ 000
Furness Academy	717	664
Parkside Academy	97	91
Victoria Academy	77	75
Yarlsdale Academy	87	79
	<u>978</u>	<u>909</u>

#### 11 Related party transactions - trustees' remuneration and expenses

No trustees have been paid remuneration or have received other benefits from employment with the Academy Trust during the year.

Other related party transactions involving the trustees are set out in note 28.

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 12 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust 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 £Nil on any one claim and the cost for the year ended 31 August 2022 was £Nil (2021 - £Nil).

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

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

#### 13 Tangible fixed assets

	Leasehold land and buildings £ 000	Assets under construction £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	Total £ 000
<b>Cost/valuation</b>						
At 1 September 2021	36,209	84	226	1,799	33	38,351
Additions	19	545	144	41	-	749
Transfers	116	(116)	-	-	-	-
At 31 August 2022	36,344	513	370	1,840	33	39,100
<b>Depreciation</b>						
At 1 September 2021	4,183	-	147	1,648	23	6,001
Charge for the year	907	-	45	62	6	1,020
At 31 August 2022	5,090	-	192	1,710	29	7,021
<b>Net book value</b>						
At 31 August 2022	31,254	513	178	130	4	32,079
At 31 August 2021	32,026	84	79	151	10	32,350

#### 14 Stock

	2021/22 £ 000	2020/21 £ 000
Stock	30	16

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 15 Debtors

	2021/22 £ 000	2020/21 £ 000
Trade debtors	43	24
VAT recoverable	270	214
Other debtors	3	7
Prepayments	242	126
Accrued grant and other income	101	163
	<u>659</u>	<u>534</u>

#### 16 Creditors: amounts falling due within one year

	2021/22 £ 000	2020/21 £ 000
Trade creditors	547	306
Other taxation and social security	151	141
Loans	6	5
Other creditors	448	295
Accruals	197	73
Deferred income	445	268
	<u>1,794</u>	<u>1,088</u>

#### Deferred income

	2021/22 £ 000	2020/21 £ 000
Deferred income at 1 September 2021	268	122
Resources deferred in the period	445	268
Amounts released from previous periods	(268)	(122)
Deferred income at 31 August 2022	<u>445</u>	<u>268</u>

Loans of £6,418 (2021: £5,297) from Salix which is provided on the following terms: Interest of 0% paid by annual instalments over 8 years from 2021.

#### 17 Creditors: amounts falling due after one year

	2021/22 £ 000	2020/21 £ 000
Loans	<u>31</u>	<u>37</u>

Loans of £31,497 (2021: £37,078) from Salix which is provided on the following terms: Interest of 0% paid by annual instalments over 8 years from 2021.

# Furness Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 18 Funds

	Balance at 1 September 2021 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2022 £ 000
<b>Restricted general funds</b>					
General Annual Grant	-	9,684	(9,559)	(125)	-
Other DfE / ESFA grants	-	967	(967)	-	-
Other government grants	785	1,006	(728)	-	1,063
Other restricted funds	268	168	-	-	436
	<u>1,053</u>	<u>11,825</u>	<u>(11,254)</u>	<u>(125)</u>	<u>1,499</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	19,092	445	(1,020)	125	18,642
Restricted Endowment Fund	159	-	-	-	159
Transfer of existing academics	13,310	-	-	-	13,310
	<u>32,561</u>	<u>445</u>	<u>(1,020)</u>	<u>125</u>	<u>32,111</u>
<b>Restricted pension funds</b>					
Pension reserve	(10,355)	-	(669)	8,492	(2,532)
<b>Total restricted funds</b>	<b>23,259</b>	<b>12,270</b>	<b>(12,943)</b>	<b>8,492</b>	<b>31,078</b>
<b>Unrestricted funds</b>					
Unrestricted general funds	381	600	(615)	-	366
<b>Total funds</b>	<b>23,640</b>	<b>12,870</b>	<b>(13,558)</b>	<b>8,492</b>	<b>31,444</b>

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 18 Funds (continued)

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

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
<b>Restricted general funds</b>					
General Annual Grant	-	8,533	(8,445)	(88)	-
Other DfE / ESFA grants	-	984	(984)	-	-
Other government grants	441	1,109	(765)	-	785
Other restricted funds	191	77	-	-	268
	<u>632</u>	<u>10,703</u>	<u>(10,194)</u>	<u>(88)</u>	<u>1,053</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	19,871	152	(1,019)	88	19,092
Restricted Endowment Fund	159	-	-	-	159
Transfer of existing academies	13,310	-	-	-	13,310
	<u>33,340</u>	<u>152</u>	<u>(1,019)</u>	<u>88</u>	<u>32,561</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(8,982)</u>	<u>-</u>	<u>(400)</u>	<u>(973)</u>	<u>(10,355)</u>
Total restricted funds	24,990	10,855	(11,613)	(973)	23,259
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>558</u>	<u>353</u>	<u>(530)</u>	<u>-</u>	<u>381</u>
Total funds	<u>25,548</u>	<u>11,208</u>	<u>(12,143)</u>	<u>(973)</u>	<u>23,640</u>

#### Analysis of academies by fund balance

Fund balances at 31 August 2022 were allocated as follows:

	2021/22 £ 000	2020/21 £ 000
Furness Academy	1,233	855
Parkside Academy	275	218
Victoria Academy	-	45
Yarlside Academy	399	386
Central services	<u>(42)</u>	<u>(70)</u>
Total before fixed assets and pension reserve	1,865	1,434
Fixed asset reserves	32,111	32,561
Pension reserve	<u>(2,532)</u>	<u>(10,355)</u>
Total	<u>31,444</u>	<u>23,640</u>

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 18 Funds (continued)

##### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2021/22 £ 000
Furness Academy	4,530	1,527	257	1,012	7,326
Parkside Academy	857	278	63	240	1,438
Victoria Academy	648	150	39	162	999
Yarlside Academy	750	137	39	166	1,092
Central services	154	1,283	8	238	1,683
Academy Trust	6,939	3,375	406	1,818	12,538

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

	Total 2020/21 £ 000
Furness Academy	6,456
Parkside Academy	1,212
Victoria Academy	996
Yarlside Academy	1,148
Central services	1,311
Academy Trust	11,123

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 19 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	32,079	32,079
Current assets	366	3,325	31	3,722
Current liabilities	-	(1,794)	-	(1,794)
Creditors over 1 year	-	(31)	-	(31)
Pension scheme liability	-	(2,532)	-	(2,532)
<b>Total net assets</b>	<b>366</b>	<b>(1,032)</b>	<b>32,110</b>	<b>31,444</b>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	32,350	32,350
Current assets	381	2,178	211	2,770
Current liabilities	-	(1,088)	-	(1,088)
Creditors over 1 year	-	(37)	-	(37)
Pension scheme liability	-	(10,355)	-	(10,355)
<b>Total net assets</b>	<b>381</b>	<b>(9,302)</b>	<b>32,561</b>	<b>23,640</b>

#### 20 Long-term commitments, including operating leases

##### *Operating leases*

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021/22 £ 000	2020/21 £ 000
Amounts due within one year	19	21
Amounts due between one and five years	1	20
	<b>20</b>	<b>41</b>

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 21 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2021/22 £ 000	2020/21 £ 000
Net (expenditure)/income	(688)	(935)
Net gain on transfer of academies joining the Trust	-	-
Depreciation	1,020	1,019
Capital grants from DfE and other capital income	(445)	(152)
Interest receivable	-	-
Defined benefit pension scheme cost less contributions payable	500	243
Defined benefit pension scheme finance cost	169	157
Decrease/(increase) in stock	(14)	-
Decrease/(increase) in debtors	(125)	227
(Decrease)/increase in creditors	704	(208)
Net cash provided by Operating Activities	<u>1,121</u>	<u>351</u>

#### 22 Cash flows from financing activities

	2021/22 £ 000	2020/21 £ 000
Repayment of borrowing	(4)	-
Cash inflows from new borrowing	-	42
Net cash provided by financing activities	<u>(4)</u>	<u>42</u>

#### 23 Cash flows from investing activities

	2021/22 £ 000	2020/21 £ 000
Purchase of tangible fixed assets	(749)	(218)
Capital grants from DfE Group	445	152
Cash transferred on academies joining the Trust	-	-
Net cash (used in)/provided by investing activities	<u>(304)</u>	<u>(66)</u>

#### 24 Analysis of cash and cash equivalents

	2021/22 £ 000	2020/21 £ 000
Cash in hand and at bank	<u>3,033</u>	<u>2,220</u>
Total cash and cash equivalents	<u>3,033</u>	<u>2,220</u>

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 25 Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash	2,220	813	3,033
Loans falling due within one year	(5)	(1)	(6)
Loans falling due after more than one year	(37)	6	(31)
<b>Total</b>	<b>2,178</b>	<b>818</b>	<b>2,996</b>

#### 26 Members' liability

Members of the charitable company are nominated by either the Secretary of State or by the sponsor organisation BAE Systems Marine Limited

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.

#### 27 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 Mercer. Both are multi-employer defined benefit schemes.

The LGPS obligations relates to the employees of the Academy Trust, who were the employees transferred as part of the transfer in from another academy trust who were already members of the scheme and new employees who were eligible to and did join the Scheme whose cumulative retirement benefit\* was transferred to the Academy Trust in the year. The obligation in respect of employees who transferred represents their cumulative service to the date of transfer.

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

Contributions amounting to £228,471 (2021: £180,153) were payable to the schemes at 31 August 2022 and are included within creditors.

#### Teachers' Pension Scheme

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

## **Furness Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **27 Pension and similar obligations (continued)**

The TPS is an unfunded scheme to which both 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20).

The employer's pension costs paid to TPS in the period amounted to £1,009,000 (2021: £971,000).

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**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £871,000 (2021 - £770,000), of which employer's contributions totalled £721,000 (2021 - £636,000) and employees' contributions totalled £150,000 (2021 - £134,000). The agreed contribution rates for future years are 18.9 per cent for employers and range from 5.5 to 12.5 percent for employees.

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

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 27 Pension and similar obligations (continued)

##### Principal actuarial assumptions

	2021/22 %	2020/21 %
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	4.30	1.70
Inflation assumptions (CPI)	2.80	2.80

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

	2021/22	2020/21
<b>Retiring today</b>		
Males retiring today	22.60	22.70
Females retiring today	25.30	25.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.10	24.30
Females retiring in 20 years	27.10	27.20

##### Sensitivity analysis

	2021/22 £000	2020/21 £000
Discount rate +0.1%	(297)	(474)
Discount rate -0.1%	304	485
Mortality assumption – 1 year increase	271	672
Mortality assumption – 1 year decrease	(266)	(651)
CPI rate +0.1%	304	485
CPI rate -0.1%	(297)	(474)

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

	2021/22 £ 000	2020/21 £ 000
Equities	3,615	4,244
Government bonds	1,528	1,863
Other bonds	-	-
Property	1,044	823
Cash and other liquid assets	334	412
Other	4,239	3,487
<b>Total market value of assets</b>	<b>10,760</b>	<b>10,829</b>

The actual return on scheme assets was (£767,000) (2021 – return of £1,519,000).

# Furness Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 27 Pension and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2021/22 £ 000	2020/21 £ 000
Current service cost	1,201	862
Past service cost	-	-
Interest income	(190)	(163)
Interest cost	359	320
Admin expenses	20	17
Total amount recognised in the SOFA	1,390	1,036

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

	2021/22 £ 000	2020/21 £ 000
At start of period	21,184	17,755
Transferred in on existing academies joining the trust	-	-
Current service cost	1,201	862
Interest cost	359	320
Employee contributions	150	134
Actuarial (gain)/loss	(9,449)	2,329
Benefits paid	(153)	(216)
Past service cost	-	-
At 31 August	13,292	21,184

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

	2021/22 £ 000	2020/21 £ 000
At start of period	10,829	8,773
Transferred in on existing academies joining the trust	-	-
Interest income	190	163
Actuarial gain/(loss)	(957)	1,356
Employer contributions	721	636
Employee contributions	150	134
Benefits paid	(153)	(216)
Effect of non-routine settlements	(20)	(17)
At 31 August	10,760	10,829

## Furness Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 28 Teaching school trading account

##### Income related party transactions

During the year there were donations from BAE of £1,500 of which £733.89 was included within debtors at the year end.

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the requirements of the Academies Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, the trust's financial regulations and normal procurement procedures, unless otherwise stated.

#### 29 Teaching school trading account

	2021/22 £ 000	2020/21 £ 000
<b>Income</b>		
<b>Direct Income</b>		
Other income	13	40
<b>Other Income</b>		
Fundraising and other trading activities	-	44
<b>Total Income</b>	<u>13</u>	<u>84</u>
<b>Expenditure</b>		
<b>Direct costs</b>		
Direct staff costs	-	41
Staff development	-	13
Other direct costs	4	4
<b>Total direct costs</b>	<u>4</u>	<u>58</u>
<b>Other costs</b>		
Recruitment and support	-	-
Other support costs	1	3
<b>Total other costs</b>	<u>1</u>	<u>3</u>
<b>Total Expenditure</b>	<u>(5)</u>	<u>(61)</u>
<b>Surplus from all sources</b>	<u>8</u>	<u>23</u>
<b>Teaching school balances at 31 August</b>	<u>31</u>	<u>23</u>

## **Furness Education Trust**

### **Independent Reporting Accountant's Report on Regularity**

#### **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 22 February 2019 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Furness Education Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **Basis for conclusion**

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trust. We are independent of Furness Education Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

#### **Responsibilities of Furness Education Trust's accounting officer and trustees**

The accounting officer is responsible, under the requirements of Furness Education Trust's funding agreement with the Secretary of State for Education dated 29 August 2019 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Furness Education Trust and appointment of the accounting officer.

#### **Reporting Accountant's responsibilities for reporting on regularity**

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

## **Furness Education Trust**

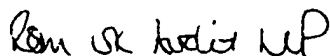
### **Independent Reporting Accountant's Report on Regularity (continued)**

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

#### **Use of our report**

This report is made solely to Furness Education Trust and the ESFA in accordance with the terms of our engagement letter dated 22 February 2019. Our work has been undertaken so that we might state to the Furness Education Trust and the 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 Furness Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



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19/12/22  
Date:.....