

Company Registration No. 07664297 (England and Wales)

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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COMPANIES HOUSE

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

M Askew (Resigned 31 December 2016)
J Boal (Resigned 31 December 2016)
J Boniface
J Cox (Resigned 31 December 2016)
S Jackson (Headteacher)
R Fowler
P Gray (Resigned 31 December 2016)
H Kerr (Resigned 31 December 2016)
S Leigh
A Lysser (Resigned 8 September 2016)
S Moses (Resigned 31 December 2016)
J Palmer (Resigned 31 December 2016)
S Peck
K Reed (Resigned 31 December 2016)
D Robinson
J Saxton (Resigned 18 November 2016)
S Throp (Trustee)
K Dowber (Resigned 31 December 2016)
D Hammond
T Gibbin (Appointed 12 June 2017)

Members

J Boal (until 31 December 2016)
J Cox (from 01 January 2017)
R Fowler
T Jepson
S Peck
P Roberts (from 01 January 2017)
D Robinson (until 31 December 2016)

Senior management team

- Headteacher	S Jackson
- Deputy Headteacher	T Gibbin
- Deputy Headteacher	J Railton
- Assistant Headteacher	N Hadfield
- Assistant Headteacher	J Wilson
- Assistant Headteacher	S Purdy
- Business Director	D Boyes

Company secretary

D Boyes

Company registration number

07664297 (England and Wales)

Registered office

Vicarage Hill
Keswick
Cumbria
CA12 5QB

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	RSM UK Audit LLP Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
Bankers	Lloyds 4 Main Street Keswick CA12 5JA
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a multi academy trust which currently has one school which is a secondary academy for pupils aged 11 to 18 serving a catchment area in West Cumbria, many pupils come to the academy from outside this catchment area. In 2016/17 there was a pupil capacity of 1079 and the school had a roll of 1252 in the census January 2017. The MAT is currently undertaking a due diligence exercise with a primary school and looking to expand. Keswick School put in a significant change request to the Regional Schools Commissioner to increase pupil capacity to 1330 which has been approved.

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 trustees of Keswick School Multi Academy Trust (Formerly Keswick School) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Keswick School. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy purchases indemnity insurance to cover the liability of the Trustees' in line with point 5 (p) of the Articles of Association. This is part of the Department of Education Risk Protection Arrangement.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Trustees are recruited following external advertisement of the role. Candidates are asked to submit a note of interest including their skills and experience and are recruited following an interview by a panel of Directors. Appointments are made to ensure that a breadth of skills are covered on the Board. All Trustees complete an annual Skills Audit to ensure the Board has the skills required for an evolving Multi Academy Trust.

The Local Governing Body is made up a governors who have applied for the role as well as parents and staff governors. Parent Governors are elected when a vacancy arises after a resignation or a term of office finishes. Each parent of a pupil attending the school has the opportunity to put their name forward with a view to becoming a parent governor. If they wish to be elected then they need to submit a letter of nomination to the Headteacher which must be countersigned by two sponsors, who must also be parents of children currently attending the school. If the school receives more than two nominations then an election by secret ballot will be held to allow parents to decide who they would like to represent them.

Staff Governors are elected by the members of staff in school by a formal ballot and election process similar to the one for Parent Governors where they submit a statement have to be nominated by 2 other members of staff. A formal ballot and election process would also follow.

During the year under review, since the setting up of the MAT, the Trustees held 5 meetings and the Local Governing Body 3 meetings. A Training Day covering trustees' responsibilities and school developments was held in September. The school buys into the Department for Education Risk Protection Arrangement an element of which protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees meet with the Headteacher and Chair of Trustees initially. They will be given a tour of the Academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As the MAT expands, they will receive the information for each of the member schools. Trustees and members of the local governing body partake in a Trust Governance Training day each year.

Organisational structure

The organisational structure consists of five levels: the members, the trustees, the local governing body, the Senior Leadership Team and the Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Multi Academy Trust, capital expenditure and senior staff appointments. The Local Governing Body informs the trustees of the day to day implementation of policies at Academy level and holds the Headteacher to account. The Executive Headteacher is the accounting officer for the trust.

The Senior Leadership Team is the Headteacher, two Deputy Headteachers, three Assistant Headteachers, and the Business Director. These managers control the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

The Management Team includes the Senior Leadership Team, the Heads of Year and the Heads of Curriculum Area. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

The rules for determining the pay of key management personnel (for the purposes of this definition this includes the Headteacher, Deputy Headteachers and Assistant Headteachers who sit on the SLT) are set out in the School Teacher's Pay and Conditions Document (STPCD). Academies and free schools can set their own pay and conditions, but often choose to follow the STPCD.

The Governing Body for Keswick School has established a pay range for the Headteacher, the Deputy Headteachers and Assistant Headteachers in accordance with the STPCD. On determining the appropriate pay range the Governing Body did consider the permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations. As directed by the STPCD the pay range for the Headteacher has not exceeded the maximum of the headteacher group.

In addition, and as directed by the STPCD the maximum of the Deputy or Assistant Headteacher's pay range has not exceeded the maximum of the Headteacher group.

The Headteacher group is established by a total unit score. The total unit score is determined in accordance with the number of pupils on the school register, calculated by each key stage, with a number of units assigned to each pupil, thus giving a total unit score.

The Business Director salary is reviewed annually and equated to an Assistant Headteacher level to reflect the leadership role undertaken.

Related parties and co-operation with other organisations

The Academy Trust is the lead school of the Western Lakes Teaching School Alliance, a company limited by guarantee.

During 2016-17, the academy supported feeder primary schools through sports partnership events and also the preparation of food to rural primaries.

Keswick School Trust is a separate charitable trust which was set up to benefit the students at Keswick School. The School is a beneficiary of this charity but does not control it or consolidate the accounts.

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations in which a member of the board of trustees may have an interest are covered by normal procurement procedures. A register of pecuniary interests is held by the Clerk to the Trustees.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

The principal object and activity of the charitable company is the operation of Keswick School Multi Academy Trust to advance, for the public benefit, education for students of different abilities. The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to schools within the Multi Academy Trust and the catchment areas from which the students are drawn.

The main objectives of the Academy during the year ended 31 August 2017 are summarised below:

- To maintain the highest expectations and seek excellence in everything we do.
- To instil traditional values such as courtesy and consideration for others.
- To develop every child's talents and interests, and broaden their horizons.
- To provide outstanding academic, social, moral, spiritual and cultural education.
- To develop confident, creative, articulate and distinctive young people.
- To prepare students to be independent, resilient and life-long learners.
- To see learning through failure as essential for success.
- To develop regional, national and international partnerships and constantly look for opportunities to extend learning.
- To encourage all parents to take an active interest in their child's education.
- To send into society level headed and compassionate young people who are a credit.

Objectives, Strategies and Activities

The Academy's main strategy is encompassed in its vision which is "Promoting excellence to enable all students to be happy and achieve their potential". To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of student entitlement through mentoring including, achievement, tracking of progress, parental involvement, community assertiveness, opportunities;
- a careers advisory service to help students obtain employment or move on to higher education.

Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

The Academy is now in its sixth full year of operation having commenced on 1st July 2011. Total students in the year ended 31 August 2017 numbered 1248, an increase of 198 students in the last 5 years. The Academy has a full complement in all year groups.

Examination results in 2017 were very pleasing. At A-level the average points per candidate was 100 (equivalent to BCC). This is a new points scoring system and so is not directly comparable to previous years. 55% of A-level grades were A*-B (2016 = 51%), 77% of grades were A*-C (2016 = 75%) and there was a 98.4% pass rate (2016 = 98.2%).

At GCSE 91% of grades were A*-C (2016 = 82%) and 85% of students achieved 5 or more passes at this level (2016 = 82%). 83% of students achieved 5 A*-C including 4+ in English and Maths (2016 = 74%). The anticipated progress 8 score is 0.14 (2016 = 0).

To ensure that standards are continually raised the Academy: operates a programme of lessons observations; is visited by inspectors; undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess progress. The Academy also participates in national programmes looking at progress through the key stages.

Financial review

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, total expenditure of £7,501,000 (2016: £7,449,000) was covered by recurrent grant funding from the ESFA together with other incoming resources. The shortfall of income over expenditure for the year was £211,000 (2016: shortfall of £592,000).

At 31 August 2017 the net book value of fixed assets was £10,952,000 (2016: £11,039,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Reserves policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The governors have determined that an appropriate level of free reserves in the region of 5% of income should be maintained. 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 such as urgent maintenance and to plan for future capital projects. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £49,000 (2016: £16,000) which is equivalent to 0.7% of income.

The amount of any restricted funds not available for general purposes of the academy trust at 31 August 2017 is £89,000. The balance on unrestricted general funds (excluding pension reserve) is £49,000. The net surplus is therefore £138,000.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Investment policy

A return on working capital should be optimised whilst allowing easy access of the funds. In balancing risk against return the Treasury Management Policy for Keswick School Multi Academy Trust is clearly geared towards avoiding risk than to maximising return. The Trust operates an interest bearing current account with a bank approved by the Board of Trustees and maintain a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll and payment runs) and sufficient contingency (cash buffer) for unexpected payments.

Monies surplus to the working requirements are invested in an account in the name of the Trust with an institution approved by and authorised by the Board of Trustees.

The Trust will not take out any long term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.

Credit risk is minimised by ensuring that funds are spread across a range of institutions as appropriate. The limits of funds invested with approved institutions will be approved at least annually by the trustees and more frequently subject to market conditions.

Key performance indicators

The Academy's financial objectives are:

- to achieve a balanced budget
- to pursue alternative sources of funding consistent with the Academy's aims and values
- to generate sufficient levels of income to support the asset base of the Academy
- to further improve the Academy's shorter term liquidity
- to support development and improvement planning

These objectives were achieved in the year ending 31 August 2017:

- Staff : Income 1:£43,390 (2015/16 = 1:£40,570)
- Staff : Pupil 1:7.4 (2015/16 = 1:7.0)

Other Key Performance Indicators

The following information highlights other areas of student and staff performance in addition to the examination achievements shown above.

Attendance:

The school has focussed on improving attendance for persistent absentees. In 2017 the persistence absence rate across Years 7-11 was 3.6% (2016 = 3.6%). In 2017 the number of students with 46+ absences was 35 (2016 = 34).

Curriculum:

In 2017 22 A-level qualifications were offered (2016 = 26).

In 2017 24 GCSE qualifications were offered including Latin, Astronomy and Dance as extended school courses (2016 = 24).

In 2017 2 BTEC L3 and 3 BTEC L2 qualifications were offered (2016 = 3 and 2).

Staff Development:

- Internal CPD programme with a range of sessions for Heads of Department including: data and assessment, quality assurance, intervention strategies.
- Internal CPD programme for all staff: Pupil Premium, SEND, Thinking Hard and peer observation programme. Google Classroom,
- Emerging Leaders Programme for staff in 3rd/4th year of teaching or aspiring to a leadership role.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The School Improvement Plan (SIP) for 2017/18 has the following key objectives:

Leadership and Management:

Achieve sustainability for the school going forward based on finance, pupil numbers, staffing, facilities and resources.

Quality of Teaching and Learning and Assessment:

To implement and evaluate a revised and robust approach to the quality assurance of teaching, learning and assessment.

Personal Development:

To enhance the development of resilience in all pupils in all Key Stages through the introduction of programmes and activities.

Outcomes for Learners:

To close the gap between PP and non PP students and provide opportunities for more able learners to make above expected progress.

Funds held as custodian trustee on behalf of others

The Academy holds the funds for the Western Lakes Teaching School Alliance, of which they are a strategic partner. The WLTSA is a company limited by guarantee and the finances are audited separately from the academy but controlled and monitored by academy staff.

Principal risks and uncertainties

Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

All major risks were identified by the trustees and outlined in the Risk Management Policy and Risk Register. These were reviewed and systems have been established to manage and/or treat risk.

1. Government funding

The Academy has considerable reliance on continued government funding through the ESFA. In 2016/17, 84% (2015/16 84%) of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The proposed National Funding Formula would see Keswick School see a significant decrease in funding.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102 - Section 28.

3. Changes to pensions, NI and pay awards higher than government funding.

This will have a negative effect on budgets in the short and medium term.

Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

TRUSTEES' REPORT (CONTINUED)

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 05/12/2017 and signed on its behalf by:



.....
S Throp
Trustee

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Keswick School Multi Academy Trust (Formerly Keswick School) 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.

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Keswick School Multi Academy Trust (Formerly Keswick School) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The Multi Academy Trust was set up on 1 January 2017 and since that time the board of trustees has formally met 5 times. Prior to this the Governing Body met 2 times. Attendance of the MAT board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M Askew (Resigned 31 December 2016)		
J Boal (Resigned 31 December 2016)		
J Boniface	5	5
J Cox (Resigned 31 December 2016)		
S Jackson (Headteacher)	5	5
R Fowler	4	5
P Gray (Resigned 31 December 2016)		
H Kerr (Resigned 31 December 2016)		
S Leigh	5	5
A Lysser (Resigned 8 September 2016)		
S Moses (Resigned 31 December 2016)		
J Palmer (Resigned 31 December 2016)		
S Peck	5	5
K Reed (Resigned 31 December 2016)		
D Robinson	2	5
J Saxton (Resigned 18 November 2016)		
S Throp (Trustee)	5	5
K Dowber (Resigned 31 December 2016)		
D Hammond	2	2
T Gibbin (Appointed 12 June 2017)	3	3

Keswick School became Keswick School Multi Academy Trust on 1 January 2017 and as such has seen a significant change in governance to meet the new requirements.

The MAT has a structure including Members, Board of Directors and Local Governing Body.

The Board of Directors set the strategic direction for the MAT and are accountable to the Secretary of State for the performance of the schools within it. The Local Governing Body oversee different functions of schools within the trust, depending on the responsibility delegated to them by Directors.

A full review of competencies was undertaken to ensure all areas of the expertise were covered in the new structure.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

The audit committee is a sub-committee of the main board of trustees.

It is responsible to the Board of Directors and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board. They are authorised to request any information they require from any employee, external audit, internal audit or other assurance provider. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Boniface	3	3
S Throp (Trustee)	3	3
D Hammond	2	2

Review of value for money

As accounting officer the principal 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 board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Undertaking a whole school strategic planning review
- Prioritised the recruitment and training of high quality staff
- The maintenance of a broad and balanced curriculum which has helped in maintaining and increasing pupil admission numbers
- Investment in infrastructure to ensure the school is well serviced and capable of future growth

The Trustees and Senior Leadership Team apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

The trust has developed procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures in place include:

- competitive tendering procedures; during 16/17 we completed tenders including ICT, CCTV, building works, catering provisions, Audit and Financial Services, and Payroll;
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship);
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment).

To ensure that standards are continually raised the Academy has taken the following actions:

- operated a programme of lessons observations;
- was visited by Ofsted inspectors and rated outstanding in every category 2013/14; a boarding inspection was carried out in 2015/16 and rated as either outstanding or good in every category;
- undertaken a review of data analysis to ensure data supports attainment outcomes;
- participated in national programmes looking at progress/value added through key stages;
- increased support for staff and students in introducing the revised curriculum.

Keswick School has reached the end of its seventh year of operation and is adapting to becoming a Multi Academy Trust since January 2017. We have come to learn the options open to us and the autonomy and flexibilities we have and are applying these as we look to expand. Our continued curriculum development to support high student achievement remains our top priority. With the completion of large scale capital projects and updated infrastructure, we will utilise the trust buildings to best use for students and the wider community. Funding is tightening and we will continue to ensure best value whilst maintaining outstanding educational opportunities and look to optimise external income opportunities.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Keswick School Multi Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. RSM UK Audit LLP has carried out controls based reviews of fixed assets, payroll, procurement and financial controls and procedures. The Audit Committee liaises with the auditors and reports to the Board.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed RSM UK Audit LLP, the external auditor, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems and procurement
- testing of control account/ bank reconciliations

On a termly basis, the auditor reports to the board of trustees through the finance and buildings committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

No material control issues have arisen as a result of the auditor's work.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

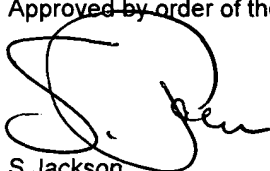
Review of effectiveness

As accounting officer the principal 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 RSM UK Audit LLP taking on additional control audits;
- the work of the external auditor;
- the work of the senior leaders 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 finance and buildings committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 05/12/17 and signed on its behalf by:



S Jackson
Accounting Officer



S Throp
Trustee

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Keswick School Multi Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 Financial Handbook 2016.

I confirm that I and the Academy Trust's board of trustees 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 Financial Handbook 2016.

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



S Jackson
Accounting Officer

5/12/17.....

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of Keswick School Multi Academy Trust (Formerly Keswick School) for the purposes of company law, are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued 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 Keswick School Multi Academy Trust (Formerly Keswick School) and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

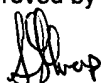
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 05/12/17 and signed on its behalf by:



S Throp
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

Opinion on financial statements

We have audited the financial statements of Keswick School Multi Academy Trust (Formerly Keswick School) (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2016 to 2017 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 2017 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 2016 to 2017 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter 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 and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL) (CONTINUED)

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 Trustees' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the charitable company, 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 16, the trustees (who act as trustees for the charitable activities of the charitable company, and 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's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

13/12/17

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	-	-	184	184	16
Charitable activities:						
- Funding for educational operations	4	-	5,924	-	5,924	5,730
- Funding for boarding	23	-	511	-	511	490
Other trading activities	5	671	-	-	671	616
Investments	6	-	-	-	-	5
Total		<u>671</u>	<u>6,435</u>	<u>184</u>	<u>7,290</u>	<u>6,857</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	558	6,185	309	7,052	7,042
- Boarding	23	-	449	-	449	407
Total	7	<u>558</u>	<u>6,634</u>	<u>309</u>	<u>7,501</u>	<u>7,449</u>
Net income/(expenditure)		113	(199)	(125)	(211)	(592)
Transfers between funds		(80)	42	38	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	263	-	263	(1,192)
Net movement in funds		<u>33</u>	<u>106</u>	<u>(87)</u>	<u>52</u>	<u>(1,784)</u>
Reconciliation of funds						
Total funds brought forward		16	(2,933)	11,039	8,122	9,906
Total funds carried forward		<u>49</u>	<u>(2,827)</u>	<u>10,952</u>	<u>8,174</u>	<u>8,122</u>

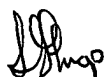
KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017	2016
	Notes	£'000	£'000
Fixed assets			
Tangible assets	12	10,952	11,039
Current assets			
Debtors	13	240	274
Cash at bank and in hand		812	632
		1,052	906
Current liabilities			
Creditors: amounts falling due within one year	14	(914)	(848)
Net current assets		138	58
Net assets excluding pension liability		11,090	11,097
Defined benefit pension scheme liability	21	(2,916)	(2,975)
Net assets		8,174	8,122
Funds of the Academy Trust:			
Restricted funds	16		
- Restricted fixed asset funds		10,952	11,039
- Restricted income funds		89	42
- Pension reserve		(2,916)	(2,975)
Total restricted funds		8,125	8,106
Unrestricted income funds	16	49	16
Total funds		8,174	8,122

The financial statements set out on pages 19 to 40 were approved by the board of trustees and authorised for issue on 05/12/2017 and are signed on its behalf by:



S Throp
Trustee

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	£'000	2016 £'000	£'000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		218		(159)
Cash flows from investing activities					
Dividends, interest and rents from investments		-		5	
Capital grants from DfE and ESFA		184		15	
Purchase of tangible fixed assets		(222)		(202)	
Net cash used in investing activities			(38)		(182)
Net increase/(decrease) in cash and cash equivalents in the reporting period			180		(341)
Cash and cash equivalents at beginning of the year			632		973
Cash and cash equivalents at end of the year			812		632

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

General information

Keswick School Multi Academy Trust (Formerly Keswick School) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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 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 financial statements 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

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

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.

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 and boarding provision fees, is recognised at fair value of the consideration received or receivable 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'.

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 is 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Charitable activities

These are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets and depreciation

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 that require 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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	50 years straight line
Assets under construct'n	Not depreciated
Computer equipment	3 to 5 years straight line
Fixtures, fittings and equipment	3 to 5 years straight line
Motor vehicles	7 years straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

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.

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

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.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

The LGPS is a funded 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 reporting date. The amounts charged to net income 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 Education and Skills Funding Agency and Department for Education.

2 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	184	184	15
Other donations	-	-	-	1
	<u>-</u>	<u>184</u>	<u>184</u>	<u>16</u>

The income from donations and capital grants was £184,000 (2016: £16,000) of which £- was unrestricted (2016: £1,000) and £184,000 was restricted fixed assets (2016: £15,000).

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	5,795	5,795	5,567
Other DfE / ESFA grants	-	77	77	117
	<u>-</u>	<u>5,872</u>	<u>5,872</u>	<u>5,684</u>
Other government grants				
Local authority grants	-	52	52	46
	<u>-</u>	<u>52</u>	<u>52</u>	<u>46</u>
	<u>-</u>	<u>5,924</u>	<u>5,924</u>	<u>5,730</u>

The income from funding for educational operations was £5,924,000 (2016: £5,730,000) of which £5,924,000 was restricted (2016: £5,730,000).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Catering income	584	-	584	532
Music tuition	26	-	26	28
Other income	61	-	61	56
	<u>671</u>	<u>-</u>	<u>671</u>	<u>616</u>

The income from other trading activities was £671,000 (2016: £616,000) of which £671,000 was unrestricted (2016: £616,000).

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	-	-	-	5

The income from funding for investment income was £nil (2016: £5,000) of which £nil was unrestricted (2016: £5,000).

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations					
- Direct costs	3,835	-	434	4,269	4,189
- Allocated support costs	1,572	653	558	2,783	2,853
Boarding					
- Direct costs	-	-	12	12	128
- Allocated support costs	276	32	129	437	279
Total support costs	5,683	685	1,133	7,501	7,449

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Depreciation of tangible fixed assets	309	298
Net interest on defined benefit pension liability	59	63
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	9	8
- Other services	6	2

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	55	4,214	4,269	4,189
Direct costs - boarding	-	12	12	128
Support costs - educational operations	503	2,280	2,783	2,853
Support costs - boarding	-	437	437	279
	<u>558</u>	<u>6,943</u>	<u>7,501</u>	<u>7,449</u>

The expenditure on educational operations was £7,052,000 (2016: £7,042,000) of which £558,000 was unrestricted (2016: £649,000), £6,185,000 was restricted (2016: £6,095,000) and £309,000 was restricted fixed assets (2016: £298,000).

The expenditure on boarding was £449,000 (2016: £407,000) of which £449,000 was restricted (2016: £407,000).

	Boarding activities £'000	Educational operations £'000	Total 2017 £'000	Total 2016 £'000
Analysis of support costs				
Support staff costs	276	1,572	1,848	1,697
Depreciation and amortisation	-	309	309	298
Premises costs	31	257	288	431
Other support costs	130	592	722	634
Governance costs	6	47	53	72
	<u>443</u>	<u>2,777</u>	<u>3,220</u>	<u>3,132</u>

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff

Staff costs

Staff costs during the year were:

	2017 £'000	2016 £'000
Wages and salaries	4,373	4,301
Social security costs	409	341
Operating costs of defined benefit pension schemes	866	741
Total staff costs	5,648	5,383
Supply staff costs	31	48
Staff restructuring costs	2	-
Staff development and other staff costs	2	-
	<u>5,683</u>	<u>5,431</u>

Staff numbers

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

	2017 Number	2016 Number
Teachers	86	83
Administration and support	82	86
	<u>168</u>	<u>169</u>

Higher paid staff

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

	2017 Number	2016 Number
£60,000 - £69,999	2	3
£70,000 - £79,999	2	1
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-
	<u>5</u>	<u>5</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £628,000.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

S Jackson (Principal and Trustee)

Remuneration	£102,140	(2016 - £98,826)
Pension	£16,833	(2016 - £16,287)

M Bailie (Staff Trustee)

Remuneration	£Nil	(2016 - £37,975)
Pension	£Nil	(2016 - £6,213)

K Reed (Staff Trustee)

Remuneration	£14,283	(2016 - £42,491)
Pension	£2,340	(2016 - £6,959)

P Gray (Staff Trustee)

Remuneration	£6,252	(2016 - £18,868)
Pension	£924	(2016 - £2,755)

11 Trustees and officers insurance

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 Trust 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.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

	Land and buildings	Assets under construct'n	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2016	11,926	-	416	290	28	12,660
Additions	-	147	49	26	-	222
At 31 August 2017	11,926	147	465	316	28	12,882
Depreciation						
At 1 September 2016	977	-	370	252	22	1,621
Charge for the year	239	-	36	29	5	309
At 31 August 2017	1,216	-	406	281	27	1,930
Net book value						
At 31 August 2017	10,710	147	59	35	1	10,952
At 31 August 2016	10,949	-	46	38	6	11,039

13 Debtors

	2017 £'000	2016 £'000
Trade debtors	55	62
VAT recoverable	46	71
Prepayments and accrued income	139	141
	240	274

14 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	134	18
Other taxation and social security	196	194
Other creditors	5	5
Accruals and deferred income (see note 15)	579	631
	914	848

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

15	Deferred income				2017	2016
					£'000	£'000
	Deferred income is included within:					
	Creditors due within one year				574	546
					<u>574</u>	<u>546</u>
	Deferred income at 1 September 2016				546	554
	Released from previous years				(546)	(554)
	Amounts deferred in the year				574	546
					<u>574</u>	<u>546</u>
	Deferred income at 31 August 2017				<u>574</u>	<u>546</u>
16	Funds					
		Balance at			Gains,	Balance at
		1 September	Income	Expenditure	losses and	31 August
		2016	£'000	£'000	transfers	2017
		£'000			£'000	£'000
	Restricted general funds					
	General Annual Grant	-	5,795	(5,846)	51	-
	Other DfE / ESFA grants	-	77	(77)	-	-
	Other government grants	-	52	(52)	-	-
	Boarding	42	511	(455)	(9)	89
	Pension reserve	(2,975)	-	(204)	263	(2,916)
		<u>(2,933)</u>	<u>6,435</u>	<u>(6,634)</u>	<u>305</u>	<u>(2,827)</u>
	Restricted fixed asset funds					
	DfE / ESFA capital grants	11,039	184	(309)	38	10,952
		<u>11,039</u>	<u>184</u>	<u>(309)</u>	<u>38</u>	<u>10,952</u>
	Total restricted funds	<u>8,106</u>	<u>6,619</u>	<u>(6,943)</u>	<u>343</u>	<u>8,125</u>
	Unrestricted funds					
	General funds	16	671	(558)	(80)	49
		<u>16</u>	<u>671</u>	<u>(558)</u>	<u>(80)</u>	<u>49</u>
	Total funds	<u>8,122</u>	<u>7,290</u>	<u>(7,501)</u>	<u>263</u>	<u>8,174</u>

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds (Continued)

Funds prior year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	-	5,567	(5,832)	265	-
Other DfE / ESFA grants	-	117	(117)	-	-
Other government grants	-	46	(46)	-	-
Boarding	36	490	(407)	(77)	42
Pension reserve	(1,683)	-	(100)	(1,192)	(2,975)
	<u>(1,647)</u>	<u>6,220</u>	<u>(6,502)</u>	<u>(1,004)</u>	<u>(2,933)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	11,132	15	(298)	190	11,039
	<u>11,132</u>	<u>15</u>	<u>(298)</u>	<u>190</u>	<u>11,039</u>
Total restricted funds	<u>9,485</u>	<u>6,235</u>	<u>(6,800)</u>	<u>(814)</u>	<u>8,106</u>
Unrestricted funds					
General funds	421	622	(649)	(378)	16
	<u>421</u>	<u>622</u>	<u>(649)</u>	<u>(378)</u>	<u>16</u>
Total funds	<u>9,906</u>	<u>6,857</u>	<u>(7,449)</u>	<u>(1,192)</u>	<u>8,122</u>

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	10,952	10,952
Current assets	49	1,003	-	1,052
Creditors falling due within one year	-	(914)	-	(914)
Defined benefit pension scheme liability	-	(2,916)	-	(2,916)
Total net assets	49	(2,827)	10,952	8,174

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	11,039	11,039
Current assets	14	892	-	906
Creditors falling due within one year	2	(850)	-	(848)
Defined benefit pension scheme liability	-	(2,975)	-	(2,975)
Total net assets	16	(2,933)	11,039	8,122

18 Capital commitments

	2017 £'000	2016 £'000
Expenditure contracted for but not provided in the financial statements	26	-

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Reconciliation of net expenditure to net cash flow from operating activities

	2017 £'000	2016 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(211)	(592)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(184)	(15)
Interest receivable	-	(5)
Defined benefit pension scheme cost less contributions payable	145	37
Defined benefit pension scheme finance cost	59	63
Depreciation of tangible fixed assets	309	298
Movements in working capital:		
Decrease in debtors	34	255
Increase/(decrease) in creditors	66	(200)
Net cash provided by operating activities	218	(159)

20 Members' liability

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

21 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 latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

21 Pension and similar obligations (Continued)

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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £507,000 (2016: £485,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.2% for employers and 5.5 to 8.5% for employees.

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

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	263	237
Employees' contributions	76	77
Total contributions	339	314

Principal actuarial assumptions

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

21 Pension and similar obligations (Continued)

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	2017 %	2016 %
Rate of increases in salaries	3.7	3.3
Rate of increase for pensions in payment/inflation	2.2	1.9
Discount rate for scheme liabilities	2.4	2.1
Inflation assumption (CPI)	2.2	1.8

The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	23.1	23.1
- Females	25.7	25.7
Retiring in 20 years		
- Males	25.4	25.9
- Females	28.4	28.9

The Academy Trust's share of the assets in the scheme

	2017 Fair value £'000	2016 Fair value £'000
Equities	1,485	1,192
Government bonds	552	464
Other bonds	194	173
Cash/liquidity	164	71
Property	246	249
Other assets	391	218
Total fair value of assets	3,032	2,367

The actual return on scheme assets was £389,000 (2016: £374,000).

Amount recognised in the statement of financial activities

	2017 £'000	2016 £'000
Current service cost	401	268
Net interest cost	59	63
Administration expenses	7	6
Total operating charge	467	337

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

21 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2017 £'000
At 1 September 2016	5,342
Current service cost	401
Interest cost	112
Employee contributions	76
Actuarial loss	73
Benefits paid	(56)

At 31 August 2017	5,948
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Changes in the fair value of the Academy Trust's share of scheme assets

	2017 £'000
At 1 September 2016	2,367
Interest income	53
Return on plan assets (excluding net interest on the net defined pension liability)	336
Employer contributions	263
Employee contributions	76
Benefits paid	(56)
Administration expenses	(7)

At 31 August 2017	3,032
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22 Related party transactions

During the year sales of £103,000 (2016: £nil) were made to West Lakes Teaching School Alliance, at the year end there was a debtor of £8,000 (2016: £nil)

Trustees' remuneration and expenses are disclosed in note 10.

KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

23	Boarding trading account	2017		2016	
		£'000	£'000	£'000	£'000
	Direct income				
	Fee income		511		490
	Direct costs				
	Other direct costs	12		128	
	Other costs				
	Support staff costs	276		237	
	Maintenance of premises and equipment	6		4	
	Cleaning	5		-	
	Utilities	20		16	
	Security and transport	1		-	
	Catering	124		-	
	Other support costs	5		22	
	Share of governance costs	6		-	
		443		279	
	Total expenditure		(455)		(407)
	Transfers between funds excluding depreciation		(9)		(77)
	Surplus/(deficit) from all sources		47		6
	Boarding balances at 1 September 2016		42		36
	Boarding balances at 31 August 2017		89		42

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY KESWICK SCHOOL) AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 14 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Keswick School Multi Academy Trust (Formerly Keswick School) during the period 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 has 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 Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Keswick School Multi Academy Trust (Formerly Keswick School) 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 Keswick School Multi Academy Trust (Formerly Keswick School)'s accounting officer and trustees

The accounting officer is responsible, under the requirements of Keswick School Multi Academy Trust (Formerly Keswick School)'s funding agreement with the Secretary of State for Education dated 1 September 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. 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 Keswick School Multi Academy Trust (Formerly Keswick School) 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 Academies Accounts Direction 2016 to 2017.

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 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 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO KESWICK SCHOOL MULTI ACADEMY TRUST (FORMERLY
KESWICK SCHOOL) AND THE EDUCATION AND SKILLS FUNDING AGENCY
(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 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material 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 Academies Accounts Direction 2016 to 2017.

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.

This report is made solely to Keswick School Multi Academy Trust (Formerly Keswick School) and the ESFA in accordance with the terms of our engagement letter dated 14 July 2017. Our work has been undertaken so that we might state to the Keswick School Multi Academy Trust (Formerly Keswick School) 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 the Keswick School Multi Academy Trust (Formerly Keswick School) and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
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Dated: 13/12/17