

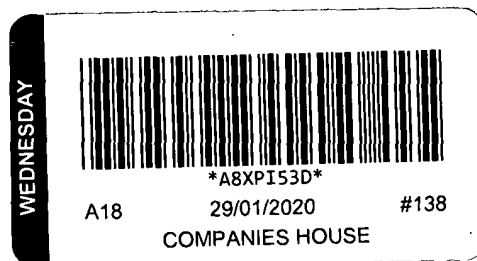
Registered number: 07698631

# Cumbria Education Trust

(A company limited by guarantee)

**Annual report**

**31 August 2019**



# **Cumbria Education Trust**

(A company limited by guarantee)

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# Cumbria Education Trust

(A company limited by guarantee)

## Reference and administrative details

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<b>Members</b>	S Goodliffe M Payne M Simpson D Francis
<b>Trustees</b>	C Sutcliffe C Lewis I Burke, Chair of Audit & Risk Committee L Hughes, Chief Executive Officer D Francis, Chair of Board (resigned 31 August 2019) G Beveridge (appointed 26 June 2019) S Holliday K Woolgar M Payne, Chair of Achievement & Climate Committee
<b>Company registered number</b>	07698631
<b>Company name</b>	Cumbria Education Trust
<b>Principal and registered office</b>	Longtown Road Brampton Cumbria CA8 1AR
<b>Company secretary</b>	J Pedlingham
<b>Chief executive officer</b>	L Hughes
<b>Senior management team</b>	L Hughes, Chief Executive Officer J Lloyd, Interim Head of School, Yewdale Primary School (appointed 01/04/2019) C Floyd, Headteacher, Longtown Primary School D Bird, Headteacher, Workington Academy C McAree, Headteacher, William Howard School L Bland, Interim Headteacher, Tebay Primary School J Venus, Headteacher, Yanwath Primary School (retired 31/08/2019) M Eastwood, Interim Headteacher, Yanwath Primary School (appointed 04/06/2019) J Pedlingham, Director of Business Leadership N Polmear, Infrastructure and Assurance Director A Bateson, Interim Headteacher, The Whitehaven Academy (resigned 31/08/2019) R Lakin, Headteacher, Yewdale Primary School & Director of Primary Education (resigned 31/03/2019) S Newstead, Director of Learning Provision C Kearton, Cumbria Education Trust Data Manager J Fox, Cumbria Education Trust Deputy Headteacher, deployed at The Whitehaven Academy (appointed 01/01/2019)

# **Cumbria Education Trust**

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## **Reference and administrative details (continued)**

**Year ended 31 August 2019**

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**Independent auditor**      UNW LLP  
Chartered Accountants  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

**Bankers**                      Barclays Bank plc  
16 Front Street  
Brampton  
Cumbria  
CA8 1NG

**Solicitors**                    Burnetts  
6 Victoria Place  
Carlisle  
Cumbria  
CA1 1ES

# **Cumbria Education Trust**

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## **Trustees' report**

**Year ended 31 August 2019**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2018 to 31 August 2019. The annual report serves the purposes of a trustees' report, and a strategic and directors' report under company law.

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

#### **Constitution**

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum of association is the primary governing document of the Trust.

The trustees of Cumbria Education Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Cumbria Education Trust (CET).

Details of the trustees who served during the year are included in the Reference and administrative details of the Trust 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**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omission occurring whilst on academy trust business. The insurance provides cover of up to £2,000,000 on any one claim.

#### **Method of Recruitment and Appointment or election of Trustees**

CET work with Academy Ambassadors, and also use the existing trustees' links with the local communities and business to recruit Trustees with the necessary skills to bring the relevant expertise and knowledge to the Trust Board.

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

All new trustees receive a letter of appointment and appropriate documentation for completion. The Chair or a trustee conducts an induction meeting. Internal training on areas such as data, finance and safeguarding is arranged, supplemented in some cases by external training as appropriate.

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Trustees' report (continued) Year ended 31 August 2019**

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### **Organisational Structure**

The trustees make up the Trust Board. There are two committees made up of trustees. They are the Audit & Risk Committee and the Achievement & Climate Committee. Each committee has a chair. The committees meet in various time cycles, reporting to the Trust Board following their meetings.

Each academy has a Local Advisory Board (LAB). This is, in essence, a committee of the Trust Board. The LAB carry out their function in relation to their respective school/academy on behalf of the Trust Board and in accordance with the policies determined by the Trust Board.

The LABs are established under terms of reference. The terms of reference confirm the role assigned to it and the delegation of any powers from the Trust Board.

The Chief Executive Officer (CEO) is the Chief Accounting Officer of the Trust and a trustee.

The Trust has a Central Team, which is made up of staff who lead on school improvement and operational functions and provide support to the Trust's academies.

The operational team comprises of HR, Finance, ICT Services, Infrastructure & Assurance, Online Services, Administration and Clerking. The school improvement team consists of Data, Learning Provision including SEND, Engagement & Wellbeing and key school improvement functions.

There were no major changes to the Central Team staffing in 2018/19, however the Finance Manager from The Whitehaven Academy (TWA) was brought into the central finance structure.

During the year, an interim Headteacher was appointed for The Whitehaven Academy, a new Local Advisory Board for TWA was put in place in January 2019 and an interim Headteacher was appointed for Yanwath Primary in June 2019. The Scheme of Delegation was updated in January 2019 and ICT Services were centralised across the Trust.

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

The CEO's remuneration is reviewed annually according to our Pay Policy and takes into account a range of factors including benchmarking within the sector. Additional payments have been made from non-statutory funding where this involved additional time and commitment over and above that needed for running CET, as disclosed within these financial statements

Headteachers and teaching staff (who are part of the Central Team) are paid in line with Standard Teachers Pay & Conditions Document (STPCD). The operational team, which are support staff, are paid in line with the National Joint Council (NJC) or Cumbria Local Authority pay structure.

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

The Trust academies work in collaboration with each other and their local schools and organisations. The aims and objectives are as follows: -

- To improve the quality of teaching and learning throughout collaborative working and partnerships.
- To develop partnership models for all levels of self evaluation.
- To extend better professional development opportunities for all staff.
- To ensure value for money in all of the Trust academies by sharing resources, good practice and ensuring efficiencies of scale.

# **Cumbria Education Trust**

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## **Trustees' report (continued)**

**Year ended 31 August 2019**

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CET works in partnership with the RLA (Rural Learning Alliance), CASL (Cumbria Alliance of System Leaders), LASLs (Local Alliance of System Leaders), CSLC (Carlisle Secondary Learning Consortium), Western Headteachers Association, CASH (Cumbria Association of Secondary Headteachers) and CSP (Carlisle Schools' Partnership), PHA, Western Lakes Teaching School Allianc, Cumbria West Coast Teaching School Alliance and Eden Rural Heads.

CET also works with Academy Ambassadors, Ambition School Leadership and NGA on a range of subjects and training to support the Trust to develop and grow. Key CET personnel are also part of DfE groups set-up to develop links and collaboration between MATs in the North i.e. CEO Reference Group, Trust Networking Group etc.

### **Objectives and Activities**

#### **Aims and Objectives**

CET's mission is to establish ourselves as one of the highest performing Multi Academy Trust's (MAT's) in the North of England.

CET's vision is for the Trust to be a dynamic, collaborative learning community which nurtures and inspires everyone to be the best you can be.

CET's values are:

- Respect – we treat others as we would want to be treated ourselves. CET is an inclusive organisation where every individual is valued.
- Responsibility – we all have the responsibility to engage and improve.
- Resilience – we are determined and committed to achieving our vision; we remain positive and solution focused at all times.

#### **Objectives, Strategies and Activities**

These are covered in the Strategic report.

#### **Public Benefit**

In setting our objectives and planning our activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The MAT structure allows economies of scale in shared services such as HR, Finance, IT, Data, and Learning Provision including, but not limited to, SEND. It also gives the schools opportunities to obtain better terms in negotiating contracts and services and hence improved value for money. Curriculum Led Financial Planning has also been implemented.

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

The Trust is a member of Confederation of School Trusts (CST). As part of the Trust's commitment to the wider system, the CEO is a Director on the Board of Trustees for CST. This is a voluntary role for which the CEO receives no financial reward. The Trust is a paid member of CST and the Executive scrutinise the value for money that this membership brings.

# Cumbria Education Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 August 2019

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### Strategic Report

#### Achievements and Performance

##### Cumbria Education Trust

Cumbria Education Trust's performance is now starting to be recognised, however we are still a developing organisation seeking to improve our performance by adapting to the changes and challenges we encounter. There are always some young people; whether they be disadvantaged, most able, or any other particular group somewhere, who we can and must do more for. We will endeavour to find new and well researched ways to support them. Our vision is to secure the best possible education / outcomes for all young people who attend CET by providing them with a happy, healthy and safe environment where they can flourish and fulfil their potential to be the best they can be. Creating a culture of high expectations and aspirations across CET is essential.

At end of August 2019 CET consists of seven schools:

1)	Longtown Primary School	Sponsored
2)	Tebay Primary School	Re-brokered from another Trust (FY18)
3)	The Whitehaven Academy	Re-brokered from another Trust (FY19)
4)	William Howard School	Convertor
5)	Workington Academy	Sponsored
6)	Yanwath Primary School	Re-brokered from another Trust (FY18)
7)	Yewdale Primary School	Sponsored

##### School Improvement

We had two Ofsted Section 5 visits during 2018/19.

##### William Howard School

Inspection dates: 30th April – 1st May 2019:

• Overall effectiveness	Good
• Effectiveness of leadership and management	Good
• Quality of teaching, learning and assessment	Good
• Personal development, behaviour and welfare	Good
• Outcomes for pupils	Good
• 16 to 19 study programmes	Good

##### Longtown Primary School

Inspection dates: 14th – 15th May 2019:

• Overall effectiveness	Good
• Effectiveness of leadership and management	Good
• Quality of teaching, learning and assessment	Good
• Personal development, behaviour and welfare	Good
• Outcomes for pupils	Good
• Early years provision	Good



# **Cumbria Education Trust**

(A company limited by guarantee)

## **Trustees' report (continued)**

**Year ended 31 August 2019**

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### **Student Events**

Here are some examples of the wide and varied range of opportunities offered to our students:

#### **Longtown Primary School**

- Year 4 pupils went camping at Broomhills Farm.
- Year 6 pupils visited London.

#### **Tebay Primary School**

- Class 3 learning to play a Brass instrument.
- Class 3 residential to Edinburgh.

#### **William Howard School**

- There was a Languages Day which involved the whole school.
- We made a Taiwanese Link for year 9 and year 8 students at the school.

#### **Workington Academy**

- Year 7 camping trip to Eskdale, where the whole year group take part in a two night residential taking part in outdoor activities.
- Year 12 trip to Geneva, where students visited the UN Palais des Nations, the Red Cross Museum and the largest particle accelerator in the world at CERN.

#### **The Whitehaven Academy**

- Year 8 students were invited to see "Who Cares?", a drama performance by Lung Theatre, created in collaboration with Salford Young Carers.
- All students were able to submit designs as part of The Colourful North Project, to create an eye-catching mural on the school building.

#### **Yanwath Primary School**

- In July, the children at Yanwath were collectively involved in a Musical Showcase. This was performed at the local leisure centre in front of an audience of 500 people. The children danced and sang songs from various musicals – past and present.
- In October, a business enterprise day saw children across school create a product that was then presented to a team of business professionals in a Dragons Den style setting. They each made a bid for funding to help with their product design. The products will be sold at the school fair in December.

#### **Yewdale Primary School**

- Year 6 trip to France.
- All of year 3 learning to play the Ukulele.

We also ran a range of events across CET.

### **Admissions**

Cumbria Education Trust schools provide education to 3 - 19 year old pupils/students who are admitted to the schools through their Admissions Policies. All Trust schools are non fee paying academies. The pupils/students are not selected by ability or aptitude; the Trust admits all pupil/students of the relevant age, living within the geographical area of its schools' catchment areas. The Admissions Policies outline the criteria for admission from the wider geographical area and Trust academies.

# **Cumbria Education Trust**

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## **Trustees' report (continued)** **Year ended 31 August 2019**

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### **Overall Performance**

There is a strong strategic vision; our core values are understood by stakeholders.

The Trust's Strategic Priorities are shared throughout the organisation. Individual School Improvement Plans (SIP) are linked to the Trust's strategic priorities.

### **2018/19 Outcomes**

#### **Primary**

The percentage of students achieving a Good Level of Development was above national average in all CET academies. In Year 1 Phonics, the pass rate was above 90% in all academies (national Average 82%), and Key stage 1 results were generally strong. Key Stage 2 results were excellent at Yewdale, who were in the top 6% of all schools for attainment in Reading and Maths tests, and the top 4% for progress. Thresholds at Tebay were good (with a small cohort) and at Longtown, the percentage of students gaining expected standard in Reading, Writing and Maths was 78%, up from 57% the previous year. Results at Yanwath were disappointing, particularly in Maths, although progress in Writing was close to the national average.

#### **Key Stage 4**

At The Whitehaven Academy, overall progress improved from last year by around 0.5 grades. This was largely down to significant improvements in Maths and Science, with English and Open subjects performing similarly to last year. The overall improvement was pleasing, as was at the top end of estimates, although overall progress remains well adrift of the national expectations. At Workington Academy, there were significant improvements in progress in the open element subjects and some improvement in Science. However, a decline in Maths and English progress mean that, overall, progress was broadly similar to the previous year. At William Howard School, overall progress dropped slightly from last year. Progress fell slightly in Maths and English but the main issue came in the EBacc element where progress was poor in Science and History. There were modest improvements in Geography, History and French and progress was strong in Child Care, Media and Art.

#### **Key Stage 5**

Improvements in Academic progress from 2018 were broadly maintained at Workington Academy and strong Year 12 A/S results suggest progress will improve again in 2020. Vocational results remain a strength of the school, with progress again positive. At William Howard School, KS5 progress was disappointing overall despite some good results in some subjects and for some individual students. There were good results in Chemistry, French and Product Design. Biology, Drama, Law, Maths, Music and Physics are areas for improvement.

### **Collaborative Groups**

There were 18 Collaborative School Improvement Groups running across the Trust. The following areas were our areas of focus in 2018/19; Teaching and Learning, Growth Mindset, SEND, Sub Groups, Maths, English, Science, PD, Welfare, Behaviour & Attendance, Curriculum Planning, Post 16, EYFS, Data, Transitional Curriculum, Primary PE, Year 6, Finance & HR, Estates, Safeguarding.

### **Accountability Framework**

The Trust has embedded accountability systems across its academies.

The Trust's Appraisal Policy is being used consistently across the Trust and new systems have been implemented to support this process.

# **Cumbria Education Trust**

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## **Trustees' report (continued)**

**Year ended 31 August 2019**

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The Trust has developed shared approaches across the organisation that are bringing about improvements in delivery. 18 collaborative groups including 145 staff have been working together on key aspects of school improvement and operational delivery. This will be developed further in 2019/20 with the aim for 172 staff to be involved across the Trust.

Shared Continuing Professional Development (CPD) is common practice across the Trust, with inset days coordinated on the schools' calendars.

Cross school assessment moderation has been embedded and took place across the primary and secondary sector.

### **Governance**

There is a distinction between the roles of the trustees and the roles of the Local Advisory Board (LAB) members. This is underpinned by a clear Scheme of Delegation.

Regular training sessions were arranged for the trustees and Local Advisory Board members to help them understand and make sense of the data, processes and systems used in the Trust academies, which in turn will lead to improved challenge and support.

### **School Improvement**

The school improvement strategy across the Trust is evolving, with CET looking to build capacity within its School Improvement Team to ensure that CET are able to deploy appropriately experienced and skilled staff to work in a range of areas of improvement across the Trust. A MAT Development Improvement Fund was received in 2018/19 to help to fund this much needed capacity within this team.

The Trust commission support from a School Improvement Partner. Other external support is commissioned as required.

The schools have ownership of their Self Evaluation Form (SEF). The School Improvement Plans and school data targets are approved by the trustees.

### **School-to-School Support**

System leadership and collaboration is at the heart of the Trust's school improvement ethos. School-to-school support is encouraged within the Trust and beyond. Staff have engaged in school-to-school support, with staff being deployed across the Trust and beyond as necessary.

### **Risk Indicators**

The Trust has an Audit and Risk Committee. It regularly reviews the Trust risk register and annually approves the Trust's business plan.

### **Succession Planning**

The Trust have been working towards becoming an Alliance Partner with Ambition School Leadership. CET are now able to deliver their own nationally recognised Middle Leadership and Senior Leadership programmes across the Trust. The aim is for CET to grow their own leaders of the future from within the Trust.

# **Cumbria Education Trust**

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## **Trustees' report (continued)**

**Year ended 31 August 2019**

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### **Strategic Priorities**

CET's strategic priorities were:

- Priority 1 - To lead continuously improving institutions.
- Priority 2 - Students First - Inclusion at the heart of all decision making.
- Priority 3 - Through high Quality Assurance procedures, quality first teaching is the expected norm.
- Priority 4 - Create an innovative curriculum in each of our academies.
- Priority 5 - Ensure that CET's School Improvement Strategy is continually developing and impactful.
- Priority 6 - Celebrate the work of CET overtly, in order to build stakeholder confidence.
- Priority 7 - Expand the role and the quality of the service provided of Central Services.
- Priority 8 - Ensure that the financial health of CET is improving.

### **LONGTOWN PRIMARY SCHOOL**

#### **Context**

Longtown Primary School is a smaller than average primary school situated in the north of Carlisle and serves a mixed catchment area of Longtown and other rural areas with pupils from a range of socio economic backgrounds. There are currently 181 pupils on role, 46% are girls and 51% boys making the school one form entry. There is for a 24 place Nursery offering part time provision with the 30 hour offer provided to parents by a shared arrangement with Pear Tree Nursery, of which we currently have 12 children attending. Currently 12% of our children meet the criteria for Pupil Premium support enabling us to tailor specialist interventions and 11% are on the Special Educational Needs and Disabilities register. Following a recent Ofsted inspection (May 2019) the school was graded as Good. This is the first time in the school's history that Longtown Primary School has achieved this grading.

Longtown Primary School strengths:

- There is a breadth of experience in the Senior Leadership Team which has developed a culture of challenge within the team. As a result, monitoring and support is strategic, considered and aligned to pupil need and trust priorities.
- Middle leadership is strong, ensuring staff are accountable and supported in their development.
- The quality of teaching, learning and assessment is good. Teachers bring learning to life for children.
- The Early Years Leader, who is also a member of the Senior Leadership Team, is strong and has a clear rationale for Early Years Education, holding her team to account. Children in Early Years Foundation Stage make good progress from their starting points and are encouraged to develop enjoyment for reading from an early age by sharing books and taking books home to share with their family.
- Outcomes across school have significantly improved and are above the national average for age related expectations, with gaps between disadvantaged and non disadvantaged reducing year on year.
- Leaders' plans for improvements are well focused and identify areas for development accurately.
- the curriculum is planned well to cover a wide range of subjects that contribute well to pupils' development.
- Leaders ensure that pupils are safe and support their well-being effectively.
- Pupils know how to keep themselves safe, for example when they are using the internet.
- A good range of activities and clubs effectively promote pupils' spiritual, moral, social and cultural development.
- Pupils' behaviour is good, pupils typically conduct themselves well around the school and most show positive attitudes to their learning.
- Attendance has improved substantially since 2017 and is currently above the national average.

Longtown Primary School Improvement Priorities are to:

- Further strengthen leadership and management by ensuring that the intended impact of leaders' action plans for improvement is measurable against pupils' achievement.
- Ensure the curriculum, in its entirety, challenges the more able.

# Cumbria Education Trust

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## Trustees' report (continued)

Year ended 31 August 2019

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- Providing more opportunities for pupils to use their mathematical knowledge and skills in other subjects
- Ensure that Teaching Assistants have opportunities for training to enable them to take into account the abilities of their pupils and to engage them in their learning more effectively.
- Further improve the quality of writing in the early years.

### TEBAY PRIMARY SCHOOL

#### Context

Tebay is a much smaller than average sized primary school based in the Eden Valley in Cumbria. It serves a large rural catchment area. The percentage of pupils known to be eligible for free school meals is higher than average. The percentage of pupils with special educational needs and/or disabilities is broadly average but only 1 child has an Education Health and Care Plan. There are currently no pupils from minority ethnic groups or who speak English as an additional language. There are 9 children in the Early Years Foundation Stage, 4 in the Nursery Year and 5 in the Reception Year. Nursery children can attend part time or full time for up to 5 terms. The school is working to develop a culture of high aspiration. The school currently has 22% of children meeting the pupil premium criteria; though this figure is low and doesn't account for any families in the agricultural community who are entitled to claim benefits but do not. There are also a number of families who are just above the entitlement level.

Tebay joined Cumbria Education Trust Academy in September 2017 after an unsettled 2 years during which there was significant staff changes. On joining Cumbria Education Trust, the school was judged by senior leaders as inadequate with major areas of concern. Swift action has enabled significant improvement to be made in many areas.

#### Tebay Primary School strengths:

- Quality pastoral care means children are happy, supported and safe in school. They know how to keep themselves safe and feel safe.
- Safeguarding routines and procedures are robust.
- Communication with parents is strong; via a weekly newsletter, website, events and a forum.
- Systems are in place to ensure best practice is shared effectively to drive improvement.
- Systematic teaching of early reading skills, including phonics leads to the development of secure reading skills.
- The foundation curriculum expectations have been raised.
- A revisit of the staffing model and focus on value for money has meant that the deficit budget has been reduced by a significant amount.
- Cumbria Education Trust policies (teaching and learning, behaviour, assessment, safeguarding) are in place and used consistently.
- The school has a clear picture of where children are and gaps in their learning are being addressed rapidly.

#### Tebay Primary School Improvement Priorities are to:

- Continue to refine the structure of curriculum delivery to ensure progression in skills, knowledge and understanding is maximised across all key stages and subjects.
  - Embed new trust wide assessment structures.
  - Increase the proportion of the most-able students reaching the higher standard in both maths and writing.
  - Disadvantaged and vulnerable learners including the Special Educational Needs and Disabilities cohort continue to make good progress from individual starting points, diminishing gaps against national benchmarks.
  - Continue to develop positive attitudes to learning and effective study skills.
  - Ensure spiritual, moral, social and cultural development is intrinsic to the wider curriculum and builds cultural capital on a bespoke basis and develops the well-being of students and staff.
  - Embed a new structure of leadership based on Key Stage leadership and provide effective induction for new staff to the school and Trust.
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# **Cumbria Education Trust**

(A company limited by guarantee)

## **Trustees' report (continued)**

**Year ended 31 August 2019**

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### **THE WHITEHAVEN ACADEMY**

#### **Context**

The Whitehaven Academy joined Cumbria Education Trust in December 2018. The predecessor school was judged Inadequate. It is a below average sized school. The school has currently suspended the development of its sixth form, with the view to reintroducing sixth form students from September 2020. The proportion of students eligible for support through the pupil premium is above average. The school serves young people in Copeland, an area that is in the bottom 10% nationally for multiple areas including: Living Environment Deprivation; Income Deprivation Affecting Children; Health Deprivation and Disability Deprivation; and Education Skills and Training. The proportion of pupils who have special needs or disability is above average. Almost all pupils are of White British heritage.

The Whitehaven Academy strengths:

- Good quality provision in Science and Geography is leading to improving results in these areas in line with national expectations.
- Investment in Continuing Professional Development is supporting some improvement in the quality of teaching.
- Core subjects have a good understanding of current GCSE specifications and are beginning to prepare students well for terminal examinations.
- The quality of Careers Education, Information, Advice and Guidance is improving and pupils are beginning to develop their knowledge of pathways beyond 11-16 education and training.
- The appointment of middle leaders to lead curriculum areas has added strength to the teaching team and to whole school leadership.
- Whole school approach to learning routines- start and finish of lessons to develop positive learning culture.
- Installation of interactive boards in to all teaching rooms to support high quality Teaching and Learning.
- Development of subject area assessment policies to support students' learning.

The Whitehaven Academy Improvement Priorities are:

- Outcomes: Relentless focus on raising standards at Key Stage 4, with a particular focus on improving performance in English and Maths as well as increasing progress in Open bucket areas to be in line with national expectations.
- Culture: Maximise learning time, set clear routines and systems to establish a positive learning culture.
- Assessment: Implement collaborative assessment process that moves teaching and learning forward.
- Teaching and learning: Improve quality of teaching and learning provision for all students with pupil premium and Special Educational Needs and Disabilities running throughout all elements of improvement plan.
- Curriculum and professional development: Develop and implement high quality curriculum plan to improve quality of education and enrich learning.
- Attendance: Raise attendance and reduce exclusion through implementation of attendance strategy.
- Behaviour: establish clear systems and processes with clarity in communication.
- Special Educational Needs and Disabilities provision: Develop and implement strategies to promote classroom inclusion that appropriately challenge students with Special Educational Needs and Disabilities.

# Cumbria Education Trust

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## Trustees' report (continued)

Year ended 31 August 2019

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### WILLIAM HOWARD SCHOOL

#### Context

William Howard is a larger than average secondary school located to the east of the City of Carlisle. They have 1450 students on roll and serve a large rural catchment area that covers 362 square miles, while drawing a number of students from the eastern fringes of Carlisle, southern Scotland and the western fringes of Northumberland. The diversity of the very large catchment covers areas of significant wealth and also ones of deprivation. Unemployment in the area is half the national average including for the 16-24 age group, with Not in Education, Employment or Training ('Not in Education, Employment or Training') students rare as a result. The jobs to employee ratio according to ONS is above 1, i.e. more jobs exist than people to do them. The relative low cost of living and very high levels of employment opportunities in low skilled jobs mean that locally there is a culture of low academic aspiration amongst some families, which contrasts with other families who are highly aspirant.

There are between 210 and 270 students in each year group; there are 210 students in the 6th form. The school is fed from up to 38 schools with 18 designated feeder primary schools, their intakes varying from 30 to only 1 or 2 students per year group. The school currently has around 15% of students meeting the pupil premium criteria, though this varies considerably between different cohorts.

William Howard School was judged to be Good by Ofsted in April 2019.

William Howard School strengths:

- The school offers a wide, rich and innovative curriculum that aims to enthuse and challenge students while meeting local need, and for all current cohorts now matches national expectations and fulfils DfE performance metrics. It is matched to students' learning needs through ongoing assessment and effective planning.
- Teaching and Learning is Good across the school and it is at the heart of all that we do; continually being developed by a highly motivated and increasingly skilled staff.
- Opportunities and development of the whole student, their role within their local community, character and Careers Education, Information, Advice and Guidance are all strong. All the Gatsby benchmarks are fully met.
- We promote students' spiritual, moral, social and cultural development through the curriculum and wider activity of the school, including international school status and dedicated Personal Development lessons.
- Students secure excellent aspirant destinations and are well placed to move onto the next stage of their learning or enter training or employment.
- Standards of both conduct and behaviour for learning are at least good and mean the vast majority of students are engaged in their learning with an increasing level of student leadership evident throughout the school.
- Disadvantaged students in the last three Key Stage 4 cohorts have made progress broadly in line with other students, overall they are making a grade and a half better progress than three years ago. Internal data shows this is at least the position for all cohorts with an increasing number of disadvantaged students making better than expected progress.
- Students make sustained progress from their starting points, catch-up funding is used well to support the rapid improvement of students entering the school not yet at the required standard.
- Overall, students in the school are making progress at least in line with expectations and this is an improving trajectory throughout all years and will lead to better performance measures in future years.
- Students in the 6th Form achieve Good destinations, moving onto appropriate courses and careers having achieved appropriate results.
- Leadership of the school is strong and robust, it accurately self-reflects.

# Cumbria Education Trust

(A company limited by guarantee)

## Trustees' report (continued)

Year ended 31 August 2019

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William Howard School priorities are to:

- Increase performance in Science and ensure all high and middle ability boys make the progress they are capable of.
- Ensuring that all teaching meets the needs of individuals, especially low attaining students.
- Improve students spelling and literacy skills by ensuring the school's learning policy is always implemented fully.
- Reduce levels of Persistent Absence for disadvantaged students and those in the 6th Form cohort.
- Decrease off-task behaviour and low-level disruption to lessons further. Continue to decrease the proportions of disadvantaged and Special Educational Needs and Disabilities students who are excluded.
- Further improve the achievement of disadvantaged students and boys.
- Further embed the work on Mental Health and resilience throughout the student body.
- Develop the impact of the international links and visits to ensure the effect is cross-school and cohorts.

## WORKINGTON ACADEMY

### Context

Workington Academy opened on 1 September 2015 when the two predecessor schools merged; it is an average sized school. All pupils and the majority of predecessor school staff transferred to the academy, with approximately a fifth of the teaching staff being new to the school. The proportion of pupils eligible for support through the pupil premium is above average. More than half of the students in the school live in the two most deprived deciles defined by indexes of multiple deprivation. The proportion of pupils who have special educational needs or disability is well above average. The academy has strategically resourced provision for pupils who require physical or medical support or have life limiting illness. Almost all pupils are of White British heritage. A new, permanent headteacher joined in April 2018. The Academy was inspected by Ofsted in May 2018, and was found to require improvement overall. Both the effectiveness of leadership and management, and the effectiveness of the sixth form were judged as good.

Workington Academy Ofsted say Workington Academy is RI (requires improvement) because:

- The progress of students and in particular disadvantaged students is not close to that of other students with the same starting points in a wide range of subjects.
- There is significant variation in the impact of teaching on progress and outcomes at Key Stage 4.
- Disadvantaged students are disproportionately persistently absent and have attendance below that of their peers.

Workington Academy strengths:

- Leaders' actions have secured improvements to student progress, teaching quality, behaviour and attendance since the opening of the Academy.
- "Senior leaders have been effective in raising standards across the school" Ofsted 2018.
- In many subject areas the improved use of appropriately challenging assessment effectively meets the needs of students. "Teachers' improved use of assessment information allows them to meet the needs of pupils more effectively. As a result, an increasing proportion of teachers are using assessment information to plan learning that challenges pupils". Ofsted 2018
- Curriculum Leaders are strongly aware of school priorities and are committed to securing improved rates of progress. 'Middle leaders are enthusiastic and committed to securing improved rates of progress for pupils' Ofsted 2018.
- Bullying is rare and where concerns do arise students know where to access support and are confident their concerns will be rapidly and thoroughly dealt with.
- Effective mental health education and strategies to deal with issues are in place.
- There has been a sharp increase in the number of families choosing Workington Academy as their first-choice school.
- Key Stage 4 outcomes improved significantly in the open element.



# **Cumbria Education Trust**

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## **Trustees' report (continued)**

**Year ended 31 August 2019**

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- Despite legacy add-back students, outcomes at A-Level progress is broadly in line with national expectations and, based on improved A/S outcomes for the incoming Year 13, is set to improve in 2019-20.
- Vocational Key Stage 5 results remain a strength, with a positive value added of 0.26 in 2019.

Workington Academy Improvement Priorities are to:

- Improve the impact of teaching on progress and outcomes for all students and in particular disadvantaged students in a range of subjects such that progress and outcomes improve rapidly to that of their peers nationally.
- Improve attendance and reduce persistent absence for disadvantaged students such that it improves rapidly to that of their peers.
- Improve behaviour, particularly at social times and between lessons, whilst also reducing rates of fixed term exclusion to the national average.
- Improve rapidly the progress made by students in core subjects, particularly in maths.

### **YANWATH PRIMARY SCHOOL**

#### **Context**

Yanwath Primary School has been part of Cumbria Education Trust for two years and has had an Interim Headteacher since June 2019. The pupils attending Yanwath come from neighbouring villages as well as from across Penrith, with a significant number of families choosing Yanwath as opposed to the most local school within their catchment area. Much work has been done to increase parent partnerships in recent months and the school benefits from a dedicated 'Friends of Yanwath School' group.

The school has grown significantly in terms of numbers on roll. Many children join the nursery mid-year and whilst the number of pupils in other year groups is fairly stable, we do have regular in-year admissions. The school comprises of an Early Years Foundation Stage unit and then single form entry classes for Years 1-6. There is a before school and after school club to provide wrap around care – this is staffed by school-based employees to ensure continuity of care. This can support up to 50 children at its busiest.

The school has been awarded the Enterprise Standards Award and the International Schools Award. It is a Centre of Financial Excellence and is recognised as a UNICEF (United Nations Children's Fund) Rights Respecting school.

The school delivers a curriculum that is both knowledge and skills rich. The school is currently working to ensure that wider opportunities enrich the curriculum experience for all learners. Yanwath is dedicated to ensuring that all children have access to and enjoy regular reading opportunities. Our English curriculum is book-based and this supports our drive to increase the children's exposure to a broad range of literature.

Yanwath is an inclusive school which benefits from a developed and consistent positive behaviour policy. The weekly celebration assembly is now attended by upwards of 50 parents/carers.

Yanwath Primary School strengths:

- Parent partnerships have been strengthened – the Headteacher has an open-door policy and holds regular parent forum meetings, parental engagement is strong – attendance at Parents Evening and other school events is high.
- Staff morale is significantly improved – with all staff having a shared understanding of the vision for school improvement.
- The behaviour and attitudes of children in school is of a consistently high standard which impacts positively on learning.
- Attendance is consistently high, with levels of persistent absence limited.
- The school benefits from a peripatetic PE teacher.

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Trustees' report (continued)**

**Year ended 31 August 2019**

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- Strong links have been established with Ullswater Community College with a developed transition project ongoing throughout the year.

Yanwath Primary School Improvement Priorities are to:

- Ensure that teachers have a secure understanding of their year groups expectations.
- Ensure that subject knowledge continues to be developed so as to ensure all subjects can be delivered with knowledge and skills progression in mind.
- Develop the role of middle leaders – focusing specifically on subject leadership.
- Develop practice in Early Years Foundation Stage.
- Develop the provision for teaching phonics across Early Years and Key Stage 1.
- Develop the provision for outdoor learning – specifically in Early Years Foundation Stage and Year 1.

### **YEWDALD PRIMARY SCHOOL**

#### **Context**

Yewdale Primary School is a large school in Cumbria, on the outskirts of Carlisle city centre. It converted to Academy status in September 2015 and was judged Good in all areas by Ofsted in July 2018. The school has capacity for two form entry, and despite not being full, pupil numbers are steadily increasing with 301 on role from September 2019. These additional numbers have required the creation of phase teams; Early Years Foundation Stage, Key Stage 1, Lower Key Stage 2 and Upper Key Stage 2. The school has 11 classes across these 4 phases: 2 in Early Years Foundation Stage, 3 in each of the others, with a split year group class within each phase.

The school has undergone some further staffing changes since April 2019. Following the departure of the Executive Headteacher to a position abroad in March 2019, the Deputy Headteacher then took on the role of Head of School, with an Executive Headteacher being seconded one day a week from a teaching school in the North East. Further interim positions to Senior Leadership Team to support this structure has allowed for internal promotion for teachers to Deputy and Assistant Headteacher.

At the start of September 2019, a number of new teaching appointments are due to be made. The school welcomes one Newly Qualified Teacher who has transferred from another Trust primary school. Additionally, 3 other Newly Qualified Teachers have been appointed; 1 on a permanent contract, one maternity cover and one fixed term due to the increase of class numbers. A further 2 appointments have been made; one experienced teacher taking on the Year 2 class and a part time teacher to job share with the Deputy Headteacher.

Six teaching assistants and three apprentice teaching assistants support the learning of children both in classes, and as part of an intervention timetable.

Yewdale Primary School strengths:

- The attainment of the pupils at the end of Key Stage 2 is higher than in comparison to the national average.
- Framework for Teaching data places the school in the top 6% for attainment and top 4% for progress at Key Stage 2 nationally.
- The greater depth attainment in reading at the end of Key Stage 2 exceeded national average.
- The quality of teaching, learning and assessment of existing teachers and the leadership team is at least good.
- The curriculum is well matched to the needs of pupils.
- Safeguarding is effective.
- The attainment of Early Years Foundation Stage children achieving the expected standard or greater, for Good Level of Development is good (externally moderated July 2019) and consistent year on year.
- Phonics screening outcomes are consistently high, with leader's expertise being shared through the use of specific targeted timely intervention.

## **Cumbria Education Trust**

(A company limited by guarantee)

### **Trustees' report (continued)**

**Year ended 31 August 2019**

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- Governance and Trust oversight is strong, ensuring leaders are evaluative and operate strategically to improve outcomes for all pupils.
- The quality of education is good with improvements over time evident.

Yewdale Primary School Improvement Priorities are to:

- Monitor the quality of teaching standards at Key Stage 1 and the provision offered for Special Educational Needs/disadvantaged pupils.
- Continue to ensure children make good progress in writing, specifically the number of children achieving greater depth at Key Stage 2.
- Continue to improve learning environments that support, challenge and demonstrate knowledge acquisition and retention.
- Accelerate the progress of children in Year 3 who have experienced changeable circumstances so that gaps diminish.
- Continue to work to improve whole school attendance and the % of children persistently absent.
- Develop wider opportunities within the curriculum offer to embed and add value to learning experiences so that children develop their individual talents and interests.
- To develop the new Senior Leadership Team to ensure that the school improvement is robust, effective and moves the school forward.
- Ensure that Newly Qualified Teachers and new starter programmes are effective and supportive, building a strong and stable teaching team.

# Cumbria Education Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 August 2019

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### Financial Review

#### Financial Risk Management Objectives and Policies

The revenue balances carried forward at 31 August 2019 are a £805 surplus (2018: £6,236) on the Restricted General Fund and £373,720 surplus (2018: £527,604) on the Unrestricted Fund, totalling £374,525k (2018: £533,840). Reserves have fallen by £159,315 overall, which is a planned deficit due to receipt of some restricted grant funding in the prior year.

The individual schools outturn positions are as follows:

- William Howard School outturn was a deficit of £110k.
- Workington Academy outturn was a deficit of £60k.
- Yewdale Primary School outturn was a surplus of £4k.
- Longtown Primary School outturn was a surplus of £41k.
- Tebay Primary School was a deficit of £7k.
- Yanwath Primary School was a deficit of £54k.
- The Whitehaven Academy was a surplus of £59k.

The majority of the Trust's recurring income (95% in 2018/19) is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities. Grant income is also received from the Local Authority for students with Special Educational Needs. Other income is generated in each of the constituent schools from letting of facilities and the WHS Fitness and Wellbeing complex. The Trust also received income from out of catchment school transport which aims to operate on a cost neutral basis

The Trust also receives grants for capital expenditure from the ESFA. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Income has increased for the Trust with the inclusion of The Whitehaven Academy. The academy transferred to CET from the Bright Tribe Trust during the year.

The Local Government Pension Scheme as it relates to the Trust, as part of the combined Cumbria/Lancashire pension fund, has been valued by the actuary as having a net deficit of £13,495,000 as at 31 August 2019 (2018: £6,656,000). The deficit may increase further in future years if the economic climate does not improve and contributions, both employer and employee, are not increased. This is a material figure in terms of the Trust's total assets and further details on the figures are included in note 26 to the accounts.

The total income received has been invested in the furtherance of the high quality education provided across each school within the Trust by the employment of suitably qualified teaching staff, the provision of specialist staff support for both teaching and the various support functions of the Trust, the provision of suitable resources for the staff and students and the maintenance and refurbishment of the buildings and equipment.

#### Reserves Policy

The trustees consider the reserves policy each year in light of developments and with an aim that reserves are increased in order to provide a financial safeguard for the future and enable the Trust to manage the financial impact of year to year fluctuations in funding arising from changing student/pupil numbers. Currently the Trust's aim is to achieve an in year reserve movement of 1% of revenue funding, this being incorporated into the 2019/20 balanced budgets.

At 31 August 2019 the Trust held free (unrestricted) reserves of £373,720 and a restricted income funds of £805 which total £374,525, and which represent the funds readily available to the Trust. Total funds of the Trust at 31 August 2019 amounted to £31,552,204. £44,672,679 are tied up in fixed assets. There is a deficit of £13,495,000

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Trustees' report (continued)**

**Year ended 31 August 2019**

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representing the defined benefit pension liability.

The trustees will continue to seek to build free reserves to a level that will provide the safeguards set out above.

### **Deficit**

Across the Trust balanced budgets for 2019/20 have been prepared.

### **Material investments policy**

The Trust is able to generate a modest financial return by transferring funds from the current to savings account until needed. During the year the Trust did not have sufficient cash to be able to lock funds away and generate higher returns.

### **Principal risks and uncertainties**

The major risks to which the Trust is exposed, as identified by the trustees, are regularly reviewed, and systems and procedures have been established to manage those risks. The Trust has an active formal risk register which is reviewed at each Board meeting, similarly risk registers are reviewed at each Local Advisory Board.

Last year it was reported that there is a principal risk in relation to the level of reserves and that action was required to improve the situation. Reserves were improved in the year; however, it was recognised that continued efforts would be required in this area.

The deteriorating Estate was also recognised as a significant risk factor however, in the year, the Trust became eligible to receive direct School Condition Allocation Funding having reached the threshold in terms of Trust expansion to over 5 schools and 3000 students. The Trust, through its Board of Trustees and staff, strives to become an outstanding organisation and recognises the need to maintain and further increase student numbers as they are the major influence over finance.

### **Going concern**

After making appropriate enquiries, the trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### **Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016, an academy trust must include a statement of each of the following in respect of fundraising activities, whether carried out directly by the academy trust or by any person on its behalf, during the year:

- (a) the approach taken by the charity to activities for the purpose of fundraising, and in particular whether a professional fund-raiser or commercial participator carried on any of those activities;
- (b) whether the fundraiser was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the charity, and, if so, what scheme or standard;
- (c) any failure to comply with a scheme or standard mentioned under paragraph (b);
- (d) whether the charity monitored activities carried on by any person on behalf of the charity for the purpose of fund-raising, and, if so, how it did so;
- (e) the number of complaints received by the charity or a person acting on its behalf about activities by the charity or by a person on behalf of the charity for the purpose of fund-raising;
- (f) what the charity has done to protect vulnerable people and other members of the public from behaviour such as unreasonable intrusion on a person's privacy, unreasonably persistent approaches for the purpose of procuring money or other property, and placing undue pressure on a person to give money or other property, in the course of, or in connection with, such activities.

# **Cumbria Education Trust**

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## **Trustees' report (continued) Year ended 31 August 2019**

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### **Plans for Future Periods**

#### **Future Developments**

CET is committed to supporting all pupils/students, staff and academies within the Trust to 'be the best they can be'. Each of the Trust's academies has its own unique ethos, however they all share a common vision and values, which are central to the life of the academies and underpin all the Trust's activities. Our vision is to enable every young person to reach their potential and achieve the success they deserve by providing an innovative and inspiring learning experience. At the heart of our organisation are the principles of respect, responsibility and resilience.

Growth will enable the Trust to further support children across Cumbria, bringing more benefits both to existing and joining CET schools through partnering and cross trust efficiencies. The Trust has received grant funding in the year to support these growth plans. In line with these plans, Caldew Lea Primary School is due to convert into the Trust on 1 October 2019 and Hensingham Primary School on 1 November 2019 and it is planned that work will continue during 2019/20 to embed the academies within the Trust structures.

#### **Employee Involvement and Employment of the Disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Trust's equal opportunities policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available on CET's website.

#### **Trade Union Facility Time**

There were no relevant Union Officials during the year and as such the Trust has not incurred any costs in relation to facility time or paid trade union activities of its own employees.

Cumbria Education Trust has made contributions of £21k to Cumbria County Council in relation to representation and Trade Union facility time.

#### **Auditor**

Insofar as the trustees are aware:

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

The trustees' report was approved by order of the board of trustees, as the company directors, on 11 December 2019 and signed on its behalf by:

  
**G Beveridge**  
Chair of Trustees

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Governance statement**

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### **Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Cumbria Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

# Cumbria Education Trust

(A company limited by guarantee)

## Governance Statement (continued)

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### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Sutcliffe	6	6
C Lewis	4	6
I Burke, Chair of Audit & Risk Committee	5	6
L Hughes, Chief Executive Officer	6	6
D Francis, Chair of Board	5	6
G Beveridge	1	1
S Holliday	4	6
K Woolgar	6	6
M Payne, Chair of Achievement & Climate Committee	5	6

The Chair of the Trust Board resigned from her post in August 2019.

The Trust Board have considered succession planning and are looking to build further capacity within the Board in 2019/20. Trust Board Trustees are linked to our schools / Local Advisory Boards (LAB's). A governance training programme is in place for all Trustees and LAB members.

### Local Advisory Board (LAB)

A new LAB for The Whitehaven Academy was operational in 2019. A Trustee will chair this LAB for the first year.

Other changes include:

- The Chair of the Yanwath Primary School LAB resigned from his post in July 2019.
- A new Chair for William Howard School took up their post in March 2019.
- Vice Chairs were appointed, where possible, for all our existing LAB's.

LAB members are all linked to areas of the School Improvement Plan. They are encouraged to visit schools regularly and have challenging but supportive conversations with key members of the Senior Leadership Team.

A Skills Audit has been completed by the Trust Board and each Local Advisory Board, which informs the training programme and any skills gaps in the Trust Board or LABs. It is planned that new appointments will be made to the Trust Board for 2019/20 as a result of the Skills Audit. A full external review of Governance is also planned for early 2020.

We are constantly trying to recruit new members for our LAB's.



## **Cumbria Education Trust**

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

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

##### **Achievement and Climate**

The Achievement and Climate Committee is a sub-committee of the main board of Trustees and met three times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Hughes	3	3
S Holliday	3	3
M Payne	3	3
D Francis	2	3
C Sutcliffe	2	3

##### **Audit and Risk**

The Audit and Risk Committee is also a sub-committee of the main board of Trustees and met three times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Hughes	3	3
D Francis	2	3
I Burke	3	3
C Lewis	2	3
K Woolgar	3	3
G Beveridge	1	1

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Governance Statement (continued)**

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

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the 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 appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- Achieving the educational outcomes as set out in the Trustees' Report. Outcomes include many positive indicators. Educational outcomes were improved with the same resource by taking steps to further improve the quality of teaching, as set out in the Trustees' Report;
- The Trust continues to enable the sharing of delivery and good practice across all schools within the Trust. This has driven up standards for lower cost;
- The Achievement & Climate Committee reviews the staffing structure to ensure that staff are deployed as efficiently as possible to support an improved curriculum, and to target areas of the curriculum in need of development;
- The Trust have supported and collaborated with other schools in the county and beyond. CET has also supported other schools through teaching & learning and leadership programmes;
- Contracts and services are regularly appraised and renegotiated in a timely manner to ensure value for money.
- Utilities contracts are constantly monitored and reviewed and renegotiated where cost savings have been identified;
- Options appraisals are carried out before purchases are made, including assessing the costs and benefits of alternatives over the longer term. A range of quotes is obtained for all major purchases so that the Trust knows it is getting a good deal;
- The Trust explores opportunities to generate income through the letting of facilities to the local community and the provision of support services to local schools. The William Howard School Fitness and Wellbeing Centre is well established and provides a community gym facility and sports facilities which are used extensively by local sporting clubs. Equally, lettings of facilities are carried out within many of the constituent schools and each strives to consider any other income that can be generated. Workington Academy has fantastic new facilities that will be used to generate income for the academy.

### **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 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 Cumbria Education Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

# Cumbria Education Trust

(A company limited by guarantee)

## Governance Statement (continued)

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### The Risk and Control Framework

The 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 relevant committees 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 to appoint Dodd & Co Chartered Accountants as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The checks carried out in the current period included a review of the processes for the preparation and monitoring of monthly management accounts and the provision of this information to the Governing Body, Local Advisory Boards and key stakeholders.

The internal auditors prepare audit reports on each area covered covering the operation of the systems of control and on the discharge of financial responsibilities which are issued to CET for reporting at the audit committee.

### Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 Audit and Risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2019 and signed on their behalf by:

  
**G Beveridge**  
Chair of Trustees

  
**L Hughes**  
Accounting Officer

## **Cumbria Education Trust**

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### **Statement on regularity, propriety and compliance**

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As Accounting Officer of Cumbria Education Trust I have considered my responsibility to notify the Trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trust board of trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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.



**L Hughes**  
Accounting Officer

Date: 11 December 2019

## **Cumbria Education Trust**

(A company limited by guarantee)

### **Statement of trustees' responsibilities Year ended 31 August 2019**

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

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

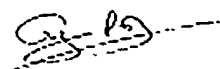
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



**G Beveridge**  
Chair of Trustees



## **Independent auditor's report on the financial statements to the members of Cumbria Education Trust**

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### **Opinion**

We have audited the financial statements of Cumbria Education Trust (the 'trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice'), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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 Trust'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.



## **Independent auditor's report on the financial statements to the members of Cumbria Education Trust (continued)**

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### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the . 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 matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



## **Independent auditor's report on the financial statements to the members of Cumbria Education Trust (continued)**

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### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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

*Anne Hallowell*

**Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)  
for and on behalf of UNW LLP, Statutory Auditor**

Chartered Accountants  
Newcastle upon Tyne

11 December 2019



# **Cumbria Education Trust**

(A company limited by guarantee)

## **Independent reporting accountant's assurance report on regularity to Cumbria Education Trust and the Education & Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 28 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cumbria Education Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Cumbria Education Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Cumbria Education Trust's funding agreement with the Secretary of State for Education dated 1 September 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to support our conclusion includes:

- testing a sample of expenditure to verify that the Trust's procurement procedures have been followed for the items selected;
- testing a sample of payments to ensure they are correctly authorised in accordance with the Trust policies;
- testing a sample of expenditure to verify the nature of spend is in line with funding agreements;
- testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the Trust policies;
- confirming that appropriate departmental authority has been obtained for any extra-contractual payments to staff such as severance pay;

## **Cumbria Education Trust**

(A company limited by guarantee)


### **Independent reporting accountant's assurance report on regularity to Cumbria Education Trust and the Education & Skills Funding Agency (continued)**

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- where any disposals of land or buildings were made, enquire as to whether appropriate approval was obtained from the ESFA; and
- where any transactions or contracts are entered to with connected parties, enquire as to whether the appropriate procedures were followed in line with Trust policies.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne

Date: 11 December 2019

# Cumbria Education Trust

(A company limited by guarantee)

## Statement of financial activities (incorporating income and expenditure account) Year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	361,712	(1,188,000)	14,528,605	13,702,317	1,040,904
Charitable activities	4	-	18,059,283	-	18,059,283	15,888,097
Other trading activities	5	379,452	-	-	379,452	435,830
Investments	6	110	-	-	110	367
Other income	7	-	361,068	-	361,068	373,651
<b>Total income</b>		<b>741,274</b>	<b>17,232,351</b>	<b>14,528,605</b>	<b>32,502,230</b>	<b>17,738,849</b>
<b>Expenditure on:</b>						
Raising funds	8	387,353	-	-	387,353	383,614
Charitable activities		269,805	19,801,782	4,029,314	24,100,901	17,635,392
<b>Total expenditure</b>		<b>657,158</b>	<b>19,801,782</b>	<b>4,029,314</b>	<b>24,488,254</b>	<b>18,019,006</b>
<b>Net income/ (expenditure)</b>		<b>84,116</b>	<b>(2,569,431)</b>	<b>10,499,291</b>	<b>8,013,976</b>	<b>(280,157)</b>
Transfers between funds	19	(238,000)	238,000	-	-	-
<b>Other recognised gains/(losses):</b>						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	(200,000)
Actuarial losses on defined benefit pension schemes	26	-	(4,513,000)	-	(4,513,000)	1,624,000
<b>Net movement in funds</b>		<b>(153,884)</b>	<b>(6,844,431)</b>	<b>10,499,291</b>	<b>3,500,976</b>	<b>1,143,843</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		527,604	(6,649,764)	34,173,388	28,051,228	26,907,385
Net movement in funds		(153,884)	(6,844,431)	10,499,291	3,500,976	1,143,843
<b>Total funds carried forward</b>		<b>373,720</b>	<b>(13,494,195)</b>	<b>44,672,679</b>	<b>31,552,204</b>	<b>28,051,228</b>

The notes on pages 36 to 62 form part of these financial statements.

# Cumbria Education Trust

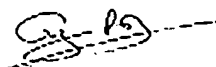
(A company limited by guarantee)

## Balance sheet At 31 August 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	44,373,338	34,173,388
		<u>44,373,338</u>	<u>34,173,388</u>
<b>Current assets</b>			
Stocks	16	21,683	32,759
Debtors	17	900,297	547,256
Cash at bank and in hand	24	2,418,615	941,209
		<u>3,340,595</u>	<u>1,521,224</u>
Creditors: amounts falling due within one year	18	(2,666,729)	(987,384)
<b>Net current assets</b>		<u>673,866</u>	<u>533,840</u>
<b>Total assets less current liabilities</b>		<u>45,047,204</u>	<u>34,707,228</u>
Defined benefit pension scheme liability	26	(13,495,000)	(6,656,000)
<b>Net assets including pension scheme liabilities</b>		<u>31,552,204</u>	<u>28,051,228</u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	44,672,679	34,173,388
Restricted income funds	19	805	6,236
		<u>44,673,484</u>	<u>34,179,624</u>
Restricted funds excluding pension asset	19	44,673,484	34,179,624
Pension reserve	19	(13,495,000)	(6,656,000)
<b>Total restricted funds</b>	19	<u>31,178,484</u>	<u>27,523,624</u>
<b>Unrestricted income funds</b>	19	<u>373,720</u>	<u>527,604</u>
<b>Total funds</b>		<u>31,552,204</u>	<u>28,051,228</u>

The financial statements on pages 33 to 62 were approved by the trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:

G Beveridge  
Chair of Trustees



The notes on pages 36 to 62 form part of these financial statements.  
Registered company number: 07698631

## **Cumbria Education Trust**

(A company limited by guarantee)

### **Statement of cash flows Year ended 31 August 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>	<b>21</b>	<b>638,699</b>	<b>407,232</b>
<b>Cash flows from investing activities</b>	<b>23</b>	<b>838,597</b>	<b>(31,048)</b>
<b>Cash flows from financing activities</b>	<b>22</b>	<b>110</b>	<b>367</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,477,406</b>	<b>376,551</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>941,209</b>	<b>564,658</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>24</b>	<b>2,418,615</b>	<b>941,209</b>

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The notes on pages 36 to 62 form part of these financial statements

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 August 2019**

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### **1. Accounting Policies**

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

#### **1.1 Basis of Preparation of Financial Statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cumbria Education Trust meets the definition of a public benefit entity under FRS 102.

#### **1.2 Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern.

In making their assessment the trustees have considered the budgets of all schools within the Trust for the coming academic year and beyond, and the measures in place within the Trust to carefully monitor spend in year, and the ability of the Trust to react to changes imposed externally, such as changes to funding formulae. Although cashflow remains a focus for the Trust as it grows, the trustees are satisfied with the internal controls and procedures in place to manage this on a day to day basis.

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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 August 2019**

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### **1. Accounting Policies (continued)**

#### **1.3 Income**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 August 2019**

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### **1. Accounting Policies (continued)**

#### **1.4 Expenditure**

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

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

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

Cost allocations have been reviewed in the current year and some immaterial reclassifications made between direct costs and support costs in the prior year (see amounts restated at note 9). This had no impact expenditure in total or the overall result previously reported.

All expenditure is inclusive of irrecoverable VAT.

#### **1.5 Taxation**

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

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

#### **1.6 Tangible Fixed Assets**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.



# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 August 2019

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### 1. Accounting Policies (continued)

#### 1.6 Tangible Fixed Assets (continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% (50 years)
Long-term leasehold property	- 2% (50 years)
Fixtures and fittings	- 15% (6 - 7 years)
Computer equipment	- 20% (5 years)

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 incorporating income and expenditure account.

The Whitehaven Academy is being redeveloped and as a result the existing school buildings are being written down over a 3-year period to August 2021, reflecting their remaining useful economic life.

#### 1.7 Stocks

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

#### 1.8 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 payment for the goods or services it must provide.

#### 1.9 Provisions

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

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

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

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### 1. Accounting Policies (continued)

#### 1.10 Financial Instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.11 Leases

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

#### 1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and 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 recognised in the period to which they relate.

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 balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities incorporating income and expenditure account 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.

# **Cumbria Education Trust**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 August 2019**

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### **1. Accounting Policies (continued)**

#### **1.13 Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the trustees.

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

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

### **2. Critical Accounting Estimates and Areas of Judgment**

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

Critical accounting estimates and assumptions:

The Trust 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The only significant area of judgement is the useful economic lives of fixed assets, details of which are given above.

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

### 3. Income from donations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Assets donated from predecessor trust	-	(1,188,000)	12,982,959	<b>11,794,959</b>	568,785
Donations	361,712	-	-	<b>361,712</b>	333,741
Capital grants	-	-	1,545,646	<b>1,545,646</b>	138,378
<b>Total 2019</b>	<b>361,712</b>	<b>(1,188,000)</b>	<b>14,528,605</b>	<b>13,702,317</b>	<b>1,040,904</b>

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

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	14,556,906	<b>14,556,906</b>	12,856,010
Other EFSA Grants	2,163,155	<b>2,163,155</b>	2,132,778
Local Authority Grants	357,187	<b>357,187</b>	328,760
Social Inclusion	603,224	<b>603,224</b>	570,549
Drawdown funding	378,811	<b>378,811</b>	-
<b>Total 2019</b>	<b>18,059,283</b>	<b>18,059,283</b>	<b>15,888,097</b>

### 5. Other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities and other income	379,452	<b>379,452</b>	435,830

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

### 6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	110	110	367

### 7. Other incoming resources

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Miscellaneous income including catering and transport	361,068	361,068	373,651

### 8. Expenditure

	Staff costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	As restated Total 2018 £
Cost of raising voluntary income:					
Costs of school trips and other associated activities	-	-	387,353	387,353	383,614
Academy's educational operations:					
Direct costs	13,049,548	-	1,193,522	14,243,070	12,091,882
Support costs	3,364,863	4,761,549	1,517,218	9,643,630	5,332,913
Services to other schools	-	-	214,201	214,201	210,597
	16,414,411	4,761,549	3,312,294	24,488,254	18,019,006
Total 2018 as restated	13,265,992	1,290,823	3,462,191	18,019,006	

# Cumbria Education Trust

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## Notes to the financial statements Year ended 31 August 2019

### 9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Academy's educational operations	14,243,070	9,643,630	<b>23,886,700</b>	17,424,795
Services to other schools	214,201	-	<b>214,201</b>	210,597
	<u>14,457,271</u>	<u>9,643,630</u>	<u><b>24,100,901</b></u>	<u>17,635,392</u>
Total 2018	<u>12,302,479</u>	<u>5,332,913</u>	<u>17,635,392</u>	

### Analysis of support costs

	Academy's educational operations 2019 £	Total funds 2019 £	As restated Total funds 2018 £
Pension interest cost	209,000	<b>209,000</b>	186,000
Staff costs	3,364,863	<b>3,364,863</b>	2,331,680
Depreciation	3,490,058	<b>3,490,058</b>	901,112
Professional services	212,402	<b>212,402</b>	147,812
Water rates	107,438	<b>107,438</b>	128,518
Maintenance of premises and equipment	713,774	<b>713,774</b>	211,428
Cleaning	87,403	<b>87,403</b>	332,817
Rent and rates	90,218	<b>90,218</b>	68,479
Heat and light	325,011	<b>325,011</b>	207,240
Insurance	75,065	<b>75,065</b>	93,615
Transport	198,562	<b>198,562</b>	200,122
Catering	311,266	<b>311,266</b>	202,337
Technology costs	156,024	<b>156,024</b>	133,227
Bank interest and charges	3,840	<b>3,840</b>	2,296
Other support costs	298,706	<b>298,706</b>	186,230
	<u>9,643,630</u>	<u><b>9,643,630</b></u>	<u>5,332,913</u>

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

### 10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	3,490,058	901,112
Stock write off	-	44,319
Bad debt provision	-	26,191
Operating lease rentals	17,556	12,845
Audit of these financial statements	14,250	12,000

Fees paid to the Trust's auditors for other assurance services amounts to £3,500 (2018: £3,000).

### 11. Staff costs

#### a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	11,784,443	9,787,402
Social security costs	1,149,476	955,919
Pension costs	3,034,622	2,030,652
	<u>15,968,541</u>	<u>12,773,973</u>
Agency staff costs	387,508	446,497
Staff restructuring costs	58,362	45,522
	<u>16,414,411</u>	<u>13,265,992</u>

#### b. Non-statutory/non-contractual staff severance payments

Severance payments comprise non-contractual payments to 7 individuals made under settlement agreements. Individually the payments were as follows and have effective dates during the period reported:

28 May 2019	£520
3 September 2019	£2,250
3 September 2019	£4,000
3 September 2019	£10,000
3 September 2019	£4,534
13 September 2019	£15,058
13 September 2019	£22,000

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

### 11. Staff costs (continued)

#### c. Staff numbers

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

	2019 No.	2018 No.
Teachers	188	166
Administration and support	244	215
Management	24	24
	<u>456</u>	<u>405</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teaching Staff	190	172
Support Staff	159	118
Leadership	17	17
	<u>366</u>	<u>307</u>

#### d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1
In the band £140,000 - £150,000	1	1
	<u>1</u>	<u>1</u>

All the employees above participated in the Trust's pension schemes. During the year ended 31 August 2019, pension contributions for these staff amounted to £135,361 (2018: £107,587).



# Cumbria Education Trust

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## Notes to the financial statements

Year ended 31 August 2019

### 11. Staff costs (continued)

#### e. Key management personnel

The total amount of employee benefits (including employer pension contributions) received by key management personnel (trustees and senior management) for their services to the academy trust was £820,786 (2018: £792,250). The increase is attributed to new academies joining the Trust and changes within the Senior Leadership Team as the Trust develops and grows.

### 12. Central services

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

- Finance, HR, IT, Safeguarding support and advice, Estates Management, CCIF Bids, Governance and compliance, web-site compliance and development, media and legal support and a Conference venue. In addition it provides a wide range of school improvement services.

The Trust charges for these services on the following basis:

The Trust apportions central costs to the different schools based upon headcount.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
William Howard School	506,411	459,297
Workington Academy	311,278	264,157
Yewdale Primary School	81,346	69,632
Longtown Primary School	59,533	57,400
Yanwath Primary School	54,912	36,496
Tebay Primary School	20,184	10,360
The Whitehaven Academy	101,151	-
<b>Total</b>	<b>1,134,815</b>	<b>897,342</b>

# Cumbria Education Trust

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## Notes to the financial statements Year ended 31 August 2019

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### 13. Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
L Hughes, Chief Executive Officer	Remuneration	145,000 - 150,000	140,000 - 145,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

During the year ended 31st August 2019, travel and subsistence expenses totalling £733 (2018: £264) were reimbursed or paid directly to 2 trustees (2018: 1 trustees).

During the year ended 31 August 2019, no trustee expenses have been incurred (2018 - £NIL).

### 14. Trustees' and Officers' Insurance

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

# Cumbria Education Trust

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## Notes to the financial statements Year ended 31 August 2019

### 15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	17,499,514	18,475,280	674,814	623,144	37,272,752
Additions	183,789	-	445,159	78,101	707,049
Assets acquired from other academy trusts on merger	-	12,980,382	557	2,020	12,982,959
At 31 August 2019	<u>17,683,303</u>	<u>31,455,662</u>	<u>1,120,530</u>	<u>703,265</u>	<u>50,962,760</u>
<b>Depreciation</b>					
At 1 September 2018	1,387,018	745,873	350,054	616,419	3,099,364
Charge for the year	279,130	3,083,510	119,686	7,732	3,490,058
At 31 August 2019	<u>1,666,148</u>	<u>3,829,383</u>	<u>469,740</u>	<u>624,151</u>	<u>6,589,422</u>
<b>Net book value</b>					
At 31 August 2019	<u>16,017,155</u>	<u>27,626,279</u>	<u>650,790</u>	<u>79,114</u>	<u>44,373,338</u>
At 31 August 2018	<u>16,112,496</u>	<u>17,729,407</u>	<u>324,760</u>	<u>6,725</u>	<u>34,173,388</u>

Included within freehold and leasehold land and buildings is land of £6,937,000 (2018: £3,937,000) which is not depreciated.

Leasehold premises are leased from the local authority on 125 year leases for nil consideration. They are included within the financial statements at valuation based upon readily available valuations prepared by Education & Skills Funding Agency.

### 16. Stocks

	2019 £	2018 £
Goods for resale	<u>21,683</u>	<u>32,759</u>

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

### 17. Debtors

	2019 £	2018 £
Trade debtors	96,044	111,122
Other debtors	56,706	74,029
Prepayments and accrued income	537,132	231,939
VAT recoverable	210,415	130,166
	<u>900,297</u>	<u>547,256</u>

### 18. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	663,243	352,335
Other taxation and social security	516,756	427,243
Other creditors	126,348	53,632
Accruals and deferred income	1,360,382	154,174
	<u>2,666,729</u>	<u>987,384</u>

	2019 £	2018 £
Deferred income at 1 September 2018	91,758	62,626
Resources deferred during the year	813,080	93,758
Amounts released from previous periods	(91,758)	(64,626)
	<u>813,080</u>	<u>91,758</u>

Deferred income relates to funding received in advance for the 2019/20 and 2020/21 academic years.

# Cumbria Education Trust

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## Notes to the financial statements

Year ended 31 August 2019

### 19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General funds	527,604	741,274	(657,158)	(238,000)	-	373,720
<b>Restricted funds</b>						
Restricted income funds	6,236	18,420,351	(18,663,782)	238,000	-	805
Pension reserve	(6,656,000)	(1,188,000)	(1,138,000)	-	(4,513,000)	(13,495,000)
	<u>(6,649,764)</u>	<u>17,232,351</u>	<u>(19,801,782)</u>	<u>238,000</u>	<u>(4,513,000)</u>	<u>(13,494,195)</u>
Restricted fixed asset funds	34,173,388	14,528,605	(4,029,314)	-	-	44,672,679
<b>Total restricted funds</b>	<u>27,523,624</u>	<u>31,760,956</u>	<u>(23,831,096)</u>	<u>238,000</u>	<u>(4,513,000)</u>	<u>31,178,484</u>
<b>Total funds</b>	<u>28,051,228</u>	<u>32,502,230</u>	<u>(24,488,254)</u>	<u>-</u>	<u>(4,513,000)</u>	<u>31,552,204</u>

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

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the governors. Unrestricted income funds also represent the school funds which are used to administer other funds such as extra curricular school events or trips.

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

Restricted income funds comprise all other restricted funds received by the Trust and include grants from the Education and Skills Funding Agency and the Department of Education.

Transfers between funds represent contributions made from unrestricted funds to cover deficits in the educational operations of the Trust.

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

### 19. Statement of funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Cumbria Education Trust	693,789	726,802
William Howard School	(177,723)	(67,460)
Workington Academy	(100,754)	(40,493)
Yewdale Primary School	(41,739)	(45,604)
Longtown Primary School	42,728	1,483
Tebay Primary School	(43,756)	(36,665)
Yanwath Primary School	(57,251)	(4,223)
The Whitehaven Academy	59,231	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	374,525	533,840
Restricted fixed asset fund	44,672,679	34,173,388
Pension reserve	(13,495,000)	(6,656,000)
	<hr/>	<hr/>
<b>Total</b>	<b>31,552,204</b>	<b>28,051,228</b>

All academies carrying net deficits on their portion of the funds have balanced budgets for 2019/20 and are working towards building reserves as set out in the reserves policy for the trust.

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 August 2019

### 19. Statement of funds (continued)

#### Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Cumbria Education Trust	386,391	554,589	56,439	532,647	<b>1,530,066</b>	1,165,588
William Howard School	5,392,531	721,975	755,108	951,638	<b>7,821,252</b>	7,755,909
Workington Academy	3,647,493	497,572	300,537	324,167	<b>4,769,769</b>	4,650,036
Yewdale Primary School	800,785	122,994	55,914	120,284	<b>1,099,977</b>	1,092,599
Longtown Primary School	475,905	137,973	57,641	99,536	<b>771,055</b>	892,833
Tebay Primary School	170,524	39,582	16,439	33,517	<b>260,062</b>	270,349
Yanwath Primary School	568,381	54,544	69,756	187,971	<b>880,652</b>	853,580
The Whitehaven Academy	1,607,538	326,634	159,318	633,874	<b>2,727,364</b>	-
<b>Trust</b>	<b>13,049,548</b>	<b>2,455,863</b>	<b>1,471,152</b>	<b>2,883,634</b>	<b>19,860,197</b>	16,680,894

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

### 19. Statement of funds (continued)

#### Statement of funds - prior year

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General funds	1,198,540	692,678	(383,614)	(980,000)	-	527,604
<b>Restricted funds</b>						
Restricted income funds	(942,031)	16,261,748	(16,297,280)	983,799	-	6,236
Pension reserve	(7,348,000)	(495,000)	(437,000)	-	1,624,000	(6,656,000)
	<u>(8,290,031)</u>	<u>15,766,748</u>	<u>(16,734,280)</u>	<u>983,799</u>	<u>1,624,000</u>	<u>(6,649,764)</u>
Restricted fixed asset funds	33,998,876	1,279,423	(901,112)	(3,799)	(200,000)	34,173,388
<b>Total restricted funds</b>	<u>25,708,845</u>	<u>17,046,171</u>	<u>(17,635,392)</u>	<u>980,000</u>	<u>1,424,000</u>	<u>27,523,624</u>
<b>Total funds</b>	<u>26,907,385</u>	<u>17,738,849</u>	<u>(18,019,006)</u>	<u>-</u>	<u>1,424,000</u>	<u>28,051,228</u>



# Cumbria Education Trust

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## Notes to the financial statements

Year ended 31 August 2019

### 20. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	44,373,338	44,373,338
Current assets	373,720	2,667,534	299,341	3,340,595
Creditors due within one year	-	(2,666,729)	-	(2,666,729)
Provisions for liabilities and charges	-	(13,495,000)	-	(13,495,000)
<b>Total</b>	<b>373,720</b>	<b>(13,494,195)</b>	<b>44,672,679</b>	<b>31,552,204</b>

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	34,173,388	34,173,388
Current assets	527,604	993,620	-	1,521,224
Creditors due within one year	-	(987,384)	-	(987,384)
Provisions for liabilities and charges	-	(6,656,000)	-	(6,656,000)
<b>Total</b>	<b>527,604</b>	<b>(6,649,764)</b>	<b>34,173,388</b>	<b>28,051,228</b>

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 August 2019

### 21. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per statement of financial activities)	8,013,976	(280,157)
<b>Adjustments for:</b>		
Depreciation	3,490,058	901,112
Capital grants from DfE and other capital income	(1,545,646)	(138,378)
Dividends, interest and rents from investments	(110)	(367)
Defined benefit pension scheme obligation inherited	1,188,000	495,000
Defined benefit pension scheme cost less contributions payable	929,000	251,000
Defined benefit pension scheme finance cost	209,000	186,000
Decrease in stocks	11,076	10,592
(Increase)/decrease in debtors	(353,041)	76,856
Increase in creditors	1,679,345	32,434
Net profit/(loss) on assets and liabilities from local authority on conversion of predecessor trust on transfer	(12,982,959)	(1,126,860)
<b>Net cash provided by operating activities</b>	<b>638,699</b>	<b>407,232</b>

### 22. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowing	110	367
<b>Net cash provided by financing activities</b>	<b>110</b>	<b>367</b>

### 23. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(707,049)	(169,426)
Capital grants from DfE Group	1,545,646	138,378
<b>Net cash provided by/(used in) investing activities</b>	<b>838,597</b>	<b>(31,048)</b>

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

### 24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,418,615	941,209
<b>Total cash and cash equivalents</b>	<b>2,418,615</b>	<b>941,209</b>

### 25. Academies entering the Trust

On 1 December 2018 the trust took control of The Whitehaven Academy, which was previously a part of the Bright Tribe Trust. All of the operations and assets and liabilities were transferred to Cumbria Education Trust from the Bright Tribe Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities incorporating income and expenditure account as Donations - transfer from predecessor trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>		
Freehold/leasehold land and buildings	12,980,382	12,980,382
Other tangible fixed assets	2,577	2,577
<b>Net assets</b>	<b>12,982,959</b>	<b>12,982,959</b>

### 26. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for 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 of the LGPS 31 March 2016.

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

# Cumbria Education Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2019

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### 26. Pension commitments (continued)

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 by the Department for Education on 9 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)
- 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%, which was payable from September 2015. The next valuation of the TPS based on April 2016 data has not yet been fully published but the employer contribution rate has been reassessed based upon the outline findings and employer contributions have risen to 23.68% with effect from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £1,327,000 (2018 - £925,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

# Cumbria Education Trust

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## Notes to the financial statements Year ended 31 August 2019

### 26. Pension commitments (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £994,000 (2018 - £842,000), of which employer's contributions totalled £798,000 (2018 - £682,000) and employees' contributions totalled £ 196,000 (2018 - £160,000). The agreed contribution rates for future years are 24% per cent for employers and 5.8% per cent 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.

#### Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.50%	3.60%
Rate of increase for pensions in payment/inflation	2.10%	2.20%
Discount rate for scheme liabilities	1.80%	2.80%
Inflation assumption (CPI)	2.00%	2.10%

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

	2019	2018
<i>Retiring today</i>		
Males	23.3	23.2
Females	25.9	25.8
<i>Retiring in 20 years</i>		
Males	25.6	25.5
Females	28.6	28.5

#### Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	(643)	(385)
Mortality assumption - 1 year increase	473	283
CPI rate +0.1%	659	395

# Cumbria Education Trust

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## Notes to the financial statements Year ended 31 August 2019

### 26. Pension commitments (continued)

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	6,403,000	4,562,000
Government bonds	2,387,000	1,604,000
Property	756,000	853,000
Cash and other liquid assets	610,000	553,000
Other bonds	809,000	590,000
Other	2,294,000	1,171,000
<b>Total market value of assets</b>	<b>13,259,000</b>	<b>9,333,000</b>

The actual return on scheme assets was £949,000 (2018 - £422,000).

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

	2019 £	2018 £
Current service cost	(987,000)	(908,000)
Past service cost	(720,000)	-
Interest income	333,000	215,000
Interest cost	(542,000)	(401,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(9,000)
Administrative expenses	(20,000)	(16,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(1,936,000)</b>	<b>(1,119,000)</b>

# Cumbria Education Trust

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## Notes to the financial statements Year ended 31 August 2019

### 26. Pension commitments (continued)

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

	2019 £	2018 £
<b>Opening defined benefit obligation</b>	<b>16,025,000</b>	15,065,000
Transferred in on existing academies joining the trust	3,297,000	1,047,000
Current service cost	987,000	908,000
Past service cost	720,000	-
Interest cost	542,000	401,000
Employee contributions	196,000	160,000
Actuarial losses/(gains)	5,129,000	(1,418,000)
Benefits paid	(142,000)	(147,000)
Losses on curtailments	-	9,000
<b>Closing defined benefit obligation</b>	<b>26,754,000</b>	16,025,000

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

	2019 £	2018 £
<b>Opening fair value of scheme assets</b>	<b>9,369,000</b>	7,717,000
Transferred in on existing academies joining the trust	2,109,000	552,000
Interest income	333,000	215,000
Actuarial gains	616,000	206,000
Employer contributions	798,000	682,000
Employee contributions	196,000	160,000
Benefits paid	(142,000)	(147,000)
Administrative expenses	(20,000)	(16,000)
<b>Closing fair value of scheme assets</b>	<b>13,259,000</b>	9,369,000

# Cumbria Education Trust

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## Notes to the financial statements Year ended 31 August 2019

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### 27. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Amounts payable:</b>		
Not later than 1 year	41,632	17,556
Later than 1 year and not later than 5 years	50,081	24,900
	<u>91,713</u>	<u>42,456</u>

### 28. Members' liability

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

### 29. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the year the Trust received income of £12,000 from another academy trust to provide additional management support under a formal SLA. In line with arrangements in previous years, £12,000 was paid to the CEO to reflect the additional duties and hours undertaken in carrying out this work over and above her role at the Trust.

During 2018, the CEO worked 1 day a week for the Cumbria Alliance of System Leaders (CASL). This brought additional income of £8,000 (September 2017 to December 2017) which the trustees chose, due to the operational context within CET, to pass onto the CEO. From January 2018 this service ceased. In addition, during 2018, the CEO provided monitoring support at other schools, for which the Trust received additional funding and of which £7,800 (September 2017 to August 2018) was passed onto the CEO for the additional duties undertaken.

The Trust received income of £nil (2018: £30,476) to Cumbria Alliance of Systems Leaders and had a year end balance due of £nil (2018: £21,367). Purchases were made from the University of Cumbria of £382 (2018: £480). There were no year end balances outstanding with this entity.