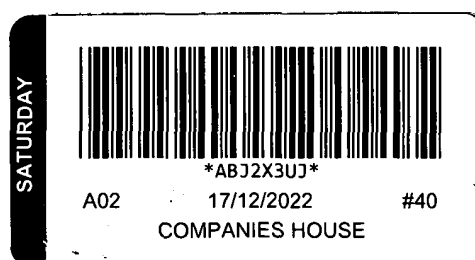


Settlebeck School Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2022

Company Registration Number: 07693715 (England & Wales)



SETTLEBECK SCHOOL ACADEMY TRUST

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YEAR ENDED 31 AUGUST 2022

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SETTLEBECK SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2022

| | |
|--|--|
| Registered Charity Name | Settlebeck School Academy Trust |
| Company Registration Number | 07693715 (England & Wales) |
| Principal and Registered Office | Long Lane Sedbergh Cumbria LA10 5AL |

| | Appointment Date | Resignation Date |
|--|-----------------------------|-----------------------------|
| Members | | |
| Myles Ripley | | |
| Michael Atkinson | | |
| David Hunt | | |
| Peter Irvine | | |
| Trustees / Directors | | |
| * Peter Irvine | | |
| * Sarah Campbell | | |
| * Catharine Driver | | 22/11/2021 |
| Sarah Evans | | 13/06/2022 |
| * Laura Reeves | | 29/03/2022 |
| * Elizabeth Morgan | | |
| * Sheila Capstick | | |
| * Dorothy Blair | | 12/07/2022 |
| * Thomas Robinson | | 22/08/2022 |
| * Darren Mitchell-Whiteside | 21/09/2021 | 19/10/2022 |
| Charlotte Lorna Robson-Peall | 15/12/2021 | 23/08/2022 |
| Elliot John Patrick Hartley | 29/03/2022 | |
| Sarah Ruth Anderson | 26/09/2022 | |
| Maria Virginie Duckham | 26/09/2022 | |
| Jacqueline Frances Slevin | 26/09/2022 | |
| * Members of the Finance, Buildings & Resource Committee | | |

SETTLEBECK SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2022

| | | |
|--------------------------------|---|------------|
| Company Secretary | Karen Little | 31/12/2021 |
| Senior Leadership Team: | | |
| Headteacher | Sarah Campbell | |
| Deputy Headteacher | Anna Berry | 31/08/2022 |
| Deputy Headteacher | Sarah Jayne Hunter | 01/09/2022 |
| Assistant Headteacher | Sally Ingham | |
| Independent Auditor | Saint & Co Chartered Accountants The Old Police Station Church Street Ambleside Cumbria LA22 0BT | |
| Bankers | Lloyds Bank plc 11 Finkle Street Kendal Cumbria LA9 4AG | |
| Solicitors | Burnetts 6 Victoria Place Carlisle Cumbria CA1 1ES | |

SETTLEBECK SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2022

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

Settlebeck school is a mixed, converter academy school for pupils aged 11 to 16, serving a catchment area in Sedbergh and the surrounding area. It has a pupil capacity of 220 and had a roll of 208 in the school census on 06 October 2022.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustee's Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

- The members may appoint up to 6 trustees
- A minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.
- Up to 1 LA trustee
- The total number of Trustees including the Accounting Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.
- Providing that the Accounting Officer agrees so to act, the Members may by ordinary resolution appoint the Accounting Officer as a Trustee.
- Any trustee elected by the Secretary of State for Education.
- The Trustees may appoint up to 3 Co-opted Trustees.

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

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

The term of office for all trustees, except the Accounting Officer, is four years. The Accounting Officer's term of office runs parallel with their contract of employment. The trustees who were in office at 31st August 2022 who served throughout the period, except where shown, are listed on page 1.

SETTLEBECK SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2022

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

The training and induction provided for new Trustees is specifically tailored to the needs of the individual and their existing experience. Settlebeck School Academy Trust recognises that new trustees do not necessarily have a background in education and/or a thorough understanding of the school. To ensure they receive the necessary support to undertake their duties, the induction process is tailored to the needs of the individual and includes;

- A preliminary informal meeting with the Chair of Governors to ensure they understand their general responsibilities and time commitment.
- An induction meeting with the Chair of Governors which includes a tour of the school.
- Regular training on developments in Governance issues.
- Annual training related to each of the trustee's specific needs.

Organisational Structure

The trustees are responsible for the general control and management of the administration of the trust in accordance with the provisions set out in the Memorandum and Articles of Association. The trustees are accountable for the performance of Settlebeck School Academy Trust and as such must;

- Ensure clarity of vision, ethos and strategic direction.
- Hold the Academy Headteacher to account for the educational performance of its pupils, and the performance management of staff.
- Oversee the financial performance of the academy and ensure that monies are well spent and within agreed spending levels.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust board holds responsibility for setting the pay and remuneration of the academy's key management personnel in accordance with the Pay Policy for Teachers based on the format of the DFE's model policy and the NJC terms and conditions for support staff. Pay progression is based on an annual cycle running from the 1st September to 31st August and is determined by the achievement of pre-determined performance objectives. Responsibility for the appraisal process has been delegated to the Headteacher's Pay Review Committee, supported by an officer from South Lakes Federation, and the Pay and Personnel Committee (both sub committees of the Trust Board).

SETTLEBECK SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2022

Trade union facility time

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 1 | 1.8 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 0 |
| 1% - 50% | 2 |
| 51% - 99% | 0 |
| 100% | 0 |

Percentage of pay bill spent on facility time

| | |
|--|------------|
| Total cost of facility time | £1,320 |
| Total pay bill | £1,410,399 |
| % of total pay bill spent on facility time | 0.094% |

Paid trade union activities

There was no paid union activity during the period

Related Parties and other Connected Charities and Organisations

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

Objectives and Activities

Objects and Aims

The main objects of the academy trust are:

- The academy trust's object is specifically restricted to the provision to advance, for the public benefit, education by establishing, maintaining, managing and developing the school and by promoting a broad and balanced curriculum.
- The academy trust's principle objective and activity of the academy trust is the education of students between the ages of 11 to 16.

Objectives, Strategies and Activities

Settlebeck School is a friendly, vibrant and ambitious school, where every member of its community is valued as an individual. We are committed to making the difference for all our young people. We aim to ensure our students are fully equipped with the skills, knowledge, qualifications and values to enable them to lead fulfilling adult lives, be active members of society and succeed in the career of their choosing.

Academic standards are our priority and we believe that exceptional results are a product of high quality teaching, outstanding pastoral care and support. The 'family' feel of our small academy offers security and a supportive environment in which children thrive.

SETTLEBECK SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2022

Objectives, Strategies and Activities (continued)

The main objectives for the academy during the year ending 31st August 2022 are summarised below:

- That all school business was conducted to the highest possible standards with integrity and transparency.
- To comply with all statutory legislation and curriculum requirements
- To promote the school's values of respect, responsibility and aspiration
- To ensure that every student achieves the best they possibly can
- Ensure that all students have access to a high quality education regardless of background, ability or additional need.
- Raise standards of achievement for all
- Continue to improve the school's effectiveness by continued focus on self-improvement
- Continue to seek ways of reducing the demand on the school budget by undertaking careful analysis of the potential for all cost centres to make savings and implementing best value and value for money strategies.
- To be committed to collaboration with the schools within the South Lakes Federation and others outside the partnership.

Public Benefit

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

Strategic Report

Achievements and Performance

Settlebeck School is in its eleventh year of operation, changing to academy status in 2011. Numbers on roll have increased from 197 to 201 over this period. The school has an Ofsted 'good' rating

In summer 2022, students achieved a P8 scores of +0.01. 70% of students achieved a standard pass in English and Maths. 40% of students achieved a good pass in English and Maths. Progress in Maths was +0.14 and in English -0.15.

96% of students progressed to the education, employment or training. 1 student is categorised as NEETS.

SETTLEBECK SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2022

Key Financial Performance Indicators

Settlebeck School

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

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|----------------|-------|-------|-------|-------|-------|
| Teaching staff | 55.1% | 57.8% | 62.6% | 60.4% | 65.1% |
| Support staff | 13.9% | 13.2% | 13.9% | 14.2% | 16.9% |
| Total | 69.0% | 71.0% | 76.5% | 74.6% | 82.0% |

Teaching Staff

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------------------|------|------|------|------|------|
| Pupils on roll | 196 | 196 | 199 | 197 | 185 |
| Full time equivalents teachers | 15 | 15 | 15 | 16 | 16 |
| Pupil teacher ratio | 13.1 | 13.1 | 13.3 | 12.3 | 11.6 |

Going Concern

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

Financial Review

Settlebeck School Academy Trust's financial statements are for the year ended 31 August 2022.

The Covid-19 pandemic has had a significant effect on the Trust's ability to generate additional income streams, particularly from its catering provision, school lettings, fundraising and home to school transport arrangements. However, the outturn for the year is significantly better than budget as losses were mitigated by additional grant funding received as part of the government's support package for educational catch up and employer costs.

The Academy Trust ends the year in a very strong financial position based on an increase in the net current assets to £906,267 (2021: £692,517). Trustees are mindful of the impact of the increasing pension fund deficit on future employer costs.

The majority of the academy's income is obtained from the Educational and Skills Funding Agency (ESFA) in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the related expenditure are shown as restricted funds in the statement of financial activities.

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

During the period ended 31 August 2022, total general expenditure of £1,941,968 was covered by recurrent grant funding from the DfE together with other incoming resources. The general income was £98,419 more than expenditure for the year.

At 31 August 2022 the net book value of fixed assets was £1,317,937 and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

SETTLEBECK SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2022

Financial Review (Continued)

COVID - 19 impact

Throughout the academic year 2021-22 the academy continued to be impacted by COVID-19. Despite the upheaval caused by the pandemic, prudent spending and additional grant funding has resulted in an end of year surplus and very healthy reserves. Refurbishment work to the Food Technology Room and Science Laboratory planned for 2020-21 was completed over the summer break.

Education support grants received from the Education and Skills Funding Agency were used to support student catch up sessions.

Despite the challenges faced during this academic year the trust remains a going concern.

Reserves Policy

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

The general unrestricted fund balance at the year end was £41,698 (2021: £40,928). The trustees believe that this level of reserves is required to support the running of the school during the demographic dip.

The GAG fund balance at the year end was £536,272 (2021: £428,758).

The Trust aspires to hold reserves in the region of one month of annual expenditure to ensure it is able to produce a three year balanced budget, support a staffing model commensurate with curriculum requirements and maintain the Trust as a going concern in the event of unforeseen events, such as a pandemic. Trustees acknowledge that although the reserves level of £577,970 held at 31st August 2022 exceeds their expectations, this provides the security required to continue to improve the learning environment and invest in high quality teaching and learning.

Funds in Deficit

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

Principal Funding Sources

The main sources of income for the year were: The ESFA and the local authority.

Investment Policy

The financial position is constantly reviewed by the Finance, Buildings and Resource Committee together with the Headteacher. The main source of funding is from the GAG provided by the ESFA and the majority of expenditure has been on supporting the pupils of Settlebeck School through providing good teachers and equipment to help them in their studies. Settlebeck School aims to keep reserves as high as possible to secure the future of the academy and ensure pupils receive a high quality education in a small and friendly school. The school intends to invest the high level of unrestricted reserves in improving the learning environment and will seek to secure a higher level of interest on funds.

SETTLEBECK SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2022

Principal Risks and Uncertainties

Financial risks and uncertainties are magnified by the size of our small Academy where a change in roll of only a few pupils can make a large change to the balance sheet especially if those pupils carry extra costs or grants. Government grants and policies often change at quite short notice, and this can affect budgeting considerably eg the GAG and pupil premium. Currently changes in the funding formula have been proposed but the outcome is not yet clear and may influence rural schools adversely. The new formula has been postponed to 2018. In general a falling population within the Academy's catchment also requires a significant input to marketing to maintain our school roll.

Financial and Risk Management Objectives and Policies

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

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more details in the statement on internal control.

Fundraising

The academy does not engage with professional fundraisers to undertake any fundraising activities on its behalf. The academy from time to time carries out minor level fundraising activities to raise funds for the academy whereby students seek voluntary donations from parents and the local community.

Plans for Future Periods

- Continue to develop quality first teaching through investing in personal professional development for staff, engaging with research, evidence-informed strategies and collaboration.
- Continue to develop a coherent, well-sequenced knowledge rich curriculum which aligns with the school values of respect, responsibility and aspiration, and which encourages our pupils to celebrate and value difference.
- Continue to focus on improving attendance
- Develop and implement a whole school literacy strategy which focuses on reading and vocabulary.
- Ensure that those with SEND have equitable access to the curriculum, appropriate qualifications and high quality first teaching.
- Review the curriculum model to ensure that it is 'value for money' and provides pupils with the best opportunities to progress.
- Continue to develop collaborative links with others schools to share good practice.
- Reduce the number of suspensions by focusing on early intervention.

SETTLEBECK SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2022

Auditor

In so far as the trustees are aware:

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

Saint & Co Chartered Accountants were formally reappointed at the Multi Academy Trust's AGM held on 12 December 2022.

The Trustees' report, incorporating a strategic report, was approved by order of the members of the board of trustees on 12 December 2022 and signed on its behalf by:



Peter Irvine
Chair of Academy Trustees

SETTLEBECK SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2022

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Settlebeck School Academy Trust and the Secretary of State for Education.

The Accounting Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year 2021/22. Out of necessity due to Covid-19 restrictions, some meetings have been virtual. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings Attended | Out of a Possible |
|---------------------------|-------------------|-------------------|
| Peter Irvine | 4 | 4 |
| Sarah Campbell | 4 | 4 |
| Catharine Driver | 1 | 1 |
| Sarah Evans | 3 | 3 |
| Laura Reeves | 1 | 3 |
| Elizabeth Morgan | 4 | 4 |
| Sheila Capstick | 4 | 4 |
| Dorothy Blair | 4 | 4 |
| Thomas Robinson | 3 | 4 |
| Darren Mitchell-Whiteside | 3 | 4 |
| Charlotte Robson-Peal | 2 | 2 |
| Elliot Hartley | 1 | 2 |

Governance Review

The key changes in the composition of the board of trustees

Resignations:

- Dorothy Blair on 12/07/2022
- Catharine Driver on 22/11/2021
- Sarah Evans on 23/06/2022 (Staff Governor)
- Darren Mitchell-Whiteside on 19/10/2022 (Parent Governor)
- Laura Reeves on 29/03/2022 (Parent Governor)
- Thomas Robinson on 22/08/2022
- Charlotte Robson-Peal on 23/08/2022

SETTLEBECK SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2022

Appointments

- Darren Mitchell-Whiteside on 21/09/2021
- Charlotte Robson-Peall on 15/09/2021
- Elliot Hartley on 29/03/2022

Governance Review (continued)

Coverage of work

In accordance with Department for Education's requirements for all Trust Boards, the three strategic functions of the Settlebeck School Academy Trust board are:

- ensuring clarity of vision, ethos, and strategic direction
- holding the Academy Headteacher and school leadership to account for the educational performance of its pupils and the performance management of all members of staff
- overseeing the financial performance of the school and making sure its money is well spent and within the agreed spending levels and the academy business is always 'value for money'

The Board usually meets each term, but with an additional meeting at the beginning of the Autumn Term to deal with the formalities required each year (e.g., appointments to committees). The Board has established four committees. These are; Finance Buildings and Resources (including Audit and Risk), Curriculum and Progress, Health and Safety and Pay and Appraisal Committees. Each committee normally meets once a term and consists of trustees appointed by the Board. Each committee has delegated authority to deal with matters within its terms of reference, but the Board can review and comment on those decisions. The board meets on a regular basis to support the life and work of the school, taking information from the sub-committees who have clearly defined delegated powers, and reviewing the work undertaken by them on the board's behalf. As well as complying with their defined role, trustees have acted effectively both corporately and individually to monitor, challenge and support the school.

Boards performance/effectiveness and challenges

The Board has discharged its responsibilities, through board meetings and sub-committee meetings, to monitor and challenge the functions of the school and particularly its leadership. Resignations of trustees during the year have occurred, however, new trustees have taken up post and we are continually seeking additions with the skill sets necessary to continue the board development. The Board of Trustees ensure members of the board, fully question and challenge data and finances, seek clarification where necessary and look at issues with insight and perception.

Oversight of management accounts by the Trust Board and Finance, Building and Resources Committee, ensure that trustees offer the level of scrutiny necessary. The efforts and controls implemented throughout the year by our Chief Financial and Accounting Officers have proved to be successful, as evidenced in the positive financial outturn.

The Trust Board will continue to develop strategically and work towards the longer-term plan of the Academy, to closely monitor the Academy's financial status and work closely with the Accounting Officer and Chief Financial Officer.

The Trust Board also considered future funding forecasts and agreed the school budget for 2022/23, and will ensure that the financial strategy is integrated with the school's strategy for raising standards and attainment.

SETTLEBECK SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2022

Governance Review *(continued)*

Quality of Data made available

Trustees receive detailed management accounts and have the opportunity to challenge and seek further clarification over spending at each board meeting and sub-committee meeting. Accounts are presented in an accessible format, allowing trustees the level of scrutiny required.

Conflicts of interest

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

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

Meetings

To ensure trustees and senior leaders maintain robust oversight of the academy trust, and take full responsibility for its financial affairs, stewardship of assets and use of resources efficiently to maximise outcomes for students, the Trust Board sets an annual calendar of meetings. During the 2021/22 financial year the Trust Board met a total of 4 times during the year and the Finance, Buildings & Resources Committee met 4 times.

The Finance, Buildings & Resource Committee is a sub-committee of the Trust Board. Its purpose is to provide assurance over the suitability of, and competence with its financial and non-financial systems, operational controls and personnel to ensure that risks are identified and managed. Through robust governance arrangements the Trust seeks to maximise outcomes for pupils through the effective use of resources. During the year Elizabeth Morgan, a lawyer, and Thomas Robinson, an economics and business teacher, joined the committee. Attendance at meetings during the year was as follows:

| Trustee | Meetings Attended | Out of a Possible |
|---------------------------|-------------------|-------------------|
| Sarah Campbell | 4 | 4 |
| Laura Reeves | 0 | 3 |
| Peter Irvine | 4 | 4 |
| Catharine Driver | 1 | 1 |
| Elizabeth Morgan | 4 | 4 |
| Tom Robinson | 2 | 4 |
| Darren Mitchell-Whiteside | 4 | 4 |
| Sheila Capstick | 3 | 4 |
| Dorothy Blair | 3 | 4 |

Due to the size of the academy trust, the audit and risk management functions are included within the terms of reference for the Finance, Buildings & Resource Committee. The remit of the committee is to direct the trust's programme of internal scrutiny, ensure risks are being addressed appropriately, and to report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risk. To comply with the requirements in the Academy Trust Handbook, the work of the committee related to audit and risk is chaired separately to avoid conflict with the role of chair of the trust board, and employees are not able to participate as members when audit matters are discussed.

GOVERNANCE STATEMENT

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2022

Governance Review *(continued)*

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Regularly reviewing the staffing structure
- Collaboration with the South Lakes Federation and the Cumbrian Association of System Leaders
- Using a number of approved suppliers in order to obtain the best price
- Obtaining several quotations for utility contracts and comparing contract lengths in order to secure the best deals.

The Trust has continued to offer support to suppliers during the pandemic, where possible, in order to ensure continuity of service after periods of extended lockdown. However, most provision has run smoothly without disruption. The exception has been our in-house catering provision which provided a limited service until it was able to be fully re-opened safely. This adversely impacted on our ability to deliver value for money.

COVID - 19 impact

The Trust Board and its sub-committees have continued to meet virtually during the Covid-19 pandemic, where necessary. There has been an increased number of meetings to ensure the Board has been able to fully discharge its core governance responsibilities. Internal audits, for example, have still taken place in school as opposed to virtually with reports provided for Trust Board review and discussion. Management accounts have been produced and reviewed monthly and the risk registers have also continued to be updated and regularly reviewed. Balancing the focus on health and safety matters with continuing school improvement has been a challenge, however this has been a challenge to which all trustees have risen.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Settlebeck School Academy Trust for the period 01 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

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

Capacity to Handle Risk

The trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

SETTLEBECK SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2022

The Risk and Control Framework

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

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

Internal Scrutiny

The board of trustees are aware of the revised FRC Ethical Standard for auditors which states that a firm providing external audit to an entity shall not also provide internal audit services to it. They have therefore considered the need for a specific internal audit function and appointed an internal auditor to scrutinise and report on the systems of financial control for the year ended 31 August 2022.

In addition, internal scrutiny of risk management and non-financial controls was delivered via a peer review by the chief financial officer from another academy trust. The Trust appointed Sally McAllister, Chief Financial Officer of Kirkby Stephen Academy Trust to conduct the review, based on her independence from the Trust and experience.

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

- testing of payroll systems;
- testing of purchases systems;
- testing of bank reconciliations

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

The board of trustees confirm that the auditor has worked with the Trust to deliver their schedule of work despite the issues arising from the Covid-19 pandemic.

The Finance, Building & Resources Committee, with delegated responsibility for audit and risk, oversee and approve the Academy's programme of internal scrutiny. The Committee scrutinised the adequacy of the Academy's internal control framework, which includes financial and non-financial controls and management of risks.

The Risk Management report and analysis is submitted to the board and the Finance, Buildings & Resource Committee at each of their termly meetings, coupled with this, reviews of systems in place for varying control measures are where necessary implemented, to satisfy the needs of the school operation and fiscal controls and to ensure that we can where it is practicable and manageable, mitigate the liability of the potential unforeseen circumstance that may occur in future months, not exclusively, but especially surrounding the Covid-19 situation.

SETTLEBECK SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2022

Throughout the year at both board and the Curriculum and Progress Committee meetings comprehensive reporting has been provided so that the necessary challenge and support can be made by trustees towards assisting the headteacher and senior leadership team and in providing the necessary resources to where required ensuring pupil learning experience is at a point that is expected. The wellbeing of staff and pupils across the whole school is also considered by the board to be of paramount importance.

School has throughout the year continued to provide additional educational resources to all pupils where necessary to assist them in the continued reconnection with their education development after the impact of Covid 19.

Review of Effectiveness

As accounting officer, the Head has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

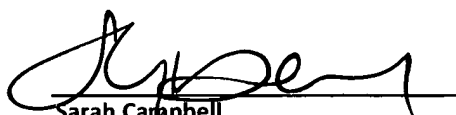
- The work of the peer reviewer and subsequent reports on risk management and non-financial controls
- The work of the internal auditor and subsequent reports on financial controls
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 12 December 2022 and signed on its behalf by:



Peter Irvine
Chair of Academy Trustees



Sarah Campbell
Accounting Officer

SETTLEBECK SCHOOL ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

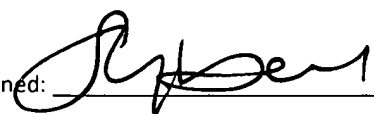
YEAR ENDED 31 AUGUST 2022

As accounting officer of Settlebeck School Academy Trust I have considered my responsibility to notify the Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 2021.

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 2021.

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

Signed: _____



Sarah Campbell
(Accounting Officer)

12 Dec 2021 Date

SETTLEBECK SCHOOL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Peter Irvine
Chair of Academy Trustees

12.12.22.

Date

SETTLEBECK SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SETTLEBECK SCHOOL ACADEMY TRUST

YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of Settlebeck School Academy Trust for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

SETTLEBECK SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SETTLEBECK SCHOOL ACADEMY TRUST *(continued)*

YEAR ENDED 31 AUGUST 2022

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SETTLEBECK SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SETTLEBECK SCHOOL ACADEMY TRUST (continued)

YEAR ENDED 31 AUGUST 2022

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of Independent Auditors.

SETTLEBECK SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SETTLEBECK SCHOOL ACADEMY TRUST (continued)

YEAR ENDED 31 AUGUST 2022

Use of our report

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



Darren Little (Senior Statutory Auditor)

For and on behalf of

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

12 December 2022 Date

SETTLEBECK SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SETTLEBECK SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 21 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Settlebeck School Academy Trust during the period 01 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective Responsibilities of the Settlebeck School Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of the Settlebeck School Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

SETTLEBECK SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SETTLEBECK SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY


YEAR ENDED 31 AUGUST 2022

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

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



Darren Little (Senior Statutory Auditor)

For and on behalf of

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

12 December 2022 Date

SETTLEBECK SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 AUGUST 2022

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|--|-------|----------------------------|-------------------------------------|---|---------------------------------|---------------------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | - | 32,149 | 133,079 | 165,228 | 233,738 |
| <i>Charitable activities :</i> | | | | | | |
| - Funding for the academy trust's educational operations | 3 | 47,516 | 1,914,412 | - | 1,961,928 | 1,903,576 |
| Other trading activities | 4 | 45,704 | 510 | - | 46,214 | 38,807 |
| Investment income | 5 | 96 | - | - | 96 | 18 |
| Total | | 93,316 | 1,947,071 | 133,079 | 2,173,466 | 2,176,139 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 45,704 | - | - | 45,704 | 38,807 |
| <i>Charitable activities :</i> | | | | | | |
| - Academy trust educational operations | 8 | 57,543 | 1,838,721 | 147,357 | 2,043,621 | 2,139,485 |
| Total | 6 | 103,247 | 1,838,721 | 147,357 | 2,089,325 | 2,178,292 |
| Net income / (expenditure) before transfers | | | | | | |
| | | (9,931) | 108,350 | (14,278) | 84,141 | (2,153) |
| Transfers between funds | 10 | 10,701 | (79,386) | 68,685 | - | - |
| Net Income/(expenditure) for the year | | 770 | 28,964 | 54,407 | 84,141 | (2,153) |
| Other recognised gains / (losses) | | | | | | |
| Actuarial (losses) gains on defined benefit pension scheme | 16/20 | - | 966,000 | - | 966,000 | (85,000) |
| Net movement in funds | | 770 | 994,964 | 54,407 | 1,050,141 | (87,153) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward at 01 September 20 | | 40,928 | (669,160) | 1,443,331 | 815,099 | 902,252 |
| Total funds carried forward at 31 August 2021 | | 41,698 | 325,804 | 1,497,738 | 1,865,240 | 815,099 |

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

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

SETTLEBECK SCHOOL ACADEMY TRUST

BALANCE SHEET

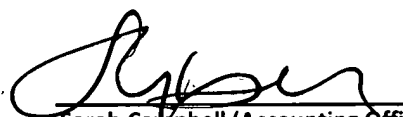
31 AUGUST 2022

| | | 2022 | 2021 |
|--|------|------------------|--------------------|
| | Note | £ | £ |
| Fixed assets | | | |
| Tangible assets | 11 | 1,317,937 | 1,374,614 |
| Current assets | | | |
| Stock | 12 | 715 | 715 |
| Debtors | 13 | 179,188 | 136,042 |
| Cash at bank and in hand | | 995,823 | 725,359 |
| | | <u>1,175,726</u> | <u>862,116</u> |
| Liabilities | | | |
| Creditors: amount falling due within one year | 14 | <u>(269,459)</u> | <u>(169,599)</u> |
| Net current assets | | <u>906,267</u> | <u>692,517</u> |
| Total Assets less current liabilities | | <u>2,224,204</u> | <u>2,067,131</u> |
| Creditors: amount falling due after more than one year | 15 | (68,964) | (81,032) |
| Net assets excluding pension liability | | <u>2,155,240</u> | <u>1,986,099</u> |
| Defined benefit pension scheme liability | 20 | <u>(290,000)</u> | <u>(1,171,000)</u> |
| Total Net Assets | | <u>1,865,240</u> | <u>815,099</u> |
| Funds of the academy trust : | | | |
| Restricted funds | | | |
| Fixed asset funds | 16 | 1,497,738 | 1,443,331 |
| General funds | 16 | 615,804 | 501,840 |
| Pension reserve | 16 | <u>(290,000)</u> | <u>(1,171,000)</u> |
| Total restricted funds | 16 | 1,823,542 | 774,171 |
| Unrestricted income funds | | | |
| General funds | 16 | <u>41,698</u> | <u>40,928</u> |
| Total unrestricted funds | | <u>41,698</u> | <u>40,928</u> |
| Total funds | | <u>1,865,240</u> | <u>815,099</u> |

The financial statements were approved by the governors, and authorised for issue on 12 December 2022 and signed on their behalf by:



Peter Irvine (Chair of Trustees)



Sarah Campbell (Accounting Officer)

Company Registration Number: 07693715

SETTLEBECK SCHOOL ACADEMY TRUST

STATEMENT OF CASHFLOWS

YEAR ENDED 31 AUGUST 2022

| | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ | | | |
|--|---------------------------------|---------------------------------|----------------------|-----------------------|------------------|
| Reconciliation of net income / (expenditure) to net cashflow from operating activities | | | | | |
| Net income / (expenditure) for the reporting period (as per the statement of financial activities) | 84,141 | (2,153) | | | |
| Adjusted for: | | | | | |
| Interest receivable | (96) | (18) | | | |
| Loss on disposal of fixed assets | - | - | | | |
| Depreciation | 71,417 | 66,504 | | | |
| Capital grants from DfE/ESFA | (133,079) | (228,908) | | | |
| Other capital funding received | (32,149) | (4,830) | | | |
| Decrease/(increase) in stocks | - | (500) | | | |
| Decrease/(increase) in debtors | (43,146) | 548,099 | | | |
| Increase/(decrease) in creditors | 99,860 | (267,972) | | | |
| Increase/(decrease) in creditors over one year | (12,068) | 24,901 | | | |
| Decrease/(increase) in Salix loans included in above | 4,689 | (24,901) | | | |
| Defined benefit pension scheme costs less contributions payable. | 64,000 | 43,000 | | | |
| Defined benefit pension scheme net finance costs | 21,000 | 20,000 | | | |
| Net cash provided by / (used in) operating activities | 124,569 | 173,222 | | | |
| Cashflows from investing activities | | | | | |
| Receipts from sale of tangible fixed assets | - | - | | | |
| Payments to acquire tangible fixed assets | (14,740) | (4,785) | | | |
| Other capital funding received | 32,149 | 4,830 | | | |
| Capital grants from DfE/ESFA | 133,079 | 228,908 | | | |
| Interest received | 96 | 18 | | | |
| Net cash provided by / (used in) investing activities | 150,584 | 228,971 | | | |
| Cashflows from financing activities | | | | | |
| Receipts from Salix loans | - | 25,901 | | | |
| Repayments made on Salix loans | (4,689) | (1,000) | | | |
| Net cash provided by / (used in) financing activities | (4,689) | 24,901 | | | |
| Increase / (Decrease) in cash in the year | 270,464 | 427,094 | | | |
| Reconciliation of net cash flow to movement in net funds | | | | | |
| Increase/(decrease) in cash in the period | 270,464 | 427,094 | | | |
| Cash and cash equivalents at 1 September 2020 | 725,359 | 298,265 | | | |
| Cash and cash equivalents at 31 August 2021 | 995,823 | 725,359 | | | |
| Analysis of cash and cash equivalents | 1 Sep 2021 | Cash flows | 31 Aug 2022 | | |
| | £ | £ | £ | | |
| Cash in hand and at bank | 725,359 | 270,464 | 995,823 | | |
| Total cash and cash equivalents | 725,359 | 270,464 | 995,823 | | |
| Analysis of changes in net debt | 1 Sep 21 | Cash flows | New agreement | Other non-cash | 31 Aug 22 |
| | £ | £ | £ | £ | £ |
| Cash | 725,359 | 270,464 | - | - | 995,823 |
| Loans falling due within one year | (1,000) | 4,689 | - | (12,068) | (8,379) |
| Loans falling due after more than a year | (81,032) | - | - | 12,068 | (68,964) |
| Finance lease obligations | - | - | - | - | - |
| Total | 643,327 | 275,153 | - | - | 918,480 |

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. Statement of Accounting Policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

Going concern

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

Incoming resources

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

Grants receivable

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

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

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

Donations

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

Other income

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

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. Statement of Accounting Policies (*Continued*)

Donated goods, facilities and services

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

Donated fixed assets

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

Deferred income

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

Expenditure

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

Expenditure on Raising Funds

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

Charitable activities

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

All resources expended are exclusive of irrecoverable VAT.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. Statement of Accounting Policies (*Continued*)

Tangible fixed assets

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

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

Single assets costing less than £1,000 or similar groups of assets purchased or ordered together of less than £1,000 are written off in the year of purchase.

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

Depreciation

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

| | |
|-------------------------|---|
| Freehold buildings | - straight line over the estimated economic life (23 to 50 years) |
| Plant and machinery | - straight line over the estimated economic life (15 years) |
| Furniture and equipment | - 10% straight line |
| ICT equipment | - 33% straight line |
| Motor vehicles | - 20% straight line |

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

No depreciation is provided on freehold land.

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

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

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

Liabilities

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

Public Benefit Entity Concessionary Loans

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

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. Prepayments are not financial instruments.

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

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

Stock

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

Taxation

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

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

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. Statement of Accounting Policies (*Continued*)

Pensions Benefits

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

Teachers' Pension Scheme

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

Local Government Pension Scheme

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

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

Fund accounting

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

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

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

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

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

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. Statement of Accounting Policies (*Continued*)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates, assumptions and judgements

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in notes, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

2. Donations and capital grants

| | Unrestricted Funds £ | Restricted Funds £ | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|--------------------|----------------------------|--------------------------|---------------------------------|---------------------------------|
| EFA Capital grants | - | 133,079 | 133,079 | 228,908 |
| Other donations | - | 32,149 | 32,149 | 4,830 |
| | - | 165,228 | 165,228 | 233,738 |
| 2021 total | - | 233,738 | 233,738 | |

3. Funding for Academy's educational operations

| | Unrestricted Funds £ | Restricted Funds £ | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|--|----------------------------|--------------------------|---------------------------------|---------------------------------|
| DfE / ESFA grants | | | | |
| General Annual Grant (GAG) | - | 1,392,119 | 1,392,119 | 1,324,519 |
| Other DfE / ESFA grants | | | | |
| Pupil Premium | - | 29,801 | 29,801 | 26,591 |
| Teachers pay grant | - | - | - | 13,600 |
| Teachers pension grant | - | - | - | 45,474 |
| Schools supplementary grant | - | 14,754 | 14,754 | - |
| Other DfE / ESFA grants | - | 9,341 | 9,341 | 11,291 |
| Other Government grants | | | | |
| Local Authority Funded Statements | - | 370,952 | 370,952 | 360,436 |
| Other Local Authority Grants | - | 13,436 | 13,436 | 8,890 |
| Exceptional government funding | | | | |
| COVID-19 additional funding (ESFA/DfE) | | | | |
| Catchup premium | - | - | - | 17,040 |
| National tutoring programme | - | 4,376 | 4,376 | - |
| Recovery premium grant | - | 6,000 | 6,000 | - |
| Coronavirus exceptional support | - | - | - | - |
| COVID-19 additional funding (non - ESFA/DfE) | | | | |
| Mass testing funding | - | 17,247 | 17,247 | 19,140 |
| Coronavirus Job Retention Scheme grant | - | - | - | 5,195 |
| School Fund Income | - | 23,920 | 23,920 | 25,640 |
| Catering | 45,522 | - | 45,522 | 27,239 |
| Other Educational Operations | | | | |
| Educational Activities and Visits | - | 14,535 | 14,535 | 1,337 |
| Other | 1,994 | 17,931 | 19,925 | 17,184 |
| | 47,516 | 1,914,412 | 1,961,928 | 1,903,576 |
| 2021 total | 28,430 | 1,875,146 | 1,903,576 | |

Exceptional government funding

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

The academy received £17,247 of funding for the mass testing of staff and students and costs incurred in respect of this funding are shown in the funds note.

The academy has claimed £4,376 in respect of the national tutoring programme. This has been used to cover staffing costs.

The academy received £6,000 in respect of the Recovery Premium Grant. This has been used to cover staffing costs.

SETTLEBECK SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2022

4. Other trading activities

| | Unrestricted Funds £ | Restricted Funds £ | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|--|----------------------------|--------------------------|---------------------------------|---------------------------------|
| Hire of facilities and utility recharges | 23,506 | - | 23,506 | 21,902 |
| Service Provision | 22,198 | - | 22,198 | 16,905 |
| RPA insurance claims | - | 510 | 510 | - |
| | <u>45,704</u> | <u>510</u> | <u>46,214</u> | <u>38,807</u> |
| 2021 total | <u>38,807</u> | <u>-</u> | <u>38,807</u> | |

5. Investment Income

| | Unrestricted Funds £ | Restricted Funds £ | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|--------------------------|----------------------------|--------------------------|---------------------------------|---------------------------------|
| Bank Interest Receivable | 96 | - | 96 | 18 |
| | <u>96</u> | <u>-</u> | <u>96</u> | <u>18</u> |
| 2021 total | <u>18</u> | <u>-</u> | <u>18</u> | |

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

6. Expenditure

| | Staff Costs £ | Non Pay Expenditure Premises £ | Other Costs £ | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|---|---------------------|--------------------------------------|------------------|---------------------------------|---------------------------------|
| Expenditure on raising funds | 14,612 | 23,506 | 7,586 | 45,704 | 38,807 |
| Academy's educational operations | | | | | |
| Direct costs | 1,122,351 | 31,741 | 68,258 | 1,222,350 | 1,197,827 |
| Allocated support costs | 273,436 | 297,418 | 221,147 | 792,001 | 938,976 |
| Educational activities and school fund costs | - | - | 29,270 | 29,270 | 2,682 |
| | 1,395,787 | 329,159 | 318,675 | 2,043,621 | 2,139,485 |
| | 1,410,399 | 352,665 | 326,261 | 2,089,325 | 2,178,292 |
| 2021 total | 1,384,861 | 223,547 | 569,884 | 2,178,292 | |

Incoming/outgoing resources for the period

| | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|-------------------------------------|---------------------------------|---------------------------------|
| This is stated after charging: | | |
| Depreciation | 71,417 | 66,504 |
| Loss on disposal of fixed assets | - | - |
| Operating leases | 1,880 | 5,187 |
| Fees payable to auditor | 6,570 | 6,520 |
| - audit of the financial statements | | |
| - other assurance services | 1,840 | 470 |
| - other services | - | - |
| | 81,707 | 78,681 |

7. Expenditure on raising funds

| | Unrestricted Funds £ | Restricted Funds £ | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|--|----------------------------|--------------------------|---------------------------------|---------------------------------|
| Teaching and educational support staff | 2,235 | - | 2,235 | 6,036 |
| Support staff costs | 12,377 | - | 12,377 | 6,738 |
| Maintenance of premises and equipment | - | - | - | - |
| Rent and rates | - | - | - | - |
| Heat and light | 23,506 | - | 23,506 | 21,902 |
| Catering | 7,586 | - | 7,586 | 4,131 |
| Printing, postage, stationery & photocopying | - | - | - | - |
| Advertising | - | - | - | - |
| Fund Raising Expenses | - | - | - | - |
| Other support costs | - | - | - | - |
| | 45,704 | - | 45,704 | 38,807 |
| 2021 total | 38,807 | - | 38,807 | |

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

8. Charitable Activities

| | Unrestricted Funds £ | Restricted Funds £ | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|--|----------------------------|--------------------------|---------------------------------|---------------------------------|
| Direct costs - educational operations | | | | |
| Teaching and educational support staff | - | 1,122,351 | 1,122,351 | 1,118,843 |
| Depreciation | - | 31,741 | 31,741 | 30,932 |
| Loss on disposal of fixed assets | - | - | - | - |
| Books, apparatus and stationery | - | 29,968 | 29,968 | 26,915 |
| Staff development | - | 16,946 | 16,946 | 7,180 |
| Examination fees | - | 21,344 | 21,344 | 13,957 |
| Educational consultancy | - | - | - | - |
| Other direct costs | - | - | - | - |
| | - | 1,222,350 | 1,222,350 | 1,197,827 |
| Allocated support costs - educational operations | | | | |
| Support staff costs | 30,718 | 239,748 | 270,466 | 250,352 |
| Depreciation | - | 39,676 | 39,676 | 35,572 |
| Loss on disposal of fixed assets | - | - | - | - |
| Recruitment and support | - | 1,533 | 1,533 | 2,688 |
| Maintenance of premises and equipment | - | 171,468 | 171,468 | 33,398 |
| Condition improvement fund expenditure | - | 68,717 | 68,717 | 375,413 |
| Legal and Professional | - | 38,317 | 38,317 | 34,639 |
| Cleaning | - | 3,190 | 3,190 | 6,166 |
| Rent and rates | - | 16,205 | 16,205 | 18,072 |
| Heat and light | - | 24,715 | 24,715 | 39,104 |
| Insurance | - | 3,847 | 3,847 | 3,762 |
| Transport | - | 30,220 | 30,220 | 23,414 |
| Catering | 25,505 | 2,834 | 28,339 | 16,351 |
| Printing, postage, stationery & photocopying | - | 1,000 | 1,000 | 1,000 |
| Advertising | - | 1,911 | 1,911 | 969 |
| Telephone | - | 2,983 | 2,983 | 2,924 |
| Bank charges | - | 402 | 402 | 327 |
| Technology and licence fee costs | - | 40,584 | 40,584 | 50,633 |
| Other support costs | 1,320 | 6,865 | 8,185 | 5,504 |
| | 57,543 | 694,215 | 751,758 | 900,288 |
| Educational activities and school fund costs | | | | |
| Educational activities | - | 14,535 | 14,535 | 1,337 |
| Educational activities staff costs | - | - | - | - |
| School Fund expenditure | - | 14,735 | 14,735 | 1,345 |
| | - | 29,270 | 29,270 | 2,682 |
| Support costs - governance | | | | |
| Professional fees | - | 1,348 | 1,348 | 1,326 |
| Legal fees | - | 5,000 | 5,000 | 5,900 |
| Support staff costs | - | 2,970 | 2,970 | 2,892 |
| Net finance costs in respect of defined benefit pension schemes | - | 21,000 | 21,000 | 20,000 |
| Audit fees | - | 6,570 | 6,570 | 6,520 |
| Accountancy and assurance fees | - | 3,355 | 3,355 | 2,050 |
| | - | 40,243 | 40,243 | 38,688 |
| Total direct and support costs | 57,543 | 1,986,078 | 2,043,621 | 2,139,485 |
| 2021 total | 48,329 | 2,091,156 | 2,139,485 | |

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

9. a. Staff costs

| | Year Ended 31 Aug 22 £ | Year Ended 31 Aug 21 £ |
|--|---------------------------------|---------------------------------|
| Staff costs during the period were: | | |
| Wages and salaries | 990,807 | 999,917 |
| Social security costs | 83,489 | 82,929 |
| Operating costs of defined benefit pension schemes | 299,609 | 280,545 |
| Apprentership levy | - | - |
| | <u>1,373,905</u> | <u>1,363,391</u> |
| Supply staff costs | 36,494 | 21,470 |
| Staff restructuring costs | - | - |
| | <u>1,410,399</u> | <u>1,384,861</u> |
| Staff restructuring costs comprise: | | |
| Redundancy payments | - | - |
| Severance payments | - | - |
| Other restructuring costs | - | - |
| | <u>-</u> | <u>-</u> |

b. Severance payments

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

| | 2022 No |
|---------------------|------------|
| 0 - £25,000 | - |
| £25,001 - £50,000 | - |
| £50,001 - £100,000 | - |
| £100,001 - £150,000 | - |
| £150,000+ | - |
| | <u>-</u> |

c. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £nil (2021: £nil). Individually, the payments were £nil (2021: £nil).

d. Staff numbers

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

| | 2022 No | 2021 No |
|----------------------------|------------|------------|
| Teachers | 17 | 17 |
| Administration and support | 25 | 23 |
| Management | 3 | 3 |
| | <u>45</u> | <u>43</u> |

e. Higher paid staff

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

| | 2022 No | 2021 No |
|-------------------|------------|------------|
| £60,001 - £70,000 | 0 | 1 |
| £70,001 - £80,000 | 1 | 0 |
| | <u>1</u> | <u>1</u> |

f. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £243,808 (2021: £194,951).

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

10. Fund Transfers

During the period the following transfers were made between funds:

Unrestricted funds

| | |
|---|--------|
| Transfer to unrestricted catering fund from the General Annual Grant restricted general fund to cover the overspend in the current period on the provision of catering to the academies pupils. | 10,701 |
|---|--------|

10,701

Restricted general funds

General Annual Grant

| | |
|--|----------|
| School contribution to CIF - flat roof project | (53,945) |
|--|----------|

| | |
|--|----------|
| Fixed assets used for charitable purposes - purchases from GAG | (14,740) |
|--|----------|

| | |
|---|----------|
| Transfer from the General Annual Grant restricted general fund to the unrestricted catering fund to cover the overspend in the current period on the provision of catering to the academies pupils. | (10,701) |
|---|----------|

(79,386)

(79,386)

Restricted fixed asset funds

| | |
|--|--------|
| Fixed assets used for charitable purposes - purchases from GAG | 14,740 |
|--|--------|

14,740

| | |
|---|--------|
| School contribution to CIF - security fencing project | 53,945 |
|---|--------|

68,685

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

11. Tangible Fixed Assets

| | Freehold Land & Buildings | Plant & Machinery | Furniture & Equipment | Motor Vehicles | ICT Equipment | Total |
|-------------------------|---------------------------------|----------------------|--------------------------|-------------------|------------------|------------------|
| Cost | £ | £ | £ | £ | £ | £ |
| As at 01 September 2021 | 1,627,464 | 408,597 | 30,765 | 7,500 | 52,239 | 2,126,565 |
| Additions | - | - | - | - | 14,740 | 14,740 |
| Disposals | - | - | - | - | - | - |
| As at 31 August 2022 | <u>1,627,464</u> | <u>408,597</u> | <u>30,765</u> | <u>7,500</u> | <u>66,979</u> | <u>2,141,305</u> |
| Depreciation | | | | | | |
| As at 01 September 2021 | 391,092 | 274,661 | 26,459 | 7,500 | 52,239 | 751,951 |
| Disposals | - | - | - | - | - | - |
| Charge in year | 38,786 | 27,239 | 479 | - | 4,913 | 71,417 |
| As at 31 August 2022 | <u>429,878</u> | <u>301,900</u> | <u>26,938</u> | <u>7,500</u> | <u>57,152</u> | <u>823,368</u> |
| Net book value | | | | | | |
| As at 31 August 2022 | <u>1,197,586</u> | <u>106,697</u> | <u>3,827</u> | <u>-</u> | <u>9,827</u> | <u>1,317,937</u> |
| As at 31 August 2021 | <u>1,236,372</u> | <u>133,936</u> | <u>4,306</u> | <u>-</u> | <u>-</u> | <u>1,374,614</u> |

Valuation Details

Included within freehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £4,302,142, £653,760 and £276,629 respectively on 19 July 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company.

The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £1,451,684 at the date of conversion and integral features and plant and machinery at a combined value of £408,597 at the date of conversion.

The freehold land was valued by the governors after obtaining the developed and undeveloped land acreage from Harrison Pitt Architects and then applying a market rate per acre each portion of the land.

Treatment of Condition Improvement Projects

During the year the academy completed an electrical re-wire phase 2 project and security fencing project. The academy also started a flat roofing project. All projects were funded by ESFA Condition Improvement Fund grants. The full cost of these projects have been treated as resources expended in the Statement of Financial Activities.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

| | | |
|--|----------------|----------------|
| 12. Stock | 2022 | 2021 |
| | £ | £ |
| Catering | 215 | 215 |
| Other | 500 | 500 |
| | <u>715</u> | <u>715</u> |
| 13. Debtors | 2022 | 2021 |
| | £ | £ |
| Trade debtors | 600 | 6,262 |
| Taxation and social security | - | 1,263 |
| VAT recoverable | 26,618 | 40,854 |
| Prepayments | 20,025 | 16,192 |
| Accrued income | 131,945 | 71,471 |
| Other debtors | - | - |
| | <u>179,188</u> | <u>136,042</u> |
| 14. Creditors: amounts falling due within one year | 2022 | 2021 |
| | £ | £ |
| Trade creditors | 97,540 | 44,952 |
| Taxation and social security | - | - |
| Sundry creditors | 69 | - |
| Accruals | 107,953 | 97,685 |
| Salix Loans | 8,379 | 1,000 |
| Deferred income | 55,518 | 25,962 |
| Pension scheme creditor | - | - |
| | <u>269,459</u> | <u>169,599</u> |
| Deferred income | 2022 | 2021 |
| | £ | £ |
| Deferred income at 01 September 2021 | 25,962 | 24,728 |
| Resources deferred in the year | 55,518 | 25,962 |
| Amounts released from previous years | (25,962) | (24,728) |
| Deferred income at 31 August 2022 | <u>55,518</u> | <u>25,962</u> |
| Deferred income comprises: | | |
| School income for future trips | 5,801 | 9,338 |
| Bus Passes for the next academic year | - | 1,441 |
| ESFA Rates Rebate | 4,749 | - |
| LA funded statements for September to March in the next financial year | 44,968 | 15,183 |
| | <u>55,518</u> | <u>25,962</u> |
| Included within creditors are Salix loans from the ESFA. | | |
| 15. Creditors: amounts falling due after more than one year | 2022 | 2021 |
| | £ | £ |
| Salix Loans | 68,964 | 81,032 |
| | <u>68,964</u> | <u>81,032</u> |

Salix loans are public benefit concessionary loans which are repayable over 8 years from commencement and are interest free.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

| 16. Funds | Balance at 01-Sep 2021 £ | Incoming resources £ | Resources expended £ | Gains, Losses and Transfers £ | Balance at 31-Aug 2022 £ |
|---|-----------------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| Restricted Fixed Asset Funds | | | | | |
| Fixed Assets used for | | | | | |
| Charitable purposes | 1,374,614 | - | (71,417) | 14,740 | 1,317,937 |
| ESFA formula capital fund | - | 7,223 | (7,223) | - | - |
| ESFA condition improvement fund | | | | | |
| Renewal of central heating | - | - | - | - | - |
| Flat Roofing | - | 125,856 | - | 53,945 | 179,801 |
| Electrical re-wiring (2) | 37,038 | - | (37,038) | - | - |
| Security fencing | 31,679 | - | (31,679) | - | - |
| | <u>1,443,331</u> | <u>133,079</u> | <u>(147,357)</u> | <u>68,685</u> | <u>1,497,738</u> |
| Restricted General Funds | | | | | |
| DfE / ESFA Revenue Grants | | | | | |
| General Annual Grant (GAG) | 428,758 | 1,392,119 | (1,205,219) | (79,386) | 536,272 |
| Pupil Premium | - | 29,801 | (29,801) | - | - |
| Teachers pay grant | - | - | - | - | - |
| Schools supplementary grant | - | 14,754 | (14,754) | - | - |
| Other DfE/ESFA Grants | - | 9,341 | (9,341) | - | - |
| Exceptional government funding | | | | | |
| Catch-up premium | 2,735 | - | (2,735) | - | - |
| National tutoring programme | - | 4,376 | (4,376) | - | - |
| Recovery premium grant | - | 6,000 | (6,000) | - | - |
| Mass testing fund | - | 17,247 | (17,247) | - | - |
| Other Government Grants | | | | | |
| Local Authority Funded Statements | - | 370,952 | (370,952) | - | - |
| Other Local Authority Grants | - | 13,436 | (13,436) | - | - |
| School Funds | 70,347 | 23,920 | (14,735) | - | 79,532 |
| Other Educational Operations | | | | | |
| Educational Activities and Visits | - | 14,535 | (14,535) | - | - |
| Other | - | 50,590 | (50,590) | - | - |
| | <u>501,840</u> | <u>1,947,071</u> | <u>(1,753,721)</u> | <u>(79,386)</u> | <u>615,804</u> |
| Restricted Pension Reserve Funds | | | | | |
| Pension reserve | (1,171,000) | - | (85,000) | 966,000 | (290,000) |
| Total Restricted Funds | <u>(669,160)</u> | <u>1,947,071</u> | <u>(1,838,721)</u> | <u>886,614</u> | <u>325,804</u> |
| Unrestricted Funds | | | | | |
| General Unrestricted Funds | 40,928 | 47,794 | (47,024) | - | 41,698 |
| Catering Fund | - | 45,522 | (56,223) | 10,701 | - |
| Total Unrestricted Funds | <u>40,928</u> | <u>93,316</u> | <u>(103,247)</u> | <u>10,701</u> | <u>41,698</u> |
| Total Funds | <u>815,099</u> | <u>2,173,466</u> | <u>(2,089,325)</u> | <u>966,000</u> | <u>1,865,240</u> |

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

16. Funds (*continued*)

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

General Annual Grant (GAG) fund

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

Pupil Premium

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

Teachers pay and pension grants

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

Catch up premium

This represents funding paid by the DfE to support pupils and disadvantaged young people catch up on missed education because of coronavirus (COVID-19)

LA Funded Statements

This represents funding paid by Cumbria County Council to support a continuum of provision for students with special educational needs (SEN), learning difficulties and disabilities.

School Funds

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

Educational Activities and visits

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

Catering

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

Defined benefit pension scheme fund

This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. For details of the deficit payment plan see the pensions note.

Fixed assets used for charitable purposes

This represents the value and movements on Tangible Fixed Assets note.

Funds in Deficit

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £25,300 for 2020/21, £25,900 in 2021/22 and £26,500 in 2022/23.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

16. Funds (continued)

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

| Funds | Balance at 01-Sep 2020 £ | Incoming resources £ | Resources expended £ | Gains, Losses and Transfers £ | Balance at 31-Aug 2021 £ |
|---|-----------------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| Restricted Fixed Asset Funds | | | | | |
| Fixed Assets used for | | | | | |
| Charitable purposes | 1,436,333 | - | (66,504) | 4,785 | 1,374,614 |
| ESFA formula capital fund | - | 7,324 | (7,324) | - | - |
| ESFA condition improvement fund | | | | | |
| Renewal of central heating | 137,195 | - | (137,195) | - | - |
| Electrical re-wiring | 52,795 | - | (52,795) | - | - |
| Roof refurbishment | 1,155 | - | (1,155) | - | - |
| Electrical re-wiring (2) | - | 174,079 | (162,942) | 25,901 | 37,038 |
| Security fencing | - | 47,505 | (21,326) | 5,500 | 31,679 |
| | <u>1,627,478</u> | <u>228,908</u> | <u>(449,241)</u> | <u>36,186</u> | <u>1,443,331</u> |
| Restricted General Funds | | | | | |
| DfE / ESFA Revenue Grants | | | | | |
| General Annual Grant (GAG) | 210,823 | 1,324,519 | (1,050,488) | (56,096) | 428,758 |
| Pupil Premium | - | 26,591 | (26,591) | - | - |
| Teachers pay grant | - | 13,600 | (13,600) | - | - |
| Teachers pension grant | - | 45,474 | (45,474) | - | - |
| Other DfE/ESFA Grants | - | 11,291 | (11,291) | - | - |
| Catch-up premium | - | 17,040 | (14,305) | - | 2,735 |
| Other Government Grants | | | | | |
| Local Authority Funded Statements | - | 360,436 | (360,436) | - | - |
| Other Local Authority Grants | - | 8,890 | (8,890) | - | - |
| Exceptional government funding | - | 24,335 | (24,335) | - | - |
| School Funds | 46,052 | 25,640 | (1,345) | - | 70,347 |
| Other Educational Operations | | | | | |
| Educational Activities and Visits | - | 1,337 | (1,337) | - | - |
| Other | - | 20,823 | (20,823) | - | - |
| | <u>256,875</u> | <u>1,879,976</u> | <u>(1,578,915)</u> | <u>(56,096)</u> | <u>501,840</u> |
| Restricted Pension Reserve Funds | | | | | |
| Pension reserve | (1,023,000) | - | (63,000) | (85,000) | (1,171,000) |
| Total Restricted Funds | <u>(766,125)</u> | <u>1,879,976</u> | <u>(1,641,915)</u> | <u>(141,096)</u> | <u>(669,160)</u> |
| Unrestricted Funds | | | | | |
| General Unrestricted Funds | 40,899 | 40,016 | (39,987) | - | 40,928 |
| Catering Fund | - | 27,239 | (47,149) | 19,910 | - |
| Total Unrestricted Funds | <u>40,899</u> | <u>67,255</u> | <u>(87,136)</u> | <u>19,910</u> | <u>40,928</u> |
| Total Funds | <u>902,252</u> | <u>2,176,139</u> | <u>(2,178,292)</u> | <u>(85,000)</u> | <u>815,099</u> |

SETTLEBECK SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

17. Analysis of Net Assets Between Funds

Fund balances at 31 August 2022 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|---|---------------------|
| Tangible fixed assets | - | - | 1,317,937 | 1,317,937 |
| Current assets | 41,698 | 954,227 | 179,801 | 1,175,726 |
| Current liabilities | - | (269,459) | - | (269,459) |
| Long term creditors | - | (68,964) | - | (68,964) |
| Pension scheme liability | - | (290,000) | - | (290,000) |
| Total Net Assets | 41,698 | 325,804 | 1,497,738 | 1,865,240 |

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

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|---|---------------------|
| Tangible fixed assets | - | - | 1,374,614 | 1,374,614 |
| Current assets | 40,928 | 752,471 | 68,717 | 862,116 |
| Current liabilities | - | (169,599) | - | (169,599) |
| Long term creditors | - | (81,032) | - | (81,032) |
| Pension scheme liability | - | (1,171,000) | - | (1,171,000) |
| Total Net Assets | 40,928 | (669,160) | 1,443,331 | 815,099 |

18. Commitments Under Operating Leases

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

| | 2022 £ | 2021 £ |
|--|--------------|-----------|
| Assets other than land and buildings | | |
| Amounts due within one year | 1,880 | - |
| Amounts due between two and five years inclusive | 5,641 | - |
| Amounts due after five years | - | - |
| | 7,521 | - |

19. Capital Commitments

| | 2022 £ | 2021 £ |
|--|----------------|---------------|
| Contracted for, but not provided for in the financial statements | 179,801 | 68,717 |
| | 179,801 | 68,717 |

Capital project summary:

During the year the academy entered into a contracts for the eplacement of flat roof coverings and associated safety works. The academy was committed to a further cost of £179,801 at the year end. The capital element and repairs element is £nil and £179,801 respectively.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

20. Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

| | 2022 | 2021 |
|---------------------------------|----------|----------|
| | £ | £ |
| Teachers' Pension Scheme | - | - |
| Local Government Pension Scheme | - | - |
| | <u>-</u> | <u>-</u> |

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

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Teachers' Pension Scheme | 143,594 | 145,630 |
| Local Government Pension Scheme | 65,866 | 66,365 |
| Local Government Pension Scheme deficit recovery | 26,149 | 25,550 |
| LGPS current service cost/contributions adjustment | 64,000 | 43,000 |
| | <u>299,609</u> | <u>280,545</u> |

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

20. Pension and similar obligations *(Continued)*

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

The employer's pension costs paid to TPS in the period amounted to £143,594 (2021: £145,630).

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 a 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.

Local Government Pension Scheme (LGPS)

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

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Employer's contributions | 65,866 | 66,365 |
| Employees' contributions | 19,387 | 19,604 |
| Local Government Pension Scheme deficit recovery | 26,149 | 25,550 |
| LGPS current service cost/contributions adjustment | 64,000 | 43,000 |
| Total contributions | <u>175,402</u> | <u>154,519</u> |

The agreed contribution rates for future years are 19.3% for employers, and 5.5% to 12.5% for employees depending on pay bands.

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

At the balance sheet date the scheme is in deficit. The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £25,300 for 2020/21, £25,900 in 2021/22 and £26,500 in 2022/23.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

20. Pension and similar obligations (Continued)

| Principal Actuarial Assumptions | At 31 August 2022 | At 31 August 2021 |
|--|-------------------------|-------------------------|
| Inflation assumption (CPI) | 2.80% | 2.80% |
| Rate of increase in salaries | 4.30% | 4.30% |
| Rate of increase for pensions in payment / inflation | 2.90% | 2.90% |
| Discount rate for scheme liabilities | 4.30% | 1.70% |

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

| | At 31 August 2022 | At 31 August 2021 |
|-----------------------------|-------------------------|-------------------------|
| <i>Retiring today</i> | | |
| Males | 22.6 | 22.7 |
| Females | 25.3 | 25.3 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.1 | 24.3 |
| Females | 27.1 | 27.2 |

Sensitivity analysis

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

| | At 31 August 2022 | | At 31 August 2021 | |
|--|-------------------------|----------|-------------------------|----------|
| | Deficit | Change | Deficit | Change |
| Discount rate + 0.1% | 255,000 | (35,000) | 1,117,000 | (54,000) |
| Discount rate - 0.1% | 326,000 | 36,000 | 1,226,000 | 55,000 |
| Mortality assumption - 1 year increase | 325,000 | 35,000 | 1,253,000 | 82,000 |
| Mortality assumption - 1 year decrease | 256,000 | (34,000) | 1,092,000 | (79,000) |
| CPI rate + 0.1% | 326,000 | 36,000 | 1,226,000 | 55,000 |
| CPI rate - 0.1% | 255,000 | (35,000) | 1,117,000 | (54,000) |
| Pay growth + 0.1% | 292,000 | 2,000 | 1,175,000 | 4,000 |

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

| | Fair value at 31 August 2022 | Fair value at 31 August 2021 |
|--|------------------------------------|------------------------------------|
| | £ | £ |
| Equities | 474,000 | 557,000 |
| Government bonds | 201,000 | 244,000 |
| Other bonds | - | - |
| Property | 137,000 | 108,000 |
| Cash / liquidity | 44,000 | 54,000 |
| Other | 556,000 | 457,000 |
| Total market value of assets | 1,412,000 | 1,420,000 |
| Present value of scheme liabilities | | |
| - Funded | (1,702,000) | (2,591,000) |
| - Unfunded | - | - |
| Surplus/(deficit) in the scheme | (290,000) | (1,171,000) |

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

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

20. Pension and similar obligations (Continued)

The actual return on scheme assets in the period was (£101,000) (2021: £199,000).

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

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Current service cost (net of employee contributions) | (155,000) | (135,000) |
| Past service (cost)/gain | 0 | - |
| Administrative expenses | (3,000) | (3,000) |
| Net Interest cost | (18,000) | (17,000) |
| Total operating charge | <u>(176,000)</u> | <u>(155,000)</u> |

Analysis of other recognised gains and (losses)

| | 2022 £ | 2021 £ |
|------------------------------|----------------|-----------------|
| Remeasurements (liabilities) | 1,091,000 | (263,000) |
| Remeasurements (assets) | (125,000) | 178,000 |
| Total charge | <u>966,000</u> | <u>(85,000)</u> |

Changes in the deficit in the year:

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Deficit in scheme at 1 September 2021 | 1,171,000 | 1,023,000 |
| Current service cost | 155,000 | 135,000 |
| Past service (cost)/gain | - | - |
| Interest cost | 43,000 | 38,000 |
| Employer contributions | (91,000) | (92,000) |
| Actuarial (gain)/loss - Remeasurements | (966,000) | 85,000 |
| Administration expenses | 3,000 | 3,000 |
| Interest income | (25,000) | (21,000) |
| Plan introductions, benefit changes, curtailments and settlements | - | - |

Deficit at 31 August 2022

| | | |
|--|----------------|------------------|
| | <u>290,000</u> | <u>1,171,000</u> |
|--|----------------|------------------|

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

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| At 01 September 2021 | 2,591,000 | 2,172,000 |
| Current service cost | 155,000 | 135,000 |
| Interest cost | 43,000 | 38,000 |
| Employee contribution | 19,000 | 20,000 |
| Past service (cost)/gain | * 0 | - |
| Actuarial (gains)/losses - remeasurements | (1,091,000) | 263,000 |
| Benefits/transfers paid | (15,000) | (37,000) |
| Benefit obligation at 31 August 2022 | <u>1,702,000</u> | <u>2,591,000</u> |

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

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| At 01 September 2021 | 1,420,000 | 1,149,000 |
| Return on plan assets | 25,000 | 21,000 |
| Administrative expenses | (3,000) | (3,000) |
| Actuarial gain/(losses) - remeasurements | (125,000) | 178,000 |
| Employer contributions | 91,000 | 92,000 |
| Employee contribution | 19,000 | 20,000 |
| Benefits/transfers paid | (15,000) | (37,000) |
| Closing fair value of scheme assets at 31 August 2022 | <u>1,412,000</u> | <u>1,420,000</u> |

* Past service cost includes:

McCloud impact
GMP indexation

| | | |
|--|----------|----------|
| | - | - |
| | - | - |
| | <u>-</u> | <u>-</u> |

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

21. Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

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

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

Related parties

- *Sedbergh Primary School*
There were governors who acted for the academy during the year who also acted as governors for Sedbergh Primary School. The governors have no equitable interest in either entity.
- *South Westmorland Multi Academy Trust (SWMAT)*
The Chief Financial Officer (CFO) for the SWMAT also acts as the CFO for Settlebeck School through a non profit annual service level agreement.

Income Related Party Transactions

- *Sedbergh Primary School*
The academy received catering income of £19,963 (2021: £10,868) from Sedbergh Primary School for the provision of school meals during the year.

During the year the academy recharged Sedbergh Primary School £22,192 (2021: £19,973) for electricity, gas and water usage.

During the year the academy recharged Sedbergh Primary School £1,886 (2021: £2,008) for various other supplies/services.

Expenditure Related Party Transactions

South Westmorland Multi Academy Trust (SWMAT)

During the year the SWMAT invoiced Settlebeck school £31,000 (2021: £30,000) for financial services.

SETTLEBECK SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

22. Related Party Transactions - Trustees' Remuneration and Expenses

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

Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees.

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

| | | |
|---|--------------------|----------------------------|
| Sarah Campbell (Principal from 01/09/17): | | |
| Remuneration | £70,000 to £74,999 | (2021: £65,000 to £69,999) |
| Employer's pension contributions | £15,000 to £19,999 | (2021: £15,000 to £19,999) |
| Jessica Oxley (Staff governor): | | |
| Remuneration | £nil | (2021: £5,000 to £9,999) |
| Employer's pension contributions | £nil | (2021: £0,000 to £4,999) |
| Sarah Evans (Staff governor) | | |
| Remuneration | £35,000 to £39,999 | (2021: £40,000 to £44,999) |
| Employer's pension contributions | £5,000 to £9,999 | (2021: £5,000 to £9,999) |

During the period ended 31 August 2022, there were travel and subsistence expenses totalling £nil (2021: £nil) reimbursed or paid directly to nil trustees (2021: nil).

23. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance for the year ended 31 August 2022 provides cover up to £10,000,000 (2021: £10,000,000) on any one loss and any one membership year.

The academy's insurance is via the Department for Education's risk protection arrangement (RPA) and the cost of this insurance is included in the total insurance cost. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

24. 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.

25. Events after the end of the reporting period

The academy has obtained a valuation of its LGPS liability at the year end. However, since the year end with further economic turmoil the trustees believe that the rate of inflation used would be higher if the valuation was to be performed using this information. No allowance has been made by the actuary in the figures provided in line with the accounting requirements for events since the year end and the impact of such movements will emerge as part of the 31 August 2023 figures. The trustees believe obtaining further information of the financial effect on the LGPS liability to the date of approval of the accounts would not assist the users understanding and the assumptions are volatile at present so would not be cost effective for the academy trust.