

Registration number: 06895426

Furness Education Trust
(A company limited by guarantee)
Annual Report and Financial Statements
for the Year Ended 31 August 2023

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Furness Education Trust

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Furness Education Trust
Reference and Administrative Details

Members

Janet Garner
Craig Bland
Steve Timms

Trustees

Phil Athersmith (appointed 28 July 2022)
James Brimelow
Anne Burns (appointed 12 August 2023)
Graeme Corkill
Edward Creighton (resigned 31 August 2022)
Jane Dean-Wilcock (resigned 9 December 2022)
Jayne Moorby (appointed 23 March 2022)
Hilary Ellam (appointed 1 September 2023)
Adam Heamden
David Kelly
Stuart Knagg (resigned 31 August 2023)
John Shields (resigned 11 August 2023)
Mark Woodham
Jackie Arnold (appointed 27 September 2023)
Stephen McKinnell (appointed 21 November 2022)

Chief Executive Officer

Simon Laheney

Company Secretary

John Rawsthorne

Senior Management Team

Simon Laheney, Chief Executive Officer, Headteacher
John Rawsthorne, Chief Operating Officer
Janine Pierce, Executive Headteacher
Fiona Doran, Headteacher
Lisa Fell, Headteacher
Caroline Walker, Headteacher

Furness Education Trust

Reference and Administrative Details (continued)

Principal and Registered Office

Furness Academy
Park Drive
Barrow-In-Furness
Cumbria
LA13 9BB

Company Registration Number

06895426

Auditors

Armstrong Watson Audit Limited
James Watson House
Montgomery Way
Rosehill Industrial Estate
Carlisle
CA1 2UU

Bankers

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

Solicitors

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

Furness Education Trust operates six academies:

Furness Academy - a secondary academy for students aged 11 to 16 serving a catchment area in Barrow-in-Furness, Cumbria. It has a student capacity of 1,200 and had a roll of 1,159 in the school census in May 2023.

Parkside Academy - a primary academy for pupils aged 2 to 11 serving a catchment area in Barrow-in-Furness, Cumbria. It has a pupil capacity of 300 and had a roll of 296 in the school census in May 2023.

Yarlside Academy - a primary academy for pupils aged 3 to 11 serving a catchment area in Barrow-in-Furness, Cumbria. It has a pupil capacity of 210 and had a roll of 246 in the school census in May 2023.

Victoria Academy - a primary academy for pupils aged 7 to 11 serving a catchment area in Barrow-in-Furness, Cumbria. It has a pupil capacity of 220 and had a roll of 203 in the school census in May 2023.

Newton Village Academy - a primary academy for pupils aged 3 to 11 serving a catchment area in Barrow-in-Furness, Cumbria. It has a pupil capacity of 80 and had a roll of 83 in the school census in May 2023.

Lindal and Marton Primary School - a primary academy for pupils aged 3 to 11 serving a catchment area in Barrow-in-Furness, Cumbria. It has a pupil capacity of 88 and had a roll of 70 in the school census in May 2023.

Structure, governance and management

Constitution

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

The Trustees act as the Trustees for the charitable activities of Furness Education Trust and are also the Directors of the charitable company for purposes of company law. Details of the Trustees who served during the year, and to the dates these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

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

Trustees' indemnities

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Method of recruitment and appointment or election of Trustees

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

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

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

Policies and procedures adopted for the induction and training of Trustees

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

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

Organisational structure

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023(continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.86

Percentage of time spent on facility time

Percentage of time

1%-50%

Number of employees

3

Percentage of pay bill spent on facility time

Provide the total cost of facility time

Provide the total pay bill

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

2023

2,458

11,031,072

0.02

Paid trade union activities

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

2023

100

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

Connected organisations, including related party relationships

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Engagement with employees (including disabled persons)

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

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

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

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

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

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

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

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

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

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

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Objectives and activities

Objects and aims

Furness Education Trust serves 2,057 children in six schools. The Trust schools are presently all graded good or outstanding and have a good record of school improvement.

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

Furness Education Trust Aims

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

Furness Education Trust values

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

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

Objectives, strategies and activities

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

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

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Public benefit

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Achievements and performance

Furness Education Trust is proud to have grown this year with the additions of Newton Village Academy and Lindal and Marton Primary School. Newton Village Academy joined the Trust on 1 September 2022, with Lindal and Marton Primary School joining on 1 April 2023, becoming the fifth and sixth schools in Furness Education Trust. Both are village schools, serving their local community with their own character and identity, and values that align closely with those of Furness Education Trust and its member schools.

Newton Village Academy and Lindal and Marton Primary School are proud members for Furness Primary Consortium (FPC). Through their work with FPC, the two schools have delivered various funded projects to support the learning and development of their students, including reading programmes, outdoor education initiatives and more.

Furness Academy was inspected by Ofsted in March 2023 and the outcome was an overall effectiveness rating of Good. This was the first Ofsted inspection of Furness Academy since the creation of Furness Education Trust. Inspections are expected at other Furness Education Trust schools during the coming academic year.

Furness Academy continues to be the secondary school of choice for the Furness Peninsula with a higher number of first choice applicants than any other local secondary school. For the fifth year, Furness Academy was over-subscribed with over 420 applications from local year 6 students and over 300 of these placing Furness Academy as their first choice preference. Furness Academy has temporarily increased its published admission number for the academic year 2023/2024, offering places to 280 students.

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

Furness Education Trust appointed three further Primary Subject Directors, PE, Art and DT and History. The Directors are responsible for ensuring a cohesive subject curriculum across the Trust.

Furness Academy's 2023 examination results were pleasing, reflecting students' strong work ethic, high expectations and outstanding level of pastoral support. The 2023 GCSE results can be compared more meaningfully with 2019, the last year that summer exams were taken before the pandemic, as 2023 saw a return to pre-pandemic grading. Based on the latest result, attainment figures have improved significantly since 2019. Strong pass (grade 5) in English and Maths has increased by 7.3% and standard pass (grade 4) in English and Maths improved by 7.2%, with more students than ever studying the English Baccalaureate and the Furness Academy progress 8 score improving for -0.47 to -0.26.

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

The Trust had another year of CIF bid success, with projects for Victoria Academy and Newton Village Academy approved. At Victoria Academy, a new central heating system was installed and at Newton, a successful safeguarding bid saw new CCTV installed at the school, alongside additional fencing and internal work including a new reception area. The Trust is working hard to reduce the carbon footprint of all of the Trust schools. Each school received an energy grant to support this, that has allowed for energy saving measures to be implemented at the schools, including new fire doors to support heat retention.

The Baby Room at Parkside has continued to grow in popularity. There is currently a waiting list of children who would like a space in the Baby Room. Parkside are looking to expand their baby room provision to 12 babies per session in the next academic year.

South Cumbria School Direct delivered teacher training to trainee teachers, with both primary teachers and secondary teachers undergoing their training with the Trust. South Cumbria School Direct continued its 100% employment gained record for a third year.

Victoria Academy received the Primary Science Quality Mark for raising the profile and quality of their science curriculum. Yarlside Academy also received the Platinum School Games Award for their commitment to PE and Sport.

The Furness Education Trust primary schools have continued their success in the County Key Steps Gymnastics competition held in Penrith. Yarlside Academy team are Key Steps 2 county champions, with Victoria Academy coming a close second. Newton Village Academy students were crowned the Key Steps 1 county champions as well. The Parkside Academy team travelled to the national gymnastics competition in Stoke where they became the under 13 national gymnastics bronze medallists.

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

It was another successful year for the Trust's Erasmus+ projects. The Bridge project, awarded in August 2020, held in person meetings in 2022 and 2023, with Furness Academy and the Yarlside Academy PTA working collaboratively and travelling to Lithuania, Portugal and Italy during this academic period. This successfully completed in August 2023.

Furness Academy was successful in the second round of the new Turing Scheme, the post Brexit replacement for Erasmus+ programme. Furness Academy submitted an application for the 2022/2023 academic year, which was approved by Turing, one of only 66 schools in England to have a successful application. Worth over £50,000, the project saw 10 students and three staff members travel to India in March 2023 and an additional 10 students and three staff members travel to Cambodia in July 2023. The students volunteered in schools in each country and also enjoyed some cultural activities and sightseeing. Furness Academy has proudly had an application approved in the third round of the Turing Scheme which will fund over 60 students to travel to Brazil, Spain and France during the 2023/2024 academic year.

Furness Education Trust now operates a one-to-one device scheme in all schools across the Trust. At a primary level, this is delivered through class sets of laptops or tablets. At Furness Academy, phase 4 on the laptop scheme completed in September 2022, with over 260 students joining the scheme. For students who do not join the scheme, a daily loan system has been implemented so that no student is at a disadvantage.

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Key financial performance indicators

The Joint Finance & General Planning and Audit & Risk Assurance Committee of the Trust Board met three times during the year to review financial performance. Key indicators are the percentage of staff costs as a percentage of total income and the management of income and expenditure against budget and forecast. The revised budget forecast, excluding fixed asset fund and pension fund movements was £289,000 and actual reported surplus was £364,000, prior to transfers to the fixed asset reserve. The Quality of Education and Standards Committee and Local Academy Committees, together with the Trust Board, review performance data including student achievement, student attendance and key stage results.

Going concern

After making appropriate enquiries, the Trust Board has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust has reported a healthy surplus for the year and reserves of £1.923m. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the Trust

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Financial review

The majority of the Trust's income was received in the form of grants, either directly from the Department for Education, or via the Local Authority or other organisations. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Grant income from the DfE/ESFA and Cumbria County Council was £13.847m (2022: £11.748m). Total income for the Trust was £16.288m (2022: £12.870m).

Capital expenditure in 2022/23 was £696k (2022: £749k) and the income is included in the restricted fixed asset fund in the Statement of Financial Activities. The fund is reduced by the annual depreciation charge over the useful life of the assets concerned, as shown in the accounting policies.

Expenditure for the year was £15,473m (2022: £13,558m) a large part of which comprised staff costs. There was a requirement to make payments of £201k (2022: £242k) to the pension fund to cover historic deficits.

There was an in-year surplus of £58k (2022: £413k), which is reflected in the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds. This is made up of a trading surplus of £274k less transfers of £306k from the General Restricted Fund to the Restricted Fixed Asset Fund to cover the shortfall on capital projects undertaken and £90k transfers from the primary schools joining the Trust. Capital projects undertaken includes but not limited to: IT infrastructure improvements at Furness Academy, upgrading of interactive whiteboards across most sites, fire doors installed at Victoria Academy, increasing the size of the baby room at Parkside Academy, improvements to tennis courts at Victoria Academy, school contributions to CIF bids for Victoria Academy (new heating system) and Newton Village Academy (safeguarding, fences and CCTV) plus a change in layout at Newton Village Academy.

As of 31 August 2023 reserves (restricted general funds, excluding pension reserves, plus unrestricted reserves) stand at £1.923m (2022: £1.866m). The Trustees are aware of the implications of government changes to the funding formula for academies and the impact of lagged funding of growth in student numbers. They are satisfied that there are sufficient reserves to cushion the impact of these changes in the short term.

Under accounting standard FRS 102 s.28, it is necessary to charge projected deficits on the Local Government Pension scheme to the Income & Expenditure Account, and to show any liabilities on the Balance Sheet. The pension fund liability was inherited from Cumbria County Council in 2009, and as at the 31 August 2023 showed a deficit of £65k (2022: £2.532m). The decrease in the liability has been reflected as a gain in the current year. It should be noted that the scheme deficit does not present a liquidity problem for the Trust

Reserves policy

The Trustees regularly review the finances, budgets and spend against budget as part of their effective governance of the Trust. The reserve levels are reviewed annually and the Trustees have determined that the appropriate level of reserves should be £485k for the Trust as a whole. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. A deficit position of the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years. The Trust has committed to spending of £100,000 in 2022/23 to develop its IT infrastructure and £143,000 from the Euro account to support international travel for students. Please see note 18 for the split of funds within the Trust.

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Investment policy

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

Principal risks and uncertainties

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

Fundraising

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	(As Restated) 1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	1,943,726	2,276,601
Energy consumption break down (kWh)		
Gas	1,069,252	1,452,710
Electricity	821,826	800,461
Transport fuel	52,648	23,429
Scope 1 emissions in metric tonnes CO2e		
Owned transport - mini-buses	9.67	5.60
Gas consumption	195.18	265.18
Total scope 1	204.85	270.78
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	158.92	154.79
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	2.91	5.6
Total gross emissions in metric tonnes CO2e	366.69	425.57
Intensity ratio		
Tonnes CO2e per pupil	0.18	0.23

Quantification and Reporting Methodology:

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

Intensity measurement

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

Measures taken to improve energy efficiency

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

Furness Education Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Plans for future periods

Furness Education Trust aims to develop closer partnerships. The Trust will continue to strengthen teaching and learning, curriculum development, improve resource procurement and incorporate other schools in the local area that are interested in joining the Trust as an equal and equitable member. Furness Education Trust has received an in-principle request from the Department for Education to incorporate Walney School into the Trust. A final decision is expected in December 2023.

Furness Academy continues to develop extensive links with its feeder schools and engages with students and parents in Years 4, 5 and 6 of primary feeder schools. This improves primary to secondary transition and STEM learning experiences. The continued success of this approach can be seen in the Academy expected intake for the 2022/2023 academic year which at 271 is the highest intake since locating to the new buildings. It is the expectation that this will be maintained in 2023/2024.

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

Auditor

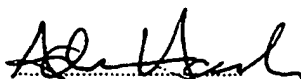
Insofar as the Trustees are aware:

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

Appointment of auditor

Armstrong Watson Audit Limited has indicated its willingness to begin in office.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Trust Board on **13-12-23** and signed on its behalf by:



Adam Hearnden
Trustee

Furness Education Trust

Governance Statement

Scope of responsibility

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

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

The Trust Board has delegated the day-to-day responsibility to Simon Laheney, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Furness Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Trust Board maintains a register of interests which is regularly reviewed. Prior to each board and committee meeting, Trustees are required to declare any interests. Trustees will be excluded from any agenda items where there may be a perceived conflict of interest.

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

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

Furness Education Trust

Governance Statement (continued)

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

Key priority areas for the Committee this year have included:

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

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Adam Hearnden	3	3
Graeme Corkill	2	3
Stuart Knagg	0	3
James Brimelow	2	3
Simon Laheney	3	3
Mark Woodham	3	3
Hilary Ellam	1	3
Anne Burns	0	3

Effective oversight of funds

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

Furness Education Trust

Governance Statement (continued)

Review of value for money

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Furness Education Trust for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board;
- regular reviews by the Joint Finance & General Planning and Audit & Risk Assurance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Trust Board has decided:

- to employ SKL Consultants as internal auditor
- to employ Judicium as governance professionals for Trust Board, Trust Committees and Local Academy Committees.

Furness Education Trust

Governance Statement (continued)

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular the checks carried out in the current period included a review of the financial regulations and an assessment of the systems control environment within HR and Finance.

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

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

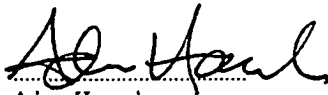
Review of effectiveness

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

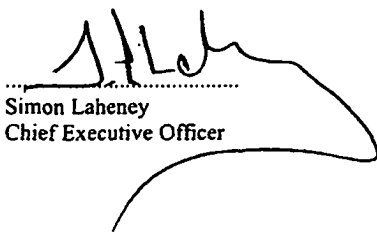
- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Joint Finance & General Planning and Audit & Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on 13/12/23 and signed on its behalf by:



Adam Hearnden
Trustee



Simon Laheney
Chief Executive Officer

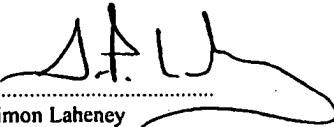
Furness Education Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Furness Education Trust I have considered my responsibility to notify the Academy Trust Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Trust Handbook 2022.

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


.....
Simon Laheney
Accounting officer

Date: 13/12/23

Furness Education Trust

Statement of Trustees' Responsibilities

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

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

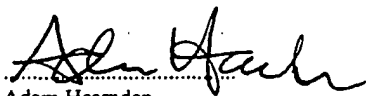
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Trust Board on 13.12.23 and signed on its behalf by:



Adam Hearnden
Trustee

Furness Education Trust

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

Opinion

We have audited the financial statements of Furness Education Trust (the 'academy') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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 academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Furness Education Trust

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy'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 academy or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

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

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 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, such as the Health & Safety at Work Act 1974, Ofsted Regulations and Companies Act 2006;
- we identified the laws and regulations applicable to the Multi Academy Trust through discussions with Trustees and other management;

Furness Education Trust

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

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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 Multi Academy Trust'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; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.
- considering our work in respect of regularity to identify irregular spend or lack of ESFA approval for novel or contentious transactions.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions; and
- tested the operating effectiveness of key controls over purchase cycles on a sample basis

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; and
- enquiring of management as to actual and potential litigation and claims.

Use of our report

This report is made solely to the academy'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 academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Karen Rae (Senior Statutory Auditor)

For and on behalf of Armstrong Watson Audit Limited, Statutory Auditor
Chartered Accountants

James Watson House
Montgomery Way
Rosehill Industrial Estate
Carlisle
CA1 2UU

Date: 19 December 2023

Furness Education Trust

Statement of Financial Activities for the Year Ended 31 August 2023 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2022/23 Total £ 000
Income and endowments from:					
Donations and capital grants	3	-	104	402	506
Transfers from local authority		170	(31)	1,114	1,253
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	4	-	13,847	-	13,847
Teaching schools	28	-	(1)	-	(1)
Other trading activities	5	681	-	-	681
Investment income	6	2	-	-	2
Total		853	13,919	1,516	16,288
Expenditure on:					
<i>Charitable activities:</i>					
Academy Trust educational operations	8	796	13,527	1,124	15,447
Teaching schools	28	-	26	-	26
Total		796	13,553	1,124	15,473
Net (expenditure)/income		57	366	392	815
Transfers between funds		-	(306)	306	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	27	-	2,408	-	2,408
Net movement in funds/(deficit)		57	2,468	698	3,223
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2022		366	(1,032)	32,110	31,444
Total funds/(deficit) carried forward at 31 August 2023		423	1,436	32,808	34,667

Furness Education Trust

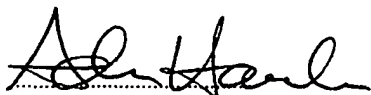
Statement of Financial Activities for the Year Ended 31 August 2022
(including Income and Expenditure Account)

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

Furness Education Trust
(Registration number: 06895426)
Balance Sheet as at 31 August 2023

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Tangible assets	13	32,765	32,079
Current assets			
Stocks	14	14	30
Debtors	15	584	659
Cash at bank and in hand	24	2,973	3,033
		<u>3,571</u>	<u>3,722</u>
Creditors: Amounts falling due within one year	16	<u>(1,531)</u>	<u>(1,794)</u>
Net current assets		<u>2,040</u>	<u>1,928</u>
Total assets less current liabilities		<u>34,805</u>	<u>34,007</u>
Creditors: Amounts falling due after more than one year	17	<u>(73)</u>	<u>(31)</u>
Net assets excluding pension liability		<u>34,732</u>	<u>33,976</u>
Pension scheme liability	27	<u>(65)</u>	<u>(2,532)</u>
Net assets including pension liability		<u>34,667</u>	<u>31,444</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	18	1,501	1,500
Restricted fixed asset fund	18	32,808	32,110
Restricted pension fund	18	<u>(65)</u>	<u>(2,532)</u>
		<u>34,244</u>	<u>31,078</u>
Unrestricted funds			
Unrestricted general fund	18	<u>423</u>	<u>366</u>
Total funds		<u>34,667</u>	<u>31,444</u>

The financial statements on pages 27 to 53 were approved by the Trustees, and authorised for issue on 13.12.23 and signed on their behalf by:


Adam Hearnden
Trustee

Furness Education Trust

Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £ 000	2022 £ 000
Cash flows from operating activities			
Net cash provided by operating activities	21	1,302	1,121
Cash flows from investing activities	23	(1,408)	(304)
Cash flows from financing activities	22	46	(4)
Change in cash and cash equivalents in the year		(60)	813
Cash and cash equivalents at 1 September		3,033	2,220
Cash and cash equivalents at 31 August	24	2,973	3,033

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The Trustees have prepared forecasts for 23/24 and 24/25 when assessing whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

Sponsorship income

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

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer of conversion

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

Transfer of existing academies into the trust

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

Donated fixed assets

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

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

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

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

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

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

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

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

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

Liabilities

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

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

Stock

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

Taxation

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

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

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the Academy Trust were subject to limits at 31 August 2023 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the Trust exceeded the limits during the year ended 31 August 2023.

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

3 Donations and capital grants

	Restricted funds £ 000	Restricted fixed asset funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
Other voluntary income				
Educational trips and visits	-	-	-	-
Capital grants	-	402	402	445
Other donations	104	-	104	64
	<u>104</u>	<u>402</u>	<u>506</u>	<u>509</u>

The income from donations and capital grants was £506,231 (2022: £509,016) which was allocated between the funds as follows; £Nil unrestricted funds (2022: £Nil), £104,408 restricted funds (2022: £64,241), £401,823 restricted fixed asset funds (2022: £444,775).

4 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
DfE/ESFA revenue grants			
General annual grant (GAG)	10,585	10,585	9,684
Universal Infant Free School Meals	34	34	63
Others	306	306	100
Pupil number adjustments	-	-	30
PE and sports grant	78	78	61
Teachers pay grant	2	2	4
Rates reclaim	66	66	62
Pupil premium	652	652	647
	<u>11,723</u>	<u>11,723</u>	<u>10,651</u>
Other government grants			
Local authority grants	1,978	1,978	1,006
Special education projects	146	146	91
	<u>2,124</u>	<u>2,124</u>	<u>1,097</u>
Total grants	<u>13,847</u>	<u>13,847</u>	<u>11,748</u>

The funding for educational operations was £13,847,450 (2022: £11,748,437) which was allocated between the funds as follows; £Nil unrestricted funds (2022: £Nil), £13,847,450 restricted funds (2022: £11,748,437), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

5 Other trading activities

	Unrestricted funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
Hire of facilities	42	42	43
Catering income	457	457	425
School shop sales	9	9	22
Other sales	173	173	110
	<u>681</u>	<u>681</u>	<u>600</u>

The income from other trading activities was £680,763 (2022: £599,887) which was allocated between the funds as follows; £680,763 unrestricted funds (2022: £559,887), £Nil restricted funds (2022: £Nil), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

6 Investment income

	2022/23 Total £ 000	2021/22 Total £ 000
Bank Interest	<u>2</u>	<u>-</u>

The income from other trading activities was £2,496 (2022: £Nil) which was allocated between the funds as follows; £2,496 unrestricted funds (2022: £Nil), £Nil restricted funds (2022: £Nil), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

7 Expenditure

	Non-Pay Expenditure			2022/23 Total £ 000	2021/22 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	9,085	-	788	9,873	7,583
Allocated support costs	2,258	1,980	1,336	5,574	5,971
Teaching School	19	-	7	26	4
	<u>11,362</u>	<u>1,980</u>	<u>2,131</u>	<u>15,473</u>	<u>13,558</u>

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

7 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2022/23 £ 000	2021/22 £ 000
Operating lease rentals	41	21
Depreciation	1,124	1,020
Fees payable to auditor – audit	24	22
- other audit services	2	-
	<hr/>	<hr/>

8 Charitable activities

	2021/22 £ 000	2021/22 £ 000
Direct costs - educational operations	9,873	7,583
Support costs - educational operations	5,574	5,971
Teaching schools	26	4
	<hr/>	<hr/>
	15,473	13,558

	Educational operations £ 000	2022/23 Total £ 000	2021/22 Total £ 000
Analysis of support costs			
Support staff costs	2,258	2,258	3,085
Depreciation	1,124	1,124	1,020
Technology costs	314	314	242
Premises costs	856	856	666
Legal costs – other	4	4	51
Other support costs	1,007	1,008	896
Governance costs	11	11	11
	<hr/>	<hr/>	<hr/>
Total support costs	5,574	5,574	5,971

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

9 Staff

Staff costs

	2022/23 £ 000	2021/22 £ 000
Staff costs during the year were:		
Wages and salaries	8,515	7,111
Social security costs	766	647
Operating costs of defined benefit pension schemes	1,869	2,232
	<u>11,150</u>	<u>9,990</u>
Supply staff costs	177	121
Staff restructuring costs	-	2
Staff development and other staff costs	35	30
	<u>11,362</u>	<u>10,143</u>
 Staff restructuring costs comprise:		
Severance payments	-	2

Severance payments

The academy did not pay any severance payments during the current financial year.

Staff numbers

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

	2022/23 No	2021/22 No
Charitable Activities		
Teachers	104	99
Administration and support	236	182
Management	16	12
	<u>355</u>	<u>293</u>

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

9 Staff (continued)

Higher paid staff

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

	2022/23 No	(As Restated) 2021/22 No
£60,001 - £70,000	12	1
£70,001 - £80,000	1	-
£80,001 - £90,000	3	2
£90,001 - £100,000	2	2
£100,001 - £110,000	2	2
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,000 +	1	1

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £681,733 (2022: £531,668 (As Restated)).

10 Central services

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

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

The actual amounts charged during the year were as follows:

	2022/23 £ 000	2021/22 £ 000
Furness Academy	742	717
Parkside Academy	99	97
Victoria Academy	76	77
Yarlside Academy	87	87
	1,004	978

11 Related party transactions - trustees' remuneration and expenses

No trustees have been paid remuneration, expenses or have received other benefits from employment with the Academy Trust during the year. Other related party transactions involving the trustees are set out in note 28.

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

12 Trustees' and officers' insurance

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

13 Tangible fixed assets

	Leasehold land and buildings £ 000	Assets under construction £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost/valuation						
At 1 September 2022	36,344	513	370	1,840	33	39,100
Additions	1,126	351	90	243	-	1,810
Transfers	732	(732)	-	-	-	-
At 31 August 2023	38,202	132	460	2,083	33	40,910
Depreciation						
At 1 September 2022	5,090	-	192	1,710	29	7,021
Charge for the year	969	-	44	108	3	1,124
At 31 August 2023	6,059	-	236	1,818	32	8,145
Net book value						
At 31 August 2023	32,143	132	224	265	1	32,765
At 31 August 2022	31,254	513	178	130	4	32,079

14 Stock

	2022/23 £ 000	2021/22 £ 000
Stock	14	30

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Debtors

	2022/23	2021/22
	£ 000	£ 000
Trade debtors	38	43
VAT recoverable	175	270
Other debtors	13	3
Prepayments	243	242
Accrued grant and other income	115	101
	<u>584</u>	<u>659</u>

16 Creditors: amounts falling due within one year

	2022/23	2021/22
	£ 000	£ 000
Trade creditors	419	547
Other taxation and social security	165	151
Loans	10	6
Other creditors	357	448
Accruals	319	197
Deferred income	261	445
	<u>1,531</u>	<u>1,794</u>

	2022/23	2021/22
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2022	445	268
Resources deferred in the period	261	445
Amounts released from previous periods	(445)	(268)
Deferred income at 31 August 2023	<u>261</u>	<u>445</u>

Loans of £9,905 (2022: £6,418) from Salix which is provided on the following terms: Interest of 0% paid by annual instalments over 8 years from 2021.

17 Creditors: amounts falling due after one year

	2022/23	2021/22
	£ 000	£ 000
Loans	<u>73</u>	<u>31</u>

Loans of £72,707 (2022: £31,497) from Salix which is provided on the following terms: Interest of 0% paid by annual instalments over 8 years from 2021.

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

18 Funds

	Balance at 1 September 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2023 £ 000
Restricted general funds					
General Annual Grant	-	10,505	(10,199)	(306)	-
Other DfE / ESFA grants	-	1,138	(1,138)	-	-
Other government grants	1,063	1,978	(2,226)	-	815
Other restricted funds	436	249	-	-	685
	<u>1,499</u>	<u>13,870</u>	<u>(13,563)</u>	<u>(306)</u>	<u>1,500</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	18,642	1,516	(1,124)	306	19,340
Restricted Endowment Fund	159	-	-	-	159
Transfer of existing academies	13,310	-	-	-	13,310
	<u>32,111</u>	<u>1,516</u>	<u>(1,124)</u>	<u>306</u>	<u>32,809</u>
Restricted pension funds					
Pension reserve	(2,532)	49	10	2,408	(65)
Total restricted funds	31,078	15,435	(14,677)	2,408	34,244
Unrestricted funds					
Unrestricted general funds	366	853	(796)	-	423
Total funds	31,444	16,288	(15,473)	2,408	34,667

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

18 Funds (continued)

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

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

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

18 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2023 were allocated as follows:

	2022/23	2021/22
	£ 000	£ 000
Furness Academy	1,109	1,233
Parkside Academy	373	275
Victoria Academy	(51)	-
Yarlside Academy	383	399
Newton Primary	(119)	-
Lindal And Marton Primary	120	-
Central services	108	(42)
Total before fixed assets and pension reserve	1,923	1,865
Fixed asset reserves	32,809	32,111
Pension reserve	(65)	(2,532)
Total	34,667	31,444

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2022/23 £ 000
Furness Academy	5,287	1,512	424	1,351	8,574
Parkside Academy	1,238	100	76	209	1,623
Victoria Academy	731	109	46	155	1,041
Yarlside Academy	856	103	38	216	1,213
Newton	513	63	24	77	677
Lindal	146	16	4	28	194
Central services	137	623	-	267	1,027
Academy Trust	8,908	2,526	612	2,303	14,349

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

	Total 2021/22 £ 000
Furness Academy	7,326
Parkside Academy	1,438
Victoria Academy	999
Yarlside Academy	1,092
Central services	1,683
Academy Trust	

12,538

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

19 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	32,765	32,765
Current assets	423	3,105	43	3,571
Current liabilities	-	(1,531)	-	(1,531)
Creditors over 1 year	-	(73)	-	(73)
Pension scheme liability	-	(65)	-	(65)
Total net assets	423	1,436	32,808	34,667

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

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

20 Long-term commitments, including operating leases

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022/23 £ 000	2021/22 £ 000
Amounts due within one year	36	19
Amounts due between one and five years	62	1
	98	20

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

	2022/23 £ 000	2021/22 £ 000
Net (expenditure)/income	815	(688)
Net gain on transfer of academies joining the Trust	-	-
Depreciation	1,124	1,020
Capital grants from DfE and other capital income	(402)	(445)
Interest receivable	-	-
Defined benefit pension scheme obligations inherited	(49)	-
Defined benefit pension scheme cost less contributions payable	(101)	500
Defined benefit pension scheme finance cost	91	169
Decrease/(increase) in stock	16	(14)
Decrease/(increase) in debtors	75	(125)
(Decrease)/increase in creditors	(267)	704
Net cash provided by Operating Activities	<u>1,302</u>	<u>1,121</u>

22 Cash flows from financing activities

	2022/23 £ 000	2021/22 £ 000
Repayment of borrowing	(6)	(4)
Cash inflows from new borrowing	52	-
Net cash provided by financing activities	<u>46</u>	<u>(4)</u>

23 Cash flows from investing activities

	2022/23 £ 000	2021/22 £ 000
Purchase of tangible fixed assets	(1,810)	(749)
Capital grants from DfE Group	402	445
Cash transferred on academies joining the Trust	-	-
Net cash (used in)/provided by investing activities	<u>(1,408)</u>	<u>(304)</u>

24 Analysis of cash and cash equivalents

	2022/23 £ 000	2021/22 £ 000
Cash in hand and at bank	<u>2,973</u>	<u>3,033</u>
Total cash and cash equivalents	<u>2,973</u>	<u>3,033</u>

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash	3,033	(60)	2,973
Loans falling due within one year	(6)	(4)	(10)
Loans falling due after more than one year	(31)	(42)	(73)
Total	2,996	(106)	2,890

26 Members' liability

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

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

27 Pension and similar obligations

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

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

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

Contributions amounting to £202,405 (2022: £228,471) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

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

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 Pension and similar obligations (continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,153,000 (2022: £1,009,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,019,000 (2022 - £871,000), of which employer's contributions totalled £827,000 (2022 - £721,000) and employees' contributions totalled £192,000 (2022 - £150,000). The agreed contribution rates for future years are 18.9 per cent for employers and range from 5.5 to 12.5 percent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 Pension and similar obligations (continued)

Principal actuarial assumptions

	2022/23	2021/22
	%	%
Rate of increase in salaries	4.30	4.30
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	5.30	4.30
Inflation assumptions (CPI)	2.80	2.80

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

	2022/23	2021/22
Retiring today		
Males retiring today	21.40	22.60
Females retiring today	23.80	25.30
Retiring in 20 years		
Males retiring in 20 years	22.70	24.10
Females retiring in 20 years	25.60	27.10

Sensitivity analysis

	2022/23	2021/22
	£000	£000
Discount rate +0.1%	(236)	(297)
Discount rate -0.1%	241	304
Mortality assumption – 1 year increase	251	271
Mortality assumption – 1 year decrease	(246)	(266)
CPI rate +0.1%	240	304
CPI rate -0.1%	(236)	(297)

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

	2022/23	2021/22
	£ 000	£ 000
Equities	4,714	3,615
Government bonds	1,575	1,528
Other bonds	-	-
Property	980	1,044
Cash and other liquid assets	273	334
Other	4,863	4,239
Total market value of assets	12,405	10,760

The actual return on scheme assets was £531,000 (2022 – loss of £767,000).

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2022/23 £ 000	2021/22 £ 000
Current service cost	699	1,201
Past service cost	-	-
Interest income	(494)	(190)
Interest cost	585	359
Admin expenses	27	20
Total amount recognised in the SOFA	817	1,390

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

	2022/23 £ 000	2021/22 £ 000
At start of period	13,292	21,184
Transferred in on existing academies joining the trust	435	-
Current service cost	699	1,201
Interest cost	585	359
Employee contributions	192	150
Actuarial (gain)/loss	(2,435)	(9,449)
Benefits paid	(298)	(153)
Past service cost	-	-
At 31 August	12,470	13,292

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

	2022/23 £ 000	2021/22 £ 000
At start of period	10,760	10,829
Transferred in on existing academies joining the trust	484	-
Interest income	494	190
Actuarial gain/(loss)	(27)	(957)
Employer contributions	827	721
Employee contributions	192	150
Benefits paid	(298)	(153)
Effect of non-routine settlements	(27)	(20)
At 31 August	12,405	10,760

The pension valuation included above reflects the current experience of CPI, which is seen as a current experience item included in actuarial gains/losses in the Statement of Financial Activities and does not impact on the rate of CPI disclosed within actuarial assumptions as that is the long-term rate.

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

28 Income related party transactions

There were no related party transactions during the year.

29 Events after the end of the reporting period

There are no events after the end of the reporting period to be disclosed.

30 Teaching school trading account

	2022/23 £ 000	2021/22 £ 000
Income		
Direct Income		
Other income	-	13
Other Income		
Fundraising and other trading activities	-	-
Total Income	-	13
Expenditure		
Direct costs		
Direct staff costs	19	-
Staff development	-	-
Other direct costs	7	4
Total direct costs	26	4
Other costs		
Recruitment and support	-	-
Other support costs	1	1
Total other costs	1	1
Total Expenditure	(27)	(5)
Surplus / (Deficit) from all sources	(27)	8
Teaching school balances at 31 August	4	31

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

31 Conversion to and Academy Trust

On 1st September 2022 Newton Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Furness Education Trust from the Cumbria County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Charitable activities – transfer from local authority on conversion.

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total £ 000
Tangible fixed assets				
Freehold land and buildings	-	-	562	562
Current assets	-	-	-	-
Loan – representing deficit on				
LA funds	-	(80)	-	(80)
Current liabilities	-	-	-	-
Non-current liabilities	-	-	-	-
LGPS pension surplus / (deficit)	-	33	-	33
Total net assets	-	(47)	562	515

On 1st April 2023 Lindal and Marton Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Furness Education Trust from the Westmorland and Furness Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Charitable activities – transfer from local authority on conversion.

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

Furness Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total £ 000
Tangible fixed assets				
Freehold land and buildings	-	-	552	552
Current assets	-	-	-	-
Loan – representing deficit on LA funds	170	-	-	171
Current liabilities	-	-	-	-
Non-current liabilities	-	-	-	-
LGPS pension surplus / (deficit)	-	16	-	16
Total net assets	170	16	552	739

Furness Education Trust

Independent Reporting Accountant's Report on Regularity

In accordance with the terms of our engagement letter dated 24 May 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Furness Education Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Furness Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Furness Education Trust's funding agreement with the Secretary of State for Education dated 29 September 2014 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

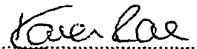
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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Date: 19 December 2023