

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 20
Statement on regularity, propriety and compliance	21
Independent auditors' report on the financial statements	22 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27 - 28
Balance sheet	29 - 30
Statement of cash flows	31
Notes to the financial statements	32 - 61

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members Mr R Higgins representing the Nuclear Decommissioning Agency (resigned 29 October 2018)
Mrs M Pearse representing the Nuclear Decommissioning Agency (appointed 29 October 2018, resigned 13 February 2019)
Dr L Livesey representing the University of Central Lancashire
Mr J Oliver representing Sellafield Ltd
Mr A Sellar representing the Nuclear Decommissioning Agency (appointed 14 February 2019)

Trustees Mr A Thompson#, Chair
Mrs M Pearse#, Vice Chair
Dr R Wylie*
Professor M Waters
Professor St John Crean* (appointed 25 February 2019)
Mrs S Armstrong# (appointed 22 January 2019)
Mr M Parlett* (appointed 22 January 2019)

Members of the Trust Finance Committee.

*Members of the Trust Audit Committee.

Company registered number 06627459

Company name West Lakes Multi Academy Trust

Registered office Main Street
Egremont
Cumbria
CA22 2DQ

Responsible Officer Ms S Grattan

Company secretary Mr S Lester MBE

Chief executive officer Mr J Johnson

Senior management team Mr J Jackson, Principal of West Lakes Academy
Mrs W Figes, Principal of Arlecdon and Thornhill Primary Schools
Miss S McCabe, Vice Principal West Lakes Academy
Miss A Deeks, Vice Principal West Lakes Academy
Mr B Simpson, Vice Principal West Lakes Academy
Ms M Relph, Vice Principal West Lakes Academy
Mr S Lester MBE, Chief Operating Officer

Independent auditors Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

Natwest
71 Lowther Street
Whitehaven
Cumbria
CA28 7AH

Solicitors

Burnetts
Victoria House
Wavell Drive
Rosehill Drive
Carlisle
Cumbria
CA1 2ST

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BG

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Multi-Academy Trust was established on 1 June 2018 following approval from the Secretary of State for Education; on this date the name of West Lakes Academy, Company Number 6627459, was changed to West Lakes Multi-Academy Trust. The Multi-Academy Trust was constituted from the previous West Lakes Academy Trust which was established in July 2008.

The Trust operated one academy during the Financial Year 2018-19, West Lakes Academy, for students aged 11 to 18 serving a diverse catchment area in West Cumbria. West Lakes Academy has a student capacity of 1,150 and had a roll of 1,239 in the school census of January 2019.

On 1 September 2019 Arlecdon Primary School and Thornhill Primary School converted to Academy status and joined West Lakes Multi-Academy Trust.

Structure, governance and management

a. 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 Charitable Company is known as West Lakes Multi-Academy Trust.

The Trustees of West Lakes Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The Members of West Lakes Multi-Academy Trust comprise the three sponsor organisations: Nuclear Decommissioning Authority represented by Mr Andrew Sellar, Sellafield Ltd represented by Mr John Oliver and the University of Central Lancashire represented by Dr Lynne Livesey.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

Indemnity insurance is provided for Trustees in accordance with, and subject to the conditions in, the Companies Act 2006 s236. Any Trustee or former Trustee is indemnified against any liability incurred by him or her in that capacity, to the extent permitted by the Charities Act 2006.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed

The Trustees of the Trust comprise: -

1. Up to six Sponsor Trustees (the Sponsors are Sellafield Ltd, the Nuclear Decommissioning Authority and the University of Central Lancashire).
2. Up to three co-opted Trustees.

The Trustees may appoint up to three co-opted Trustees. The Secretary of State may also appoint additional Trustees if he has concerns relating to standards of student achievement, leadership and management or health and safety.

The Board of Trustees identifies the skills and experience it needs and addresses any gaps through recruitment and/or induction, training and other development activities. The Governance Handbook is referred to in supporting this work and in identifying training materials to help trustees engage fully with their role.

e. Policies adopted for the induction and training of Trustees

A Trustee has been nominated to act as the Trustee responsible for Trustee induction and training and has arranged an induction programme for new Trustees and ongoing training for Trustees. Each Trustee has received a copy of the current Governors' Guide to the Law, Governance Handbook and Academies Financial Handbook. Trustees undertake a self-evaluation of skills and expertise each year. This is used to inform specific training and development.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Organisational structure

The Board of Trustees of the Multi-Academy Trust meets six times a year to receive reports from its sub-committees and manage its strategic objectives.

The Board currently has 4 sub-committees:

- The Audit and Risk Committee which meets at least three times per year to: review audit reports (both from external auditors and internal audit reports from the Responsible Officer) consideration of the appointment of the external auditor, set and review the internal audit programme, review of financial management and reporting arrangements, policies and procedures, risk management policy, strategy, processes and procedures and fraud matters including reporting to the ESFA where required.
- The Finance and General Purposes Committee which meets at least four times per year to review: financial issues, budget monitoring reports, the three year budget plan, health and safety reports, asset management, property management.
- Performance, Quality and Standards Committee which meets at least four times per year to review the in-year and summative performance of all academies in the Trust. It has a specific focus on raising standards of attainment and progress and ensuring successful engagement with the communities served. It monitors this through targets, value-added measures, student voice, self-evaluation, attendance among other key performance indicators.
- The Pay, Personnel and Performance Management Committee which meets at least four times per year to review: pay policy including salaries and gradings, increment reviews, the appraisal /performance management process, Chief Executive Officer's appraisal, human resources issues including: staff grievances, complaints of harassment, staff grievances, discipline, dismissals and appeals.

West Lakes Academy Local Governing Board committees comprise:

- The Performance and Quality Committee which meets at least four times per year to review: student achievements and quality assurance reports.
- The Student Personal Development and Welfare Committee, which meets at least four times per year to review: student behaviour as these relate to student progress and aspiration including pupil premium, admissions and student numbers, attendance rates and exclusions.
- The Admissions Sub-Committee which meets at least three times per year to review the academy's admission processes, including reviewing the Admissions policy, to ensure the academy is adhering to the School Admissions Code and complying with all mandatory provisions.
- The Performance Management and Pay and Review Sub-Committee which meets to review the pay of the Head of Academy, other members of the Academy Leadership Group, classroom teachers and support staff.
- The Premises Health and Safety Committee which meets at least four times per year to review: strategic facilities issues, capital and building projects, health and safety issues, food safety, cyber security, accident reports, incident logs and fire drills.

The West Lakes Academy Local Governing Board also has one committee that meets on an ad-hoc basis:-

- The Discipline Committee, which meets to hear student exclusion appeals.

Arlecdon Primary School Local Governing Board committees comprise:

- The Full Governing Body

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

- An Ad hoc committee which includes Vice Chair, Parent Governor and Co-opted Governor

Thornhill Primary School Local Governing Board committees comprise:

- The Full Governing Body
- An Ad hoc committee which includes Vice Chair, Parent Governor and Co-opted Governor

The day to day management is delegated to the Chief Executive Officer, who has appointed a Principal and Academy Leadership Group for each academy in the Multi-Academy Trust, which meet weekly to advise the Chief Executive Officer on their day to day responsibilities and to review budgets and budget forecasts to ensure that the Multi-Academy Trust operates within its funding limits.

Local Governing Boards method of recruitment and appointment and election

Each academy within the Multi-Academy has its own Local Governing Board. The specific structure, membership and Terms of Reference of each academy is directed by the Trustees.

The West Lakes Academy Local Governing Board comprises:

- Up to seven Sponsor Governors who are appointed by the sponsors (the Sponsors are Sellafield Ltd, Nuclear Decommissioning Authority and University of Central Lancashire).
- One Local Authority Governor who is appointed by Cumbria Local Authority.
- Two Parent Governors who are elected by WLA parents.
- Three co-opted Governors appointed by Trustees.
- One staff Governor elected by WLA staff.
- The Principal.

The Arlecdon Primary School Local Governing Board comprises:

- Six co-opted Governors
- Two Parent Governors who are elected by Arlecdon Primary School parents
- One staff Governor elected by Arlecdon Primary School staff
- The Principal.

The Thornhill Primary School Local Governing Board

- Six co-opted Governors
- Two Parent Governors who are elected by Thornhill Primary School parents
- One staff Governor elected by Thornhill Primary School staff
- The Principal.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The rules for determining the pay of key management personnel (for the purposes of this definition, this includes the Chief Executive Officer, Principals, Vice Principals and Assistant Principals who sit on the Academy Leadership Groups) are set out in the School Teacher's Pay and Conditions Document (STPCD). Academies and free schools can set their own pay and conditions, but often choose to follow the STPCD.

The Board of Trustees of West Lakes Multi-Academy Trust has established a pay range for the Principals, Vice Principals and Assistant Principals in accordance with the STPCD. On determining the appropriate pay range the Board of Trustees considered the permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations.

The role of the Chief Executive Officer is viewed by the Trustees as critical to the long term success of the Trust for the benefit of all students. Trustees have taken this into full account when determining the pay scale for the Chief Executive Officer. In light of these considerations, the pay range for the Chief Executive Officer has exceeded the maximum of the Headteacher group 7. Whilst there is no direction in the STPCD regarding Executive pay, the Academies Financial Handbook provides guidance and this has been followed by the Trustees. As directed by the STPCD the maximum Vice Principals' pay range has not exceeded the maximum of the Headteacher group.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000
--	-------------

Total cost of facility time	-	
Total pay bill	5,500	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
---	---	---

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The sponsors of the Multi-Academy Trust are Sellafield Ltd, the Nuclear Decommissioning Authority and the University of Central Lancashire. They each provide Trustees to assist with governance of the Multi-Academy Trust. West Lakes Academy Trust became West Lakes Multi-Academy Trust on 1 June 2018. During the Financial Year, 1 September 2018 to 31 August 2019, the Multi-Academy Trust comprised of a Single Academy Trust: West Lakes Academy. On 1 September 2019 Arlecdon Primary School and Thornhill Primary School converted to Academy status and joined West Lakes Multi-Academy Trust.

j. Risk management

The Chief Executive Officer and Chief Operating Officer review the Risk Register on a termly basis. The Risk Register identifies the potential strategic, operational and financial risks and scores and prioritises the risks in terms of their potential operational and financial impact. The Risk Register is presented at least once per year to the Trustees' Finance Committee for review and then to the Trustee Board.

Objectives and activities

a. Objects and aims

The principal object and activity of the Charitable Company is the operation of West Lakes Multi-Academy Trust to provide education for students of different abilities between the ages of 2 and 19.

In accordance with the Articles of Association the Charitable Company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academies within the Multi-Academy Trust, the catchment areas from which students are drawn, and that the curriculums should comply with the substance of the national curriculum.

The main objectives of the Multi-Academy Trust during the year ended August 31 2019 are summarised below:-

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all students;
- To improve the effectiveness of the Multi-Academy Trust by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with industry and commerce; and
- To conduct the Multi-Academy Trust business in accordance with the highest standards of integrity, probity and openness.

b. Objectives, strategies and activities

The Multi-Academy Trust's main strategy is encompassed in its mission statement which is "To build a learning community which has access to the best possible teaching facilities and staff".

To this end the activities provided include:-

- Tuition and learning opportunities for all students to attain appropriate academic qualifications;
- Training opportunities for all staff, especially teaching staff, to improve the quality of teaching;
- A programme of sporting and after school leisure activities for all students; and
- A careers advisory service to help students obtain employment or move on to higher education.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

c. Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission (on their website at Charities and Public Benefit) in exercising their powers or duties.

Strategic report

Achievements and performance

a. Key performance indicators

In March 2017 West Lakes Academy was subject to an OFSTED inspection and was judged to be Outstanding, both overall and also in each of the five individual sections of the OFSTED inspection. Trustees recognise the significant contribution made by students, parents, staff and governors over the years since the establishment of the academy in 2008 to the achievement of this Ofsted judgement. In 2019, West Lakes Academy volunteered to be inspected under the pilot inspection round for the new Ofsted framework. It was judged to remain outstanding, although this judgement is not official.

The Parent Voice survey conducted by OFSTED revealed that 94% of parents would recommend West Lakes Academy to other parents.

The total number students in the year ended 31 August 2019 was 1,239 (1,193 at 31 August 2018). This increase was due to increased numbers joining in year 7 compared to year 11 leavers, as well as new starters in other year groups. The Academy's agreed planned admission number (PAN) is 180 students.

The Academy successfully bid for £317,000 to develop secondary leadership and improve outcomes in GCSE English across six secondary schools in West Cumbria. This was through the DfE's 'Strategic School Improvement Fund' and administered through our newly established Teaching School Alliance (TSA).

The Teaching School Alliance was also accredited to deliver the 'National Professional Qualification for Middle Leaders' and 'Leaders for the Future' through the Specialist Schools and Academies Trust. These are nationally accredited courses and will recruit both internal and external candidates. The TSA was also given permission to train Initial Trainee Teacher students by forming a partnership with Durham University, starting in September 2019.

Jonathan Johnson, Trust CEO, holds the following responsibilities:

- National Leader of Education – supporting secondary school leaders across the country in school improvement (currently assisting in Norfolk, Birmingham, North Yorkshire, West Yorkshire and Cumbria).
- National Teaching School Council (TSC) – representing Northern Teaching Schools in meetings with Department for Education, Secretary of State and Parliamentary Undersecretary.
- National Lead (Mathematics) – working with National College of Excellence in Teaching Mathematics to advance the work of Maths Hubs across the country.
- Ofsted Head Teacher Reference Group – meeting with Ofsted Regional Teams to advise on policy and provide feedback to system leaders.
- Skills Advisory Panel member – Cumbria LEP supporting the strategic development of the Industrial Strategy.
- Ethical Leadership Committee – Chartered College of Teaching, the Education Endowment Foundation and the Association of School and College Leaders.
- Board Member – North West Maths Hub, Lancaster Royal Grammar School.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Stephen Lester MBE, Trust Chief Operating Officer, is:

- A member of the Education and Skills Funding Agency Academies Finance and Assurance Steering Group.
- A Department for Education School Resource Management Advisor.

Results at Key Stage 4

There was excellent news for the Academy when the school league tables were revealed in October 2019. West Lakes Academy students achieved the highest results in Copeland for GCSE results and in the top two secondary schools in the county. Results for 2019 place the academy in the top 13% of schools nationally for GCSE results, and the top 25% of schools for post 16.

The results for the last three years are summarised below:

Qualification	% Achievement in 2019	% Achievement in 2018	% Achievement in 2017
5+ Grades 9-4 including English and Maths	72	74	71
English Baccalaureate	35	34	26
Maths 9-4	78	76	74
English 9-4	87	90	87
Maths 9-5	49	59	55
English 9-5	71	77	71
Basics English and Maths 9-4	76	74	71
Basics English and maths 9-5	43	56	49
Attainment 8	50.8	53.8	51.3
Progress 8	0.27	0.50	0.28

Results Post 16

The academy also performed exceptionally well at Key Stage 5. The average points score has increased again and places the academy in the top 25% of post 16 providers nationally.

Other Highlights

- In March 2019 West Lakes Academy organised and hosted a 'Leading Learning Conference' for leaders from Schools and Academies across Cumbria bringing leading speakers from the world of education to share their knowledge on what the evidence says about what works in education. We were delighted that our keynote speaker was Amanda Spielman, Ofsted Chief Inspector.
- The Teaching School was awarded a grant of £317,000 to deliver leadership training and CPD to improve English outcomes at GCSE in West Cumbria. The teaching school also formed a partnership with the University of Durham to create an ITT programme and internship experience.
- Students took part in SMSC Day – spiritual, moral, social and cultural awareness – to aid personal development. They worked in tutor groups on a range of fun and informative activities focused on important issues and life skills. Alongside LGBT issues and British identity, the sessions covered alcohol awareness, stress management and first aid.
- Duke of Edinburgh – a record number of students have signed up to participate in the Duke of Edinburgh's award and are currently working through the four sections as they look to complete either their bronze or silver awards. Successful expeditions have taken place in Gosforth and Borrowdale so far.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

- Rock Challenge – West Lakes Academy were crowned Northern Champions in Rock Challenge for the third year running with their performance of “No good will come from a woman at sea”. Unfortunately there was no national competition this year for the team to try and build on their runners up position last year. They were also awarded 13 certificates of excellence in a variety of areas including visuals, sound and choreography. We remain the undefeated champions of the North (which includes Scotland) and have held this title for the past three consecutive years.
- Students successfully launched a weather balloon equipped with data logging equipment and a 360 degree camera as part of the ‘Raising Horizons’ project – the balloon successfully reached the outer atmosphere before returning to earth with valuable footage and data.
- Work Experience – All of the academy’s year 10 students successfully completed a weeks’ work experience in a variety of work placements both locally and nationally.
- World of Work day (in association with Inspira) was held, giving Year 8 students the opportunity to find out about prospective careers, develop teamwork skills and develop their understanding of university, apprenticeships and employment.
- West Lakes Academy students and staff celebrated World Book Day, which celebrates reading, authors and books with a short story read by staff, a visit to book store to purchase new reading material for the library and a book fair.
- Students discovered the true horrors of the Holocaust during a day of remembrance organised by the humanities department. Students had the opportunity to explore the Jewish faith and culture.
- A variety of local companies came to West Lakes Academy as part of an apprenticeship day which was a great opportunity for the Sixth Form students to hear more about potential career paths.
- The Y9 girls’ Rugby League team won the County cup and were runners up in the National Finals.
- The Y9 boys’ cricket team won the County cup
- In both Rugby League and Rugby Union all year groups were involved in impressive cup runs at both national and county level
- The Y9 netball team reached the county cup final

Fund raising activities included:

- The academy donated hundreds of kilos to the North Lakes Foodbank and continues to make regular monthly donations to the Foodbank.
- West Lakes Academy took part in the Operation Christmas Child initiative again this year, donating 60 shoe boxes.
- Generous students and staff contributed over 500 gifts and handmade cards to a Christmas appeal by Age UK.

Full details of these and many other activities can be found on the Academy’s website:-
<http://www.westlakesacademy.org.uk/category/news/>

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

A budget plan has been prepared for the next five years which corroborates this and regular monitoring and reporting of performance will highlight any issues, allowing corrective action to be taken.

The major areas for concern are loss of funding due to budget cuts or falling student numbers (predicted student numbers are strong due to the popularity of the Multi-Academy Trust although local demographics are affecting primary school pupil numbers) and the Local Government Pensions Scheme deficit.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

a. Results for the year

Most of the Multi-Academy Trust's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purchases. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Income has increased due to the increase in student numbers and income from the iPad lease scheme which is offset by expenditure on the lease.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

Expenditure in the year ended 31 August 2019 was £7,988,000 (2018: £7,571,000). This was more than covered by recurrent grant funding and grants brought forward from the ESFA together with other incoming resources. The deficit of expenditure over income for the year was £761,000 (2018: £1,073,000). The new West Lakes Academy building was introduced in the year ended 31 August 2012 at a value of £24,426,000. Depreciation incurred on the new building in the current year was £456,000.

The Multi-Academy Trust's reserves now stand at £20,379,000 (2018: £22,818,000). Trustees are aware of the impact of government changes to the funding formula for academies and are pleased to have reserves which will smooth the impact of the changes on the learning experience of West Lakes Multi-Academy Trust students.

The Multi-Academy Trust receives free of charge the services of an appropriately experienced individual to act as Responsible Officer from one of the sponsor organisations (Sellafield Limited). They carried out a programme of internal audits, making recommendations for improvements to internal controls and reporting to Trustees. The deemed value of the work was £5,000.

b. Financial and Risk Management Objectives and Policies

The Multi-Academy Trust is aware of the impact of potential cuts in future levels of government funding and continually reviews its costs to ensure long term viability.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The principal risks to the Multi-Academy Trust are:-

- Loss of funding by either budget cuts or falling student numbers.
- LGPS deficit.
- In future years, insufficient funds to cover long term building life cycle costs.

The Multi-Academy Trust's risk management process ensures that risks are regularly reviewed and appropriate action to minimise risks are implemented.

d. Reserves policy

The Trustees review the reserve levels of the Multi-Academy Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The amount of free reserves that can be held is not limited by the ESFA.

The Trust's target is to have free reserves of at least one month's operating costs, approximately £500,000 (2018: £500,000). The budget set for the next year aims to achieve this level of reserves. The Trust's reserves at 31 August 2019 were £20,379,000 (2018: £22,818,000). Of these reserves, £1,172,000 (2018: £1,526,000) are free reserves.

Following the move to the new building for West Lakes Academy in April 2012, a plan was constructed which identifies the long-term cyclical needs of renewal. The Trust's policy is to carry forward a prudent level of reserves designed to meet cyclical renewal costs and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the ESFA.

The LGPS is currently in a deficit position which would result in a cash flow effect for the Trust in the form of increased employers' pension contributions over a period of years. The Trust revisits business plans and budgets annually to ascertain how pension costs might affect budgets in future years. On the basis that increased pension contributions would be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the Trust as a result of recognising the deficit.

e. Investment policy

The Trust received £2 million in sponsorship from BNFL (now Sellafield Limited) in 2008. The Trust complies with the requirements of the Deed of Gift in relation to the sponsorship funding provided by Trust sponsors.

The Trust aims, through the utilisation of a professional team of financial investment managers, to:-

- Develop a portfolio that supports green energy and avoids investment in companies with a bias towards alcohol and tobacco;
- Create a diverse portfolio of investments to minimise financial risk;
- Generate a level of income of approximately £50,000 to £100,000 per annum; and
- As a minimum maintain the current value of the capital asset and where possible create some capital growth.

The Deed of Gift has been invested in a diverse portfolio of investments. The capital value of £2,427,436 at 1 September 2018 has increased to £2,452,498 at 31 August 2019 with an income to the Trust of £79,410 and an endowment investment gain of £25,062. Funds have been utilised in 2018/19 to fund the completion of a new classroom block, upgrading computing equipment and student rewards.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The majority of the Trust income which is relied on for supporting the academy's educational objectives is in the form of the academy's General Annual Grant. Additional funding has been received in relation to the Chief Executive Officer's roles as a National Leader of Education and a member of the Teaching Schools Council and from the Chief Operating Officer's activities with the Education and Skills Funding Agency.

This is supplemented by a range of fundraising activities to deliver enhanced education provision:

Fundraising from parents recognises the aspiration of parents to ensure the best education for their children balanced with the financial realities. The major area of parental support is the iPad scheme operated by the Trust which has been extremely successful in raising academic outcomes for all students. The Trust is clear that it does not want any student not to have access to iPads for financial reasons and therefore provides support for parents and students who have difficulties in funding an iPad. The parental donations towards the cost of the iPad programme are significant; the trustees recognise the important value of these contributions, without which the scheme could not operate.

We welcome support from local organisations, and benefitted from in-kind support from local organisations in the delivery of a number of curriculum activities as well as careers guidance and interviewing skills.

Fundraising activities are coordinated and monitored by the Chief Executive Officer and Chief Operating Officer; we do not use any external fundraisers. We do not pressure any members of the public, including vulnerable people, from unreasonable, intrusive or persistent fundraising approaches, and undue pressure to donate.

Complaints with regard to fundraising are managed by the Chief Operating Officer. There have been no complaints in the period.

Plans for future periods

The Multi-Academy Trust will continue to strive to improve the levels of performance of its students at all levels to ensure its students obtain employment or a place in higher education when they leave.

In the forthcoming year, West Lakes Academy will exceed its Planned Admission Number of 180 student intake in Year 7 and will work to increase its recruitment to post 16 education.

An Academy Development Plan for West Lakes Academy has been developed by the Principal and Academy Leadership Group. The plan sets out clear targets for student achievement and standards of teaching which has clear links to the 2019/20 budget.

West Lakes Multi-Academy Trust makes contributions to the Local Government Pension Scheme to provide the benefits which will become payable to scheme members when they fall due. The Trust currently pays employer contributions at a rate of 14.6% plus a fixed sum for deficit recovery as advised by the scheme administrators. The fixed sum for the year ended 31 August 2019 is £104,650 (cost for the year ending 31 August 2020 will be £104,650). The Trust will annually monitor performance of the scheme and follow the advice of the scheme administrators on contribution rates.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Employee involvement and employment of the disabled

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

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

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The Members will propose a motion reappointing the auditors at a meeting of the Members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Members, as the company directors, on 10/12/19 and signed on its behalf by:



Mrs M Pearce
Vice Chair of Trustees

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between West Lakes Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report. The board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr A Thompson, Chair	3	5
Mrs M Pearse, Vice Chair	5	5
Dr R Wylie*	5	5
Professor M Waters	4	5
Professor St John Crean	1	3
Mrs S Armstrong	0	3
Mr M Parlett	1	3

The Board of Trustees has undertaken a range of self-review exercises since incorporation in 2008. Trustees now plan to hold an annual self-review of governance.

Items included in the self-review include:

- Governor's skills audit.
- Action plan which identifies areas of improvement and actions to be taken.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. Following the conversion to a Multi-Academy Trust on 1 June 2018 a separate Audit Committee was established.

The responsibilities of the Finance Committee are:

- To make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis.
- Major issues are referred to the full Board of Trustees for ratification.

Attendance during the year at meetings was as noted above.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. He sends an annual letter to all staff, governors, trustees and Members which is cited by the ESFA as an example of best practice.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Multi-Academy Trust has delivered improved value for money during the year by:

1. Consistently delivering good results at all key stages as detailed in the Achievements and Performance section on pages 11 to 14. The most recent OFSTED report for West Lakes Academy in March 2017 graded the Academy as Outstanding across all areas of the inspection criteria. Full details are available from the link below:

<http://www.westlakesacademy.org.uk/about-us/ofsted-report/>

The Trust also tracks attendance of all students. Attendance for 2018-19 for West Lakes Academy at 95.6% is above the national average figure for Attendance of 95.4%.

2. Robust governance and oversight of Multi-Academy Trust finances

The Trust benefits from the provision by Sellafield Ltd of a suitably qualified Responsible Officer. The Responsible Officer works under the direction of the Trust Audit Committee and reviews key financial policies, systems and procedures, including the use of tenders, fraud management and awareness and presents reports on compliance to the Trust Audit Committee.

The Finance Committee receives termly budget monitoring reports and reports detailing compliance with Academy Trust's tender policy. The Trust Finance Manager prepares monthly budget monitoring reports which are reviewed with the Accounting Officer and Chief Operating Officer.

The full Trust Board approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Multi-Academy Trust remains a 'going concern'.

The Members receive and approve the Annual Accounts and the External Auditors' Management Report at the Annual General Meeting.

3. Ensuring the operation of the Multi-Academy Trust demonstrates good value for money and efficient and effective use of resources

The Trust regularly benchmarks financial performance against other Academy Trusts to demonstrate that the Trust provides good value for money.

The Department for Education's Financial Scorecard produced in January 2018 showed that West Lakes Academy was placed in the top third of similar academies in terms of outcomes achieved in relation to the funding received.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

For purchases above £2,000 but below the tender limit, 3 quotes are required.

The Trust challenges itself to ensure that it achieves the best price for its requirements across all goods and services.

In 2018-19 a number of efficiency and procurement activities were undertaken including:

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Contracts which have come up for renewal have all been reviewed.
- Facilities contracts have been subject to best value review: extended maintenance of various equipment
- Robustly challenging useful life of equipment e.g. computing equipment
- Changing Electricity supply contract to the Government's Crown Commercial Services which allows the Trust to benefit from the economies of scale and expertise of public sector central procurement services.
- Savings on IT equipment purchases through using framework contracts: iPad tender, computers & new classroom computers £12k.

The Academy continues to be a member of the Government's RPA scheme for insurance in order to make cost savings.

In 2019-20 we will continue to focus on all areas of goods and services. We undertook an energy survey in 2017-18 and intend reviewing utility usage to drive down the costs and to ensure that we are not wasteful in our energy consumption, for example we intend implementing a rolling programme of replacement of lighting with LED lighting.

The Chief Executive Officer writes an annual letter to all staff, Members, Trustees and Governors explaining how value for money has been delivered; this was cited by ESFA as an example of best practice.

The academy's adult education program has provided a variety of courses for the local community for many years. These range from GCSE and foundation skills in mathematics, English and science, employability courses in computer skills and preparation for work through to leisure courses in language skills and rock climbing. The outcomes for learners from improved skills, self-confidence and new qualifications have been transformational. A significant number of learners have benefited from new work opportunities. We have calculated that over 15,000 learners have taken part in Adult Education provision since 1991.

The public value from the Community Learning and Skills programme is clearly evident.

However in recent years the number of learners undertaking courses has reduced significantly to the point that the Adult Education was unable to cover the costs of the provision. Therefore we have agreed with Cumbria County Council Adult Education Service for them to take on the provision of certain of the Adult Education courses; GCSE in Maths, English and Science and German language course whilst the Trust continues to provide leisure courses such as Spanish and Rock Climbing. Through this approach we have ensured that an economically viable variety of courses and activities continue to be available to the local community.

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 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 the Trust for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and the financial statements. This process is regularly reviewed by the Board of Trustees.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mrs S Grattan, a Trustee and employee of one of the Trust's Sponsors Sellafield Ltd, to carry out a programme of internal checks.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

In particular the checks carried out in the current period included testing of the Accounting system.

The Responsible Officer reports to the Audit Committee on the operation of the systems of control and on the discharge of the Trustee's financial responsibilities.

The Responsible Officer's function has been delivered in line with the ESFA requirements and no material control issues were identified as a result of the Responsible Officer's work.

Review of effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:


.....

Mrs M Pearce
Vice Chair of Trustees

Date:




.....

Mr J Johnson
Accounting Officer

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr J Johnson
Accounting Officer

Date:



WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST LAKES MULTI ACADEMY TRUST

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST LAKES MULTI ACADEMY TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Trust 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.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST LAKES MULTI ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

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

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

Auditors' 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.

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

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Karen A Rae FCCA (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Carlisle

Date: 17 December 2019

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST LAKES MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Lakes Multi Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of West Lakes Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of West Lakes Multi Academy Trust's funding agreement with the Secretary of State for Education dated 17 July 2008 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- review of extra-contractual payments for staff have been made in accordance with the Handbook;
- review of resources expended for individual transactions exceeding £5,000;
- reviewing any borrowing agreements, including leases, to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meetings of the main committees during the year;
- reviewing of internal audit reports for evidence of non compliance;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST LAKES MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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



Karen A Rae FCCA

Armstrong Watson Audit Limited

Date: 17 December 2019

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note						
Income and endowments from:							
Donations and capital grants	4	-	2	-	-	2	6
Charitable activities		189	6,645	87	-	6,922	6,202
Teaching schools		-	82	-	-	82	60
Other trading activities		171	-	-	-	171	134
Investments	7	4	79	-	-	83	70
Total income and endowments		364	6,808	87	-	7,259	6,472
Expenditure on:							
Charitable activities	9	718	6,638	549	-	7,905	7,512
Teaching schools		-	83	-	-	83	59
Total expenditure		718	6,721	549	-	7,988	7,571
Net (losses)/gains on investments		-	(58)	-	26	(31)	26
Net movement in funds before other recognised gains/(losses)		(354)	29	(462)	26	(761)	(1,073)
Other recognised gains/(losses):							
Actuarial losses on defined benefit pension schemes	29	-	(1,678)	-	-	(1,678)	708
Net movement in funds		(354)	(1,649)	(462)	26	(2,439)	(365)

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted	Restricted	Restricted	Endowment	Total	Total
	funds	funds	fixed asset	funds	funds	funds
	2019	2019	2019	2019	2019	2018
Note	£000	£000	£000	£000	£000	£000
Reconciliation of funds:						
Total funds brought forward	1,526	(4,692)	23,558	2,426	22,818	23,183
Net movement in funds	(354)	(1,649)	(462)	26	(2,439)	(365)
Total funds carried forward	1,172	(6,341)	23,096	2,452	20,379	22,818

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 32 to 61 form part of these financial statements.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 06627459

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	16	6	18
Tangible assets	17	22,890	23,343
Investments	18	2,452	2,426
		<u>25,348</u>	<u>25,787</u>
Current assets			
Debtors	19	146	172
Cash at bank and in hand		569	667
		<u>715</u>	<u>839</u>
Creditors: amounts falling due within one year	20	(394)	(630)
Net current assets		<u>321</u>	<u>209</u>
Total assets less current liabilities		<u>25,669</u>	<u>25,996</u>
Creditors: amounts falling due after more than one year	21	(10)	(13)
Net assets excluding pension liability		<u>25,659</u>	<u>25,983</u>
Defined benefit pension scheme liability	29	(5,280)	(3,165)
Total net assets		<u><u>20,379</u></u>	<u><u>22,818</u></u>

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Funds of the Academy Trust			
Endowment funds	23	2,452	2,426
Restricted funds:			
Fixed asset funds	23	23,096	23,558
Restricted income funds	23	(1,061)	(1,527)
Restricted funds excluding pension asset	23	22,035	22,031
Pension reserve	23	(5,280)	(3,165)
Total restricted funds	23	16,755	18,866
Unrestricted income funds	23	1,172	1,526
Total funds		20,379	22,818

The financial statements on pages 27 to 61 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



Mrs M Pearce
Vice Chair of Trustees

Date: 10 December 2019

The notes on pages 32 to 61 form part of these financial statements.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	25	(174)	(213)
Cash flows from investing activities	27	79	(234)
Cash flows from financing activities	26	(3)	(3)
Change in cash and cash equivalents in the year		(98)	(450)
Cash and cash equivalents at the beginning of the year		667	1,117
Cash and cash equivalents at the end of the year	28	569	667

The notes on pages 32 to 61 form part of these financial statements

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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.

1.1 Basis of preparation of financial statements

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

West Lakes Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 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 year is deducted from income and recognised as a liability.

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year 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 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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 Capital Grants' 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.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.7 Intangible assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Purchased computer software	- 33.3%
-----------------------------	---------

1.8 Tangible fixed assets

Assets costing £2,000 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 basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long leasehold buildings:

New School	- 1.67% (over 60 years)
Sports Hall, Gym and Climbing Wall	- 4% (over 25 years)
Conservatory	- 6.67% (over 15 years)
Fixtures and Fittings (including ICT equipment)	- 33.3%
Motor vehicles	- 10%

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.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 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.

1.13 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments. Amounts due to the Academy Trust'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 20 and 21. 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 the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Pensions

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

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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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.

1.16 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 34.

1.17 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 the funders where the asset acquired or created is held for a specific purpose.

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

The Endowment fund represents capital, held in perpetuity to create income for specified purposes.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, there are academies within the Academy Trust which were subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% 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 Academy Trust exceeded the limits during the year ended 31 August 2019.

4. Income from donations and capital grants

	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Donations	2	2	6
	<hr/>	<hr/>	
<i>Total 2018</i>	6	6	
	<hr/>	<hr/>	

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
DfE/ESFA grants			
General annual grant	-	5,711	5,711
Other DfE/ESFA grants	-	337	337
Local authority grants	-	218	218
Special Educational projects	-	379	379
Other income	189	87	276
Total 2019	189	6,732	6,921

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Total funds 2018 £000</i>
DfE/ESFA grants			
General annual grant	-	5,511	5,511
Other DfE/ESFA grants	-	243	243
Local authority grants	-	183	183
Special Educational projects	-	142	142
Other income	92	31	123
<i>Total 2018</i>	<i>92</i>	<i>6,110</i>	<i>6,202</i>

6. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Hire of facilities	9	9	9
Other income	162	162	125
Total 2019	171	171	<i>134</i>

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Investment income

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Investment income	-	79	79
Short term deposits	4	-	4
Total 2019	4	79	83
	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Investment income	-	67	67
Short term deposits	3	-	3
<i>Total 2018</i>	<i>3</i>	<i>67</i>	<i>70</i>

8. Expenditure

	Staff Costs 2019 £000	Other 2019 £000	Total 2019 £000
Educational operations:			
Direct costs	4,673	1,747	6,420
Allocated support costs	1,034	451	1,485
Teaching school	59	24	83
Total 2019	5,766	2,222	7,988

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Staff Costs</i> 2018 £000	<i>Other</i> 2018 £000	<i>Total</i> 2018 £000
Educational operations:			
Direct costs	4,626	1,253	5,879
Allocated support costs	866	767	1,633
Teaching school	44	15	59
	<hr/>	<hr/>	<hr/>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Educational operations	718	7,187	7,905
	<hr/>	<hr/>	<hr/>

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Educational operations	934	6,578	7,512
	<hr/>	<hr/>	<hr/>

Summary by expenditure type

	Staff costs 2019 £000	Depreciation 2019 £000	Other costs 2019 £000	Total funds 2019 £000
Educational operations	5,707	549	1,649	7,905
	<hr/>	<hr/>	<hr/>	<hr/>

	<i>Staff costs 2018 £000</i>	<i>Other costs 2018 £000</i>	<i>Total funds 2018 £000</i>
Educational operations	5,203	2,309	7,512
	<hr/>	<hr/>	<hr/>

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Educational operations	6,420	1,485	7,905

	<i>Activities undertaken directly 2018 £000</i>	<i>Support costs 2018 £000</i>	<i>Total funds 2018 £000</i>
Educational operations	5,879	1,633	7,512

Analysis of direct costs

	Educational operations 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	4,673	4,673	4,328
Depreciation	549	549	-
Support costs	84	84	724
Other direct costs	1,114	1,114	827
Total 2019	6,420	6,420	5,879

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	1,034	1,034	875
Technology costs	150	150	89
Premises costs	266	266	408
Other support costs	-	-	230
Governance costs	35	35	31
Total 2019	1,485	1,485	1,633

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £000	<i>2018 £000</i>
Operating lease rentals	80	97
Depreciation of tangible fixed assets	537	524
Amortisation of intangible assets	12	13
Fees paid to auditors for:		
- audit	11	11
- other services	5	1

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	4,302	4,176
Social security costs	362	344
Pension costs	1,102	727
	<u>5,766</u>	<u>5,247</u>
Staff restructuring costs	14	2
	<u>5,780</u>	<u>5,249</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	14	-
Severance payments	-	2
	<u>14</u>	<u>2</u>

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

Included in the prior year staff restructuring costs is one non-statutory/non-contractual severance payment of £2,000. There was no non-statutory/non-contractual severance payments in the current financial year.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	65	60
Administration and support	64	69
Management	8	8
	<u>137</u>	<u>137</u>

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	-
In the band £110,001 - £120,000	1	1
	<u>4</u>	<u>3</u>

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and senior management team as noted on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £550,000 (2018 - £660,000).

13. Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £135,000).

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

15. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of 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 membership.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Intangible assets

	Purchased computer software £000
Cost	
At 1 September 2018	45
At 31 August 2019	45
Amortisation	
At 1 September 2018	27
Charge for the year	12
At 31 August 2019	39
Net book value	
At 31 August 2019	6
At 31 August 2018	18

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2018	25,955	243	1,353	21	27,572
Additions	6	14	64	-	84
At 31 August 2019	<u>25,961</u>	<u>257</u>	<u>1,417</u>	<u>21</u>	<u>27,656</u>
Depreciation					
At 1 September 2018	2,738	230	1,242	19	4,229
Charge for the year	457	11	67	2	537
At 31 August 2019	<u>3,195</u>	<u>241</u>	<u>1,309</u>	<u>21</u>	<u>4,766</u>
Net book value					
At 31 August 2019	<u>22,766</u>	<u>16</u>	<u>108</u>	<u>-</u>	<u>22,890</u>
At 31 August 2018	<u>23,217</u>	<u>13</u>	<u>111</u>	<u>2</u>	<u>23,343</u>

All the assets above are used for educational provision.

The Academy Trust's transactions relating to long-term leasehold property included:

- Completion payment in relation to the construction of a classroom extension at a cost of £6,000.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Fixed asset investments

	Listed investments £000
Cost or valuation	
At 1 September 2018	2,426
Additions	156
Disposals	(129)
At 31 August 2019	2,452
Net book value	
At 31 August 2019	2,452
<i>At 31 August 2018</i>	<i>2,426</i>

The original capital investment was £2million. In addition, to the balance held in investments, income earned in the year on the investment was £79,000 (2018 - £67,000).

The Trust has invested the Endowment funds in a mixed portfolio with the intention of UK growth and income strategy. The funds are held in UK and overseas fixed interest accounts, UK and overseas equities, alternative investments and smaller amounts of cash as follows:

	2019 £000	2018 £000
UK fixed interest account	118	111
Overseas fixed interest account	319	340
UK equities	699	692
Overseas equities	736	999
Alternative investments	456	175
Cash	125	109
	2,453	2,426

The aims of the investment policy are to:

- Generate a level of income of £50,000 - £100,000 per annum
- As a minimum maintain the current value of capital asset and where possible achieve some capital growth.

These targets have been exceeded for the year to 31 August 2019.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	73	7
Other debtors	24	26
Prepayments and accrued income	49	139
	<u>146</u>	<u>172</u>

20. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	90	104
Other taxation and social security	99	93
Other creditors	14	14
Accruals and deferred income	191	419
	<u>394</u>	<u>630</u>

Deferred Income

	2019 £000	2018 £000
Deferred income at 1 September 2018	166	55
Resources deferred in the year	21	166
Amounts released from previous years	(166)	(55)
Deferred income at 31 August 2019	<u>21</u>	<u>166</u>

	2019 £000	2018 £000
Resources deferred in the year		
Rates Relief	-	26
Year 7 Catch Up	7	7
Student Sales	-	-
School Games Organiser Grant	14	14
SSIF Grant	-	119
	<u>21</u>	<u>166</u>

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Creditors: Amounts falling due after more than one year

	2019	2018
	£000	£000
Other creditors	10	13

Included within other creditors is a loan of £30,000 from Salix which is provided on the following terms. The funds have been used for an approved lighting project to increase energy efficiency. It will be repaid via deductions from the Academy's GAG allocation: £11,000 will be repaid in Autumn 2019 and the balance will be repaid in equal instalments which commenced in March 2016 and will continue at 6 monthly intervals until repaid in full in September 2023.

22. Financial instruments

	2019	2018
	£000	£000
Financial assets		
Financial assets measured at fair value through income and expenditure	569	667
Financial assets that are debt instruments measured at amortised cost	75	9
	644	676
	2019	2018
	£000	£000
Financial liabilities		
Financial liabilities measured at amortised cost	(305)	(550)

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals and deferred income.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

23. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds - all funds	1,526	364	(718)	-	-	1,172
Endowment funds						
Endowment Funds - all funds	2,426	-	-	-	26	2,452
Restricted general funds						
General Annual Grant (GAG)	(1,039)	5,711	(5,278)	(470)	-	(1,076)
Pupil Premium	-	215	(215)	-	-	-
Sponsorship	(20)	2	(2)	-	-	(20)
Other grants	(22)	801	(789)	70	-	60
Other	(446)	79	-	400	(58)	(25)
Pension reserve	(3,165)	-	(437)	-	(1,678)	(5,280)
	(4,692)	6,808	(6,721)	-	(1,736)	(6,341)
Restricted fixed asset funds						
DfE/ESFA Capital Grants	240	87	(18)	(27)	-	282
Capital expenditure from GAG	(2,115)	-	(526)	27	-	(2,614)
Private/Public sector capital sponsorship	25,433	-	(5)	-	-	25,428
	23,558	87	(549)	-	-	23,096
Total Restricted funds	18,866	6,895	(7,270)	-	(1,736)	16,755
Total funds	22,818	7,259	(7,988)	-	(1,710)	20,379

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

23. Statement of funds (continued)

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

General Annual Grant must be used for the normal running costs of the Trust. The Trust is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Trust, but any balance over 2% must be used for capital purposes.

The ESFA grants must be used for their individual specific purposes as follows: 16-19 Bursary - to support the most vulnerable students in post 16 education; Academies Pupil Premium - to support the education of pupils on Free School Meals.

Other DfE grants must also be used for their specific purposes as follows: Devolved Formula Capital - purchase capital equipment; SEN - support pupils with Special Educational Needs; Adult Education - support Adult Education provision; Pupil Premium for Looked After Children - to support the education of Looked After Children; National Leaders in Education to support other schools; Strategic School Improvement Fund to help other schools to improve; Teaching School Alliance to promote good teaching and the Teaching School Council to represent Cumbria on the national forum.

Restricted fixed assets were funded by government grants and sponsors.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
West Lakes Academy	2,570	2,425
Restricted fixed asset fund	23,096	23,558
Pension reserve	(5,280)	(3,165)
Total	20,386	22,818

Total cost analysis by academy

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	Total 2019 £000
West Lakes Academy	4,498	810	2,680	7,988

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

23. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds					
General Funds	1,297	229	-	-	1,526
Endowment funds					
Endowment Funds	2,940	-	-	(514)	2,426
Restricted general funds					
General Annual Grant (GAG)	(669)	5,511	(5,821)	(60)	(1,039)
Pupil Premium	1	203	(204)	-	-
Sponsorship	(20)	5	(5)	-	(20)
Other grants	(10)	341	(349)	(4)	(22)
Other	(95)	158	(361)	(148)	(446)
Pension reserve	(3,579)	-	(294)	708	(3,165)
	(4,372)	6,218	(7,034)	496	(4,692)
Restricted fixed asset funds					
DfE/ESFA Capital Grants	201	25	(13)	27	240
Capital expenditure from GAG	(1,657)	-	(520)	62	(2,115)
Private/Public sector capital sponsorship	24,774	-	(4)	663	25,433
	23,318	25	(537)	752	23,558
Total Restricted funds	18,946	6,243	(7,571)	1,248	18,866
Total funds	23,183	6,472	(7,571)	734	22,818

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	22,890	-	22,890
Intangible fixed assets	-	6	-	-	6
Fixed asset investments	-	-	-	2,452	2,452
Current assets	1,179	(670)	206	-	715
Creditors due within one year	(7)	(387)	-	-	(394)
Creditors due in more than one year	-	(10)	-	-	(10)
Provisions for liabilities and charges	-	(5,280)	-	-	(5,280)
Total	1,172	(6,341)	23,096	2,452	20,379

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Endowment funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	23,343	-	23,343
Intangible fixed assets	-	-	18	-	18
Fixed asset investments	-	-	-	2,426	2,426
Current assets	1,526	(884)	197	-	839
Creditors due within one year	-	(630)	-	-	(630)
Creditors due in more than one year	-	(13)	-	-	(13)
Provisions for liabilities and charges	-	(3,165)	-	-	(3,165)
Total	1,526	(4,692)	23,558	2,426	22,818

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £000	2018 £000
Net expenditure for the year (as per Statement of financial activities)	(761)	(1,073)
Adjustments for:		
Amortisation	12	13
Depreciation	537	524
Interest receivable	(4)	(3)
Defined benefit pension scheme cost less contributions payable	160	199
Defined benefit pension scheme finance cost	93	95
Decrease in debtors	26	16
(Decrease)/increase in creditors	(237)	16
Net cash used in operating activities	(174)	(213)

26. Cash flows from financing activities

	2019 £000	2018 £000
Cash inflows from new borrowing	(3)	(3)
Net cash used in financing activities	(3)	(3)

27. Cash flows from investing activities

	2019 £000	2018 £000
Dividends, interest and rents from investments	3	3
Purchase of intangible assets	-	(13)
Purchase of tangible fixed assets	(84)	(738)
Endowment gain included in net income/(expenditure) in SOFA	31	(26)
Endowment withdrawal	129	540
Net cash provided by/(used in) investing activities	79	(234)

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

28. Analysis of cash and cash equivalents

	2019	<i>2018</i>
	£000	<i>£000</i>
Cash in hand	569	<i>667</i>
Total cash and cash equivalents	569	<i>667</i>

29. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £82,000 were payable to the schemes at 31 August 2019 (*2018 - £77,000*) 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

29. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £318,000 (2018 - £409,000).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £419,000 (2018 - £401,000), of which employer's contributions totalled £327,000 (2018 - £309,000) and employees' contributions totalled £ 92,000 (2018 - £91,000). The agreed contribution rates for future years are 14.6 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment/inflation	2.1	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2	2.1
Commutation of pensions to lump sums	50	50

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

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

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

29. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	10,099	7,373
Mortality assumption - 1 year increase	10,524	7,684
CPI rate +0.1%	10,580	7,724

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	2,443	2,133
Debt instruments	1,218	1,043
Property	288	399
Cash and other liquid assets	233	258
Other	875	548
Total market value of assets	5,057	4,381

The actual return on scheme assets was £000362,000 (2018 - £199,000).

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

	2019 £000	2018 £000
Current service cost	456	508
Past service cost	215	-
Interest income	-	101
Interest cost	84	86
Administrative expenses	9	9
Total amount recognised in the Statement of financial activities	764	704

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

29. Pension commitments (continued)

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

	2019 £000	2018 £000
At 1 September	7,546	7,444
Current service cost	456	508
Interest cost	211	187
Employee contributions	92	91
Actuarial losses/(gains)	1,913	(611)
Benefits paid	(96)	(73)
Past service costs	215	-
At 31 August	10,337	7,546

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

	2019 £000	2018 £000
At 1 September	4,381	3,865
Expected return on assets	127	101
Actuarial gains	235	97
Employer contributions	327	309
Employee contributions	92	91
Benefits paid	(96)	(73)
Administration expenses	(9)	(9)
At 31 August	5,057	4,381

30. Operating lease commitments

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

	2019 £000	2018 £000
Not later than 1 year	51	16
Later than 1 year and not later than 5 years	61	35
Later than 5 years	-	1
	112	52

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

31. Members' liability

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

32. Related party transactions

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

33. Post balance sheet events

On 1 September 2019 Arlecdon Primary School and Thornhill Primary School converted to Academy status and joined West Lakes Multi-Academy Trust.

34. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £22,000 and disbursed £17,000 from the fund. An amount of £32,000 is included in the statement of funds relating to undistributed funds carried forward at the year end date.

Comparatives for the accounting period ending 31 August 2018 are £21,000 received, £21,000 disbursed and £26,000 included in the statement of funds.

WEST LAKES MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

35. Teaching school trading account

	2019 £000	2019 £000	2018 £000	2018 £000
Income				
Direct income				
Income	82		60	
Total income		82		60
Expenditure				
Direct expenditure				
Direct staff costs	59		44	
Other direct costs	24		15	
Total direct expenditure	83		59	
Total expenditure		83		59
(Deficit)/surplus from all sources		(1)		1
Teaching school balances at 1 September 2018		1		-
Teaching school balances at 31 August 2019		-		1