

Registration number: 07546118

West Norfolk Academies Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Hayhow & Co
19 King Street
Kings Lynn
Norfolk
PE30 1HB

SATURDAY



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15/12/2018
COMPANIES HOUSE

West Norfolk Academies Trust

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West Norfolk Academies Trust

Reference and Administrative Details

Members	Mr H Livesey Mrs A Arterton Mrs S Lunnun
Trustees (Directors)	Mr H Livesey, Chair of Trustees Mrs A Arterton, Vice-Chair of Trustees Mr A Johnson, Headteacher and Accounting Officer Mr R Allflatt Mr K Baldwin Mrs S Lunnun Mr A Yates Mr P Harris Mr P Bland Mr N Daubney Miss L Bambridge Mr M Ballman
Governors	Mr Swinburn Mr Collison (resigned 27 February 2018)
Senior Management Team	Mr A Johnson, Executive Headteacher Mr N Wills-Gillings, Trust Executive Deputy Headteacher Mr D Hutton, Trust Executive Deputy Headteacher Mr J Hirst, Trust Executive Deputy Headteacher
Principal and Registered Office	Queensway Gaywood Kings Lynn Norfolk PE30 4AW
Company Registration Number	07546118
Auditors	Hayhow & Co 19 King Street Kings Lynn Norfolk PE30 1HB 30 August 2017 Engagment Letter Signed

West Norfolk Academies Trust

Reference and Administrative Details (continued)

Bankers	Lloyds TSB Bank Plc High Street Kings Lynn Norfolk PE30 1BP
Solicitors	Ward Gethin Archer 10 Tuesday Market Place Kings Lynn Norfolk PE30 1JT

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018

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

West Norfolk Academies Trust operates in West Norfolk, under the names Springwood High School Academy, St Clements High School, Marshland High School, Smithdon High School, Snettisham Primary School, West Lynn Primary School, Clenchwarton Primary School, Walpole Cross Keys Primary School, Heacham Primary School, Heacham Infants and Nursery School, and Gaywood Primary School. The eleven schools have a combined pupil capacity of 4,900 and had a roll of 4,750 in the January 2018 school census.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee, with no share capital, and an exempt charity, and was formed on 28 February 2011. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The principal object of the Academy Trust is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. There have been no changes in the objectives since the last annual report.

The governors act as the trustees for the charitable activities of West Norfolk Academies Trust and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a member.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust. In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5 million on any one claim and in aggregate for the year.

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees may nominate new trustees, who are co-opted to the Board of Trustees by majority vote of the Members. Selection is based on experience and expertise that will enhance the functioning of the Board of Trustees. The Trustees are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Policies and procedures adopted for the induction and training of Trustees

New Trustees are inducted by the Chair and Executive Head Teacher who arrange relevant training, depending on their existing experience. New Trustees are given tours of the schools and a chance to meet staff and students. They are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee.

Organisational structure

There are three levels within the management structure of the Academy Trust:

The Members and Trustees, the local Advisory governing bodies of each school and the Executive Leadership Team.

The Trustees are the controlling body of the charitable company and they are responsible for the strategic management and direction of the Academy Trust. They manage all resource decisions across the Academy Trust and the Trustees are also the Audit Committee. The Trustees are advised on finance decisions by the Finance Committee and on personnel decisions by the Human Resources Committee.

The Local Governing bodies manage local issues relating to curriculum, performance and achievement. The Executive Head Teacher/Accounting Officer (who is a Trustee) is supported by three Trust Executive Deputy Head Teachers, two Executive Primary Heads and a Principal Finance Officer providing educational leadership across the Trust and monitoring performance and achievement. The Chief Operations Officer is a member of the executive team and manages all operational teams across the Trust.

Day to day decisions are made by this group in conjunction with senior leadership teams in each of the schools.

Arrangements for setting pay and remuneration of key management personnel

Performance reviews take place in early September focusing on previous year outcomes.

Executive Team salaries are reviewed by the Chair and two representatives of the Trustees.

The Review Panel draft recommendations, and consult the Principal Finance Officer then refer to full Trustees meeting for ratification.

The Chief Executive and two Trustees review the performance of Trust Head Teachers and make any recommendations to the Trustees for approval.

The Chief Executive and a member of the Executive with the local Head Teacher review the salaries of the Operational Leadership teams and inform the Trustees of recommendations.

All recommendations are discussed with the Principal Finance Officer and Chair of Finance to affirm affordability.

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	4

Percentage of time spent on facility time

Percentage of time

1%-50%

Number of
employees

5

Paid trade union activities

2018

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

61

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

The percentage of pay bill spent on facility time is less than 1%, and is therefore not disclosed as a separate %.

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Risk management

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those related to the operations and finances of the Academy Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Academy Trust has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy Trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A risk register is maintained and reviewed on a regular basis.

Connected organisations, including related party relationships

King's Lynn Football Club use Springwood High School Academy's facilities and there is a partnership agreement between them and the Academy Trust. The Academy Trust has strong collaborative links with other cluster schools and contributes significantly to the provision of music and PE in local partner primary schools.

Objectives and activities

Objects and aims

The Academy Trust objectives are set out in the Articles of Association. In summary it is to contribute to the ongoing improvement in the quality and outcomes of education in West Norfolk;

- to provide high quality education that enables all children to reach their maximum potential;
- to provide a positive, enjoyable learning experience in a safe and secure environment;
- to improve the quality of educational provision and resources through financial management that maximises the benefits of the size of the Academy Trust.

Objectives, strategies and activities

The principal objective and activity of the Academy Trust in the period was to establish Springwood High School Trust as a sponsor in West Norfolk. West Norfolk Academies Trust continued to manage St Clement's High School, Snettisham Primary, West Lynn Primary, Clenchwarton Primary, Marshland High School, Walpole Cross Keys, Heacham Primary School, Heacham Infants and Nursery School, Gaywood Primary School and Smithdon High School, from the start of the year.

The strategic aim was, in the short term, to raise the performance at all schools and continue to move both St Clement's and West Lynn above the classification of 'school in need of improvement'. Considerable assistance from Springwood and recruitment of experienced teachers maintained significant improvement at St Clement's.

Recruitment of quality senior leaders at Clenchwarton and the engagement of an experienced teacher at Snettisham has seen further improvement across all Trust Primary schools.

Walpole Cross Keys are managed by a Trust Primary Executive Head, and Heacham Infant School provide the leadership of Snettisham Primary School and Heacham Junior School.

Smithdon High School joined the Trust in January 2017 and achieved success in the summer exams after high level leadership intervention from the Trust.

The Trust have supported the new Head Teacher of Gaywood Primary School in the restructuring of administration and support.

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities. The Academy Trust aims to advance, for the public benefit, education in West Norfolk. The Academy Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community. As an Academy Trust we have a duty to support other schools. We support these schools through use of our premises and specialist skills in the arts, music and sport subjects.

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance and Key Performance Indicators

Springwood High School, St Clements High School, and Marshland High School all maintained progress 8 levels at the national average..

Smithdon High school moved from well below to in line with national average.

Over 45% of sixth form students at Springwood High School achieved grades A, B or higher (21% A* - A grades) and 73% achieved 3 A-C grades.

Attendance in all schools was between 93 and 96*%.

Primary schools data was established under new systems this year. Clenchwarton Primary School, Heacham Junior School, and Gaywood Primary School were in line with the national average.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the Academy Trust's income is obtained from the Department for Education (DfE) via the Educational Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The principal funding received from the DfE is the General Annual Grant (GAG), paid monthly by the ESFA.

On average, staffing costs absorb 94% of the grant, and the balance contributes to occupational, educational and administration costs.

Pupil Premium, targeted at students who have received free school meals at some time in their school life, is an important source of funding that enables the schools to develop strategies that contribute to on-going improvement in achievement.

The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of financial activities. There are other amounts of income in relation to donations, fundraising, catering sales, school trips and music lessons.

The Academy Trust also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Restricted Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

The Academy Trust is committed to bidding for any available funding that will enable improvement and is developing strategies to maximise service provision and procurement across the Academy Trust to enable schools to benefit from economies of scale.

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Financial and risk management objectives and policies

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy Trust. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity. The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, a fall in pupil numbers resulting in losing a classroom but not wanting to lose a teacher, or a rise in pupil numbers meaning not enough funding to teach the pupils.

The Academy Trust's current level of reserves is £52,415,594, of which £1,541,304 is free reserves (total funds less the amount held in fixed assets and restricted funds). Restricted funds (excluding fixed assets) are currently in deficit due to the LGPS liability. The Academy Trust is taking steps to eliminate this deficit and will make additional contributions in future periods.

Under Accounting Standard FRS102 it is necessary to account for projected pension liabilities on the LGPS to a specific reserve, reflecting the long term liability on the balance sheet. This reserve is discounted when applying the surplus requirements described above, as these are long term liabilities, which do not represent a liquidity problem for the Academy Trust (see Note 23).

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Investment policy

The Trust regularly monitor Cash Flow and Current a/c balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current accounts have adequate balances to meet forthcoming commitments.

In practice a working balance of between £200,000 and £300,000 is likely to be maintained in secondary schools and £20,000 to £30,000 in Primaries.

The Trust will avoid any of its current accounts going overdrawn.

The Trust will identify funds surplus to immediate cash requirements and transfer to Lloyds TSB high Interest Deposit Account.

Periodically (at least annually) review interest rates and compare with other investment opportunities.

The Trust's current policy is to only invest funds in risk free and immediately accessible deposit accounts.

Any change in Policy requires the approval of Trustees via the Finance & General Purposes Committee

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Principal risks and uncertainties

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial - the current financial risks for which the Academy Trust is planning are the pay rises often awarded after budget setting, the reduction in post 16 funding levels and on-going reductions in funding for special educational needs. In addition, there are going to be increases in expenditure relating to pension contributions.

The combination of these factors could represent a further 1% reduction in available funds next year. With this in mind, the Trustees are planning to further centralise essential services in order to reduce overheads. Sharing staff across schools will enable reduction in staffing in individual schools. There will be a full staffing analysis across the Academy Trust and plans put in place to maximise the benefits of academy status.

The Trust always seeks economies through natural wastage where possible. Closure of the sixth form at Smithdon High School has allowed staffing reductions but further reductions will be needed in the coming year to ensure on-going viability. The Trust have a major challenge in the managing of the estate at Smithdon High School where there is a listed building with significant structural faults.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. The Trust engage a qualified accountant to carry out financial checks in each school. These reports are considered by the Trustees as the audit committee.

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk the Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing - the success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - the Academy Trust has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook.

All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The Trust uses the services of a professional accountant in order to provide on-going monitoring throughout the year.

Fundraising

The Trust does not run any events specifically aimed at fundraising in their schools. The Trust do not engage professional fundraisers. On occasions tickets are sold for educational events to cover costs. Any profits are used to buy educational equipment. At different times of the year, schools do organise activities to raise funds for external charities. All activities are closely monitored. In those schools where there are Parent-Teacher/Friends of the School Associations, those organisations are independent of the school and Trust. However, Head Teachers and Governors do monitor the fundraising activities to ensure that they are appropriate, conform to standards and are not intrusive nor pressurised. The Trust have received no complaints about fundraising.

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Plans for future periods

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community. The Academy Trust will continue to promote a wide range of extra-curricular activities and seek to increase student engagement in these activities.

The Trustees will only consider further limited expansion of the Trust where there is sufficient capacity to ensure Trust aims and objectives can be achieved.

West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Employment of disabled persons

The Academy Trust uses a structured system of line-management of all staff, through which communication in both directions is encouraged. Regular staff meetings on a departmental, house and whole school level are held to share and discuss information, achievement and changes. Monthly newsletters and a daily bulletin are used to update staff on operational and developmental issues. The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters include;

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

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

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

The Academy Trust welcomes applications for employment from those with a disability and applications for places from students with disabilities. The Academy Trust's recruitment process ensures that applicants for posts are shortlisted on the basis of how their qualifications and experience match the specification for the job. The Academy Trust recognises that some disabled people will need adjustments made in order for them to do the job. The Academy Trust will look at what changes could be made to the workplace or to the way the work is done and make any changes that are reasonable.

If an employee develops a disability, the Academy Trust will make every effort to retain his/her services by making reasonable adjustments to the workplace, the methods of working or by finding another suitable role for him/her. When decisions are made about an individual, the only personal characteristics or circumstances taken into account will be those that are necessary for the proper performance of the work involved. As part of the performance management process, disabled employees will be given the opportunity to discuss what can be done to develop and use their abilities.

Disabled students applying for a place at the Academy Trust will undergo the standard admissions procedure; offers of a place will be made on the basis laid down in the Admissions Policy and Procedures. When planning educational and other activities outside the school day, staff organising the events will carefully consider the types of activity and the adjustments that can be made so that disabled colleagues and students can take part fully.

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

Auditor

In so far as the Trustees are aware:

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

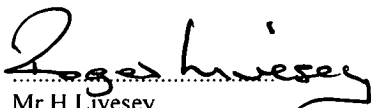
Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Hayhow & Co as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

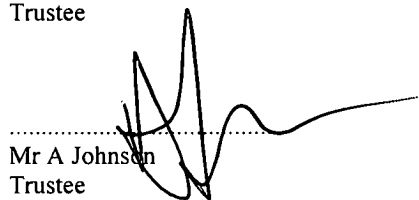
West Norfolk Academies Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 12 December 2018 and signed on its behalf by:



Mr H Livesey
Trustee



Mr A Johnson
Trustee

West Norfolk Academies Trust

Governance Statement

Statement on governance and internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Norfolk Academies Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that West Norfolk Academies 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 Governing Body has delegated the day-to-day responsibility to Mr A Johnson, Headteacher and Accounting 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 Norfolk Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 8 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr H Livesey	7	8
Mrs A Arterton	7	8
Mr A Johnson	8	8
Mr R Allflatt	7	8
Mr K Baldwin	1	8
Mrs S Lunnun	3	8
Mr A Yates	6	8
Mr P Harris	6	8
Mr P Bland	8	8
Mr N Daubney	6	8
Miss L Bambridge	8	8
Mr M Ballman	7	8

West Norfolk Academies Trust

Governance Statement (continued)

Governance reviews

The Academy Trust regularly engage consultant advisers to review practices and advise on developments. In addition we have regular Responsible Officer (independent external appointee) visits to each of the schools. We have also engaged an accountancy firm to support finance staff and ensure compliance in all financial matters. The Trustees are the Audit Committee and receive audited accounts and all Responsible Officer reports. The Finance and Resources Committee is appointed by the main Board of Trustees. The Finance and Resources Committee meet regularly to review finances against budget.

They:

- monitor all budgets and prepare annual budgets for the governing body;
- monitor financial activities and respond to reports from the Responsible Officer and auditors; and
- manage any tenders and carry out scrutiny of purchases to seek best value for money.

The Finance and Resources Committee is a sub-committee of the main Governing Body. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Harris	5	5
Mr R Allflatt	5	5
Mr A Johnson	5	5
Mr H Livesey	3	5
Mr P Bland	5	5
Mr N Daubney	3	5
Mr Swinburn	3	5
Mr Collison	2	2

West Norfolk Academies Trust

Governance Statement (continued)

Review of Value for Money

As accounting officer the chief executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year as reported below.

This year has been a year of continued change and development. Marshland High School and St Clement's High School continued to consolidate achievement. Recruitment and development have allowed the stability of the schools to develop and the improvement at Smithdon High School demonstrates the effective support provided by the Trust.

Centralisation of services is reducing the pressure on finances in the smaller schools. In take at Year 7 for Marshland High School and St Clements High School has increased year on year with the improvement in performance since joining the Trust.

The Trust has had two visits from Ofsted this year, at Marshland High School and Clenchwarton Primary School both providing a good education. The outcome clearly illustrates the impact the Trust is having and demonstrates the value of the trust as an organisation focussed on improving the educational experience of all the children in the Trust schools.

Marshland High School maintained its standards. The centralisation of services continues to reduce the impact of increased staffing costs in years of static income. Temporary leadership by the Trust Executive team enabled a major restructuring of the senior team and the recruitment of a new head teacher.

Significant resources were spent on stabilising the leadership at Smithdon High School. Improvement of the learning environment was essential at Smithdon High School which had been significantly neglected. There are still significant structural issues to be addressed. Very careful management of resources from the School Improvement Fund by the Chief Operations Officer has allowed significant progress this year. The stability offered by the new Head Teacher and Deputy has seen the school become more popular with a rapid rise in Year 6 making Smithdon High School their first choice.

The creation of the Executive team also provided career development opportunities for those staff thus encouraging their retention. Retaining key high performers enables an on-going process of continuous improvement which is demonstrated again this year in Springwood High School where 66% of students achieved A*- C including Maths and English in GCSE's whilst 99% of students passed 2 or more A levels.

The creation of the Trust also enables the creation of a cross Trust finance Team, and Facilities management team as well as creating a data team. The process of staff reductions through natural wastage and redundancies enabled the Trust to balance the budget and secure a stable financial forecast for the next year.

The Trust continues to seek strategies for raising achievement in all its schools. The adoption, development and internalisation of Accelerated Reader across Trust secondary is proving effective in raising standards. The need to address literacy and numeracy deficiencies at an early stage has led to the introduction of a range of literacy and numeracy programmes in our Primary Schools. Best value measures have been essential in addressing the constantly reducing levels of funding for children with special educational needs.

West Norfolk Academies Trust

Governance Statement (continued)

Robust financial management systems have allowed early identification of issues so that early intervention has been possible to maximise the benefits of cross school working and centralisation of key services as well as sharing of teaching staff across the two secondary schools. Thorough risk assessments at time of academy conversion highlighted the need for action. The appointment of a Chief Operations Officer has facilitated rapid progress in centralisation of services significantly reducing overheads.

Capacity to handle risk

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

The Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Norfolk Academies Trust throughout the year and up to the date of approval of the annual report and financial statements.

Significant investment has been made in ensuring compliance in relation to GDPR.

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 Governing Body;
- 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 Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have continued to appoint Mrs S Duffy as Responsible Officer

West Norfolk Academies Trust

Governance Statement (continued)

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

- Providing advice on financial matters
- Performing a range of checks on the Academy Trust's financial systems
- Providing feedback regarding internal controls

On a quarterly basis, the Responsible Officer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

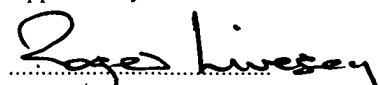
Review of effectiveness

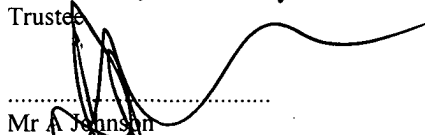
As Accounting Officer, Mr A Johnson, Headteacher and Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 Governing Body on 12 December 2018 and signed on its behalf by:


.....
Mr H Livesey
Trustee


.....
Mr A Johnson
Accounting Officer
Trustee

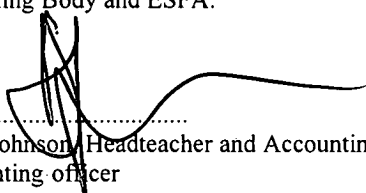
West Norfolk Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of West Norfolk Academies Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 Governing Body and ESFA.



.....
Mr A Johnson, Headteacher and Accounting Officer
Accounting officer

12 December 2018

West Norfolk Academies Trust

Statement of Trustees' Responsibilities

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

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

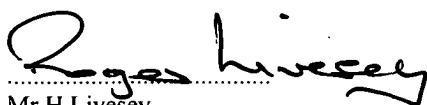
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of trustees on 12 December 2018 and signed on its behalf by:



Mr H Livesey
Trustee

West Norfolk Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of West Norfolk Academies Trust

We have audited the financial statements of West Norfolk Academies Trust (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including results 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 Charities SORP 2015, the Academies Accounts Direction 2017 to 2018 and the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

West Norfolk Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of West Norfolk Academies Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 21], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

West Norfolk Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of West Norfolk Academies Trust (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Julie Gladman (Senior Statutory Auditor)
For and on behalf of Hayhow & Co, Statutory Auditor

19 King Street
Kings Lynn
Norfolk
PE30 1HB

Date: 12 December 2018

West Norfolk Academies Trust

Independent Reporting Accountant's Report on Regularity to West Norfolk Academies Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Norfolk Academies Trust during the period 1 September 2017 to 31 August 2018 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 Norfolk Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to West Norfolk Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than West Norfolk Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 31 January 2014 and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 from 1 September 2017 to 31 August 2018 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 2017 to 2018 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.

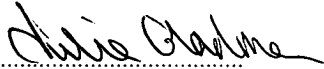
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

West Norfolk Academies Trust

Independent Reporting Accountant's Report on Regularity to West Norfolk Academies Trust and the Education & Skills Funding Agency (continued)



Julie Gladman
Reporting Accountant
For and on behalf of Hayhow & Co, Chartered Certified Accountants

19 King Street
Kings Lynn
Norfolk
PE30 1HB

12 December 2018

West Norfolk Academies Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	-	1,148,815	1,148,815
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	1,256,092	24,657,191	-	25,913,283
Other trading activities	4	305,673	-	-	305,673
Investments	5	7,415	-	-	7,415
Total		<u>1,569,180</u>	<u>24,657,191</u>	<u>1,148,815</u>	<u>27,375,186</u>
Expenditure on:					
Raising funds	6	143,342	-	-	143,342
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>1,058,352</u>	<u>24,971,939</u>	<u>968,666</u>	<u>26,998,957</u>
Total		<u>1,201,694</u>	<u>24,971,939</u>	<u>968,666</u>	<u>27,142,299</u>
Net income/(expenditure)		367,486	(314,748)	180,149	232,887
Transfers between funds		(198,935)	131,254	67,681	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>1,996,000</u>	<u>-</u>	<u>1,996,000</u>
Net movement in funds		168,551	1,812,506	247,830	2,228,887
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		<u>1,372,753</u>	<u>(5,051,940)</u>	<u>53,865,894</u>	<u>50,186,707</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>1,541,304</u>	<u>(3,239,434)</u>	<u>54,113,724</u>	<u>52,415,594</u>
The notes on pages 31 to 60 form part of the financial statements.					

West Norfolk Academies Trust

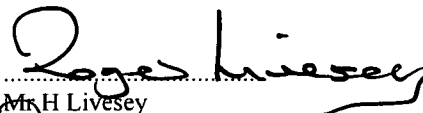
Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)


	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	134,559	1,293,086	1,427,645
Transfer from local authority on conversion		401,580	(1,996,000)	22,584,814	20,990,394
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	1,121,883	22,279,273	-	23,401,156
Other trading activities	4	266,109	-	-	266,109
Investments	5	5,274	-	-	5,274
Total		<u>1,794,846</u>	<u>20,417,832</u>	<u>23,877,900</u>	<u>46,090,578</u>
Expenditure on:					
Raising funds	6	116,168	-	-	116,168
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>923,618</u>	<u>23,783,387</u>	<u>741,751</u>	<u>25,448,756</u>
Total		<u>1,039,786</u>	<u>23,783,387</u>	<u>741,751</u>	<u>25,564,924</u>
Net income/(expenditure)		755,060	(3,365,555)	23,136,149	20,525,654
Transfers between funds		(100,112)	96,605	3,507	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>1,903,000</u>	<u>-</u>	<u>1,903,000</u>
Net movement in funds/(deficit)		654,948	(1,365,950)	23,139,656	22,428,654
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		<u>717,805</u>	<u>(3,685,990)</u>	<u>30,726,238</u>	<u>27,758,053</u>
Total funds/(deficit) carried forward at 31 August 2017		<u>1,372,753</u>	<u>(5,051,940)</u>	<u>53,865,894</u>	<u>50,186,707</u>

West Norfolk Academies Trust
(Registration number: 07546118)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	53,164,126	52,914,938
Current assets			
Stocks	13	66,767	72,096
Debtors	14	880,886	760,160
Cash at bank and in hand		<u>5,002,977</u>	<u>4,529,771</u>
		5,950,630	5,362,027
Creditors: Amounts falling due within one year	15	<u>(1,243,162)</u>	<u>(1,627,258)</u>
Net current assets		<u>4,707,468</u>	<u>3,734,769</u>
Total assets less current liabilities		<u>57,871,594</u>	<u>56,649,707</u>
Net assets excluding pension liability		57,871,594	56,649,707
Pension scheme liability	23	<u>(5,456,000)</u>	<u>(6,463,000)</u>
Net assets including pension liability		<u><u>52,415,594</u></u>	<u><u>50,186,707</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		2,216,566	1,411,060
Restricted fixed asset fund		54,113,724	53,865,894
Restricted pension fund		<u>(5,456,000)</u>	<u>(6,463,000)</u>
		50,874,290	48,813,954
Unrestricted funds			
Unrestricted general fund		<u>1,541,304</u>	<u>1,372,753</u>
Total funds		<u><u>52,415,594</u></u>	<u><u>50,186,707</u></u>

The financial statements on pages 27 to 60 were approved by the Trustees, and authorised for issue on 12 December 2018 and signed on their behalf by:


 Mr H Livesey
 Trustee


 Mr P Harris
 Trustee

West Norfolk Academies Trust

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	534,830	(264,116)
Cash flows from investing activities	20	<u>(61,624)</u>	<u>1,087,282</u>
Cashflows from transfers on conversion			
Trf from predecessor school		<u>-</u>	<u>401,580</u>
Change in cash and cash equivalents in the year		473,206	1,224,746
Cash and cash equivalents at 1 September 2017		<u>4,529,771</u>	<u>3,305,025</u>
Cash and cash equivalents at 31 August 2018	21	<u>5,002,977</u>	<u>4,529,771</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and Companies Act 2006.

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities. The Academy Trust aims to, advance, for the public benefit, education in West Norfolk. The Academy Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community. As an Academy Trust we have a duty to support other schools. We support these schools through use of our premises and specialist skills in the arts, music and sport subjects.

Going concern

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

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.

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.(Note 3)

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £5,000 or more which have not been acquired with the aid of specific grants 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold and leasehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Freehold property (excluding land)	Straight line over 15 - 25 years
Motor vehicles	Straight line over 5 years
Furniture and equipment	Straight line over 5 - 10 years
Computer equipment	Straight line over 3 - 10 years
Leasehold Property	Straight line over the life of the lease 125 years
Leasehold Property Improvements	Straight line over 25 years

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.

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

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

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Taxation

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

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

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated 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.

Fund accounting

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

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

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

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.

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Other voluntary income			
Capital grants	1,148,815	1,148,815	1,427,645
Donated Fixed Assets			
Transfer from predecessor school	-	-	22,584,814

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	22,053,896	22,053,896	19,899,939
Other government grants				
Other DfE/EFA revenue grants	-	2,024,544	2,024,544	1,825,233
Local Authority grants	-	440,656	440,656	474,166
	<u>-</u>	<u>2,465,200</u>	<u>2,465,200</u>	<u>2,299,399</u>
Non-government grants and other income				
Grants from other public bodies	47,683	96,746	144,429	47,040
Other income from the academy trust's educational operations	1,208,409	41,349	1,249,758	1,154,778
	<u>1,256,092</u>	<u>138,095</u>	<u>1,394,187</u>	<u>1,201,818</u>
Total grants	<u>1,256,092</u>	<u>24,657,191</u>	<u>25,913,283</u>	<u>23,401,156</u>

4 Other trading activities

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	46,552	46,552	37,345
School shop sales	67,275	67,275	67,699
Fundraising	63,516	63,516	56,827
Other sales	128,330	128,330	104,238
	<u>305,673</u>	<u>305,673</u>	<u>266,109</u>

5 Investment income

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Short term deposits	7,415	7,415	5,274

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure

	Non Pay Expenditure			2017/18	2016/17
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	-	-	143,342	143,342	116,168
Academy's educational operations					
Direct costs	16,339,741	945,514	1,643,868	18,929,123	17,878,742
Allocated support costs	<u>4,505,036</u>	<u>1,236,398</u>	<u>2,328,400</u>	<u>8,069,834</u>	<u>7,570,014</u>
	<u>20,844,777</u>	<u>2,181,912</u>	<u>4,115,610</u>	<u>27,142,299</u>	<u>25,564,924</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2017/18 £	2016/17 £
Operating leases - plant and machinery	74,757	74,126
Operating leases - other leases	3,900	3,900
Fees payable to auditor - audit	16,175	15,050
- other audit services	1,500	2,750
Depreciation	<u>968,666</u>	<u>741,751</u>

7 Charitable activities

	2017/18 £	2016/17 £
Direct costs - educational operations	18,929,123	17,878,742
Support costs - educational operations	<u>8,069,834</u>	<u>7,570,014</u>
	<u>26,998,957</u>	<u>25,448,756</u>

	Educational operations £	Total 2018 £	Total 2017 £
Analysis of support costs			
Support staff costs	4,505,036	4,505,036	3,996,450
Depreciation	23,152	23,152	30,698
Technology costs	135,828	135,828	178,555
Premises costs	1,213,246	1,213,246	1,294,925
Other support costs	1,887,729	1,887,729	1,758,045
Governance costs	<u>304,843</u>	<u>304,843</u>	<u>311,341</u>
Total support costs	<u>8,069,834</u>	<u>8,069,834</u>	<u>7,570,014</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	15,880,199	14,882,867
Social security costs	1,369,114	1,304,374
Pension costs	3,538,540	3,179,597
Apprenticeship Levy	56,924	32,031
	<u>20,844,777</u>	<u>19,398,869</u>
	2018 £	2017 £
Staff restructuring costs comprise:		
Redundancy payments	136,869	65,658
Severance payments	12,800	48,842
	<u>149,669</u>	<u>114,500</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,800 (2017: £48,842). Individually, the payments were:

Non-contractual payments £3,900
 Non-contractual payments £5,600
 Non-contractual payments £3,300

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

Staff numbers

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

	2017/18 No	2016/17 No
Charitable Activities		
Teachers	522	556
Administration and support	289	231
Management	14	14
	<u>825</u>	<u>801</u>

Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	3	4
£70,001 - £80,000	2	3
£80,001 - £90,000	3	2
£90,001 - £100,000	2	2
£130,001 - £140,000	<u>1</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,051,824 (2017: £1,057,751).

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Central services

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

- Central Salaries
- Central Payroll & HR Costs
- Central Software
- Audit & Accountancy Fees
- Pension Costs
- Insurance
- General Office Costs

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

- On average 6% of each individual schools SBS & ESG annually

The actual amounts charged during the year were as follows:

	2018
	£
Springwood High School Academy	495,008
St Clement's High School	145,165
Marshland High School	182,337
Smithdon High School	143,521
Clenchwarton Primary School	44,792
West Lynn Primary School	42,011
Walpole Cross Keys Primary School	14,307
Snettisham Primary School	22,904
Heacham Junior School	35,754
Heacham Infant and Nursery School	25,827
Gaywood Primary School	95,119
	<u>1,246,745</u>

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 Related party transactions - trustees' remuneration and expenses (continued)

Mr A Johnson (Headteacher):

Remuneration: £135,000 - £140,000 (2017 - £130,000 - £135,000)

Employer's pension contributions: £20,000 - £25,000 (2017 - £20,000 - £25,000)

Mr M Ballman (Teacher):

Remuneration: £Nil (2017 - £30,000 - £35,000)

Employer's pension contributions: £Nil (2017 - £5,000 - £10,000)

During the year ended 31 August 2018, travel, subsistence, and telephone expenses totalling £2,264 (2017 - £1,502) were reimbursed or paid directly to 4 trustees (2017 - 3).

Other related party transactions involving the trustees are set out in note 24.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £4,760 (2017 - £4,675).

The cost of this insurance is included in the total insurance cost.

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Office equipment £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2017	28,229,808	27,076,631	347,653	37,337	551,785	56,243,214
Additions	637,051	400,435	88,545	-	91,823	1,217,854
At 31 August 2018	<u>28,866,859</u>	<u>27,477,066</u>	<u>436,198</u>	<u>37,337</u>	<u>643,608</u>	<u>57,461,068</u>
Depreciation						
At 1 September 2017	2,492,293	147,566	237,606	25,800	425,011	3,328,276
Charge for the year	683,678	163,346	51,013	5,284	65,345	968,666
At 31 August 2018	<u>3,175,971</u>	<u>310,912</u>	<u>288,619</u>	<u>31,084</u>	<u>490,356</u>	<u>4,296,942</u>
Net book value						
At 31 August 2018	<u>25,690,888</u>	<u>27,166,154</u>	<u>147,579</u>	<u>6,253</u>	<u>153,252</u>	<u>53,164,126</u>
At 31 August 2017	<u>25,737,515</u>	<u>26,929,065</u>	<u>110,047</u>	<u>11,537</u>	<u>126,774</u>	<u>52,914,938</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Stock

	2018 £	2017 £
Oil	-	17,118
Shop stock	66,767	54,978
	<u>66,767</u>	<u>72,096</u>

14 Debtors

	2018 £	2017 £
Trade debtors	20,411	8,278
VAT recoverable	137,462	54,622
Other debtors	2,369	113,683
Prepayments	720,644	583,577
	<u>880,886</u>	<u>760,160</u>

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	127,046	342,270
Other taxation and social security	357,911	356,940
Other creditors	15,206	15,536
Accruals	445,867	189,736
Deferred income	297,132	399,086
Pension scheme creditor	-	323,690
	<u>1,243,162</u>	<u>1,627,258</u>
	2018 £	2017 £

Deferred income

Deferred income at 1 September 2017	399,086	485,537
Resources deferred in the period	297,132	399,086
Amounts released from previous periods	<u>(399,086)</u>	<u>(485,537)</u>
Deferred income at 31 August 2018	<u>297,132</u>	<u>399,086</u>

At the balance sheet date, the Academy trust was holding funds received in advance for Academy Trips £121,832, EFA Rates Support £63,257, Universal Free School Meals £90,499, Uniform £512, PIXL £7,500, Rent £720, PTA £148, and Catering Sales £12,664.

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	1,265,516	22,053,896	(21,475,463)	(98,160)	1,745,789
Other DFE/EFA revenue grants	37,618	2,024,544	(1,917,131)	(20,115)	124,916
Grants from other public bodies	14,907	96,746	(101,476)	(5,263)	4,914
Other Local Authority grants	11,099	440,656	(447,717)	(149)	3,889
Other restricted income	81,920	41,349	(41,152)	254,941	337,058
	<u>1,411,060</u>	<u>24,657,191</u>	<u>(23,982,939)</u>	<u>131,254</u>	<u>2,216,566</u>
Restricted fixed asset funds					
DFE/EFA capital grants	1,498,490	1,148,815	(73,645)	23,373	2,597,033
Grants from other public bodies	34,741	-	(2,097)	-	32,644
Fixed assets inherited on conversion	51,649,788	-	(816,162)	-	50,833,626
Donations	17,704	-	(4,502)	17,930	31,132
Transfer from unrestricted funds	384,194	-	(38,826)	-	345,368
Fixed assets purchased from GAG	278,597	-	(33,118)	26,378	271,857
Grants from local authority	2,380	-	(316)	-	2,064
	<u>53,865,894</u>	<u>1,148,815</u>	<u>(968,666)</u>	<u>67,681</u>	<u>54,113,724</u>
Restricted pension funds					
Pension reserve	<u>(6,463,000)</u>	<u>-</u>	<u>(989,000)</u>	<u>1,996,000</u>	<u>(5,456,000)</u>
Total restricted funds	48,813,954	25,806,006	(25,940,605)	2,194,935	50,874,290
Unrestricted funds					
Unrestricted general funds	<u>1,372,753</u>	<u>1,569,180</u>	<u>(1,201,694)</u>	<u>(198,935)</u>	<u>1,541,304</u>
Total funds	<u>50,186,707</u>	<u>27,375,186</u>	<u>(27,142,299)</u>	<u>1,996,000</u>	<u>52,415,594</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	1,279,837	19,899,939	(20,149,893)	235,633	1,265,516
Other DFE/EFA revenue grants	484,926	1,959,792	(2,217,536)	(189,564)	37,618
Grants from other public bodies	24,606	40,434	(38,140)	(11,993)	14,907
Other Local Authority grants	36,745	474,166	(482,038)	(17,774)	11,099
Other restricted income	2,896	39,501	(40,780)	80,303	81,920
	<u>1,829,010</u>	<u>22,413,832</u>	<u>(22,928,387)</u>	<u>96,605</u>	<u>1,411,060</u>
Restricted fixed asset funds					
DFE/EFA capital grants	258,497	1,293,086	(53,093)	-	1,498,490
Grants from other public bodies	36,838	-	(2,097)	-	34,741
Fixed assets inherited on conversion	29,653,149	22,584,814	(588,175)	-	51,649,788
Donations	20,715	-	(3,011)	-	17,704
Transfer from unrestricted funds	431,857	-	(51,170)	3,507	384,194
Transfer from restricted fund	843	-	(843)	-	-
Fixed assets purchased from GAG	320,840	-	(42,243)	-	278,597
Grants from local authority	3,499	-	(1,119)	-	2,380
	<u>30,726,238</u>	<u>23,877,900</u>	<u>(741,751)</u>	<u>3,507</u>	<u>53,865,894</u>
Restricted pension funds					
Pension reserve	<u>(5,515,000)</u>	<u>-</u>	<u>(2,851,000)</u>	<u>1,903,000</u>	<u>(6,463,000)</u>
Total restricted funds	27,040,248	46,291,732	(26,521,138)	2,003,112	48,813,954
Unrestricted funds					
Unrestricted general funds	<u>717,805</u>	<u>1,794,846</u>	<u>(1,039,786)</u>	<u>(100,112)</u>	<u>1,372,753</u>
Total funds	<u>27,758,053</u>	<u>48,086,578</u>	<u>(27,560,924)</u>	<u>1,903,000</u>	<u>50,186,707</u>

A current year 12 months and prior year 12 months combined position is as follows:

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	1,279,837	41,953,835	(41,625,356)	137,473	1,745,789
Other DFE/EFA revenue grants	484,926	3,984,336	(4,134,667)	(209,679)	124,916
Grants from other public bodies	24,606	137,180	(139,616)	(17,256)	4,914
Other Local Authority grants	36,745	914,822	(929,755)	(17,923)	3,889
Other restricted income	2,896	80,850	(81,932)	335,244	337,058
	<u>1,829,010</u>	<u>47,071,023</u>	<u>(46,911,326)</u>	<u>227,859</u>	<u>2,216,566</u>
Restricted fixed asset funds					
DFE/EFA capital grants	258,497	2,441,901	(126,738)	23,373	2,597,033
Grants from other public bodies	36,838	-	(4,194)	-	32,644
Fixed assets inherited on conversion	29,653,149	22,584,814	(1,404,337)	-	50,833,626
Donations	20,715	-	(7,513)	17,930	31,132
Transfer from unrestricted funds	431,857	-	(89,996)	3,507	345,368
Transfer from restricted fund	843	-	(843)	-	-
Fixed assets purchased from GAG	320,840	-	(75,361)	26,378	271,857
Grants from local authority	3,499	-	(1,435)	-	2,064
	<u>30,726,238</u>	<u>25,026,715</u>	<u>(1,710,417)</u>	<u>71,188</u>	<u>54,113,724</u>
Restricted pension funds					
Pension reserve	<u>(5,515,000)</u>	<u>-</u>	<u>(3,840,000)</u>	<u>3,899,000</u>	<u>(5,456,000)</u>
Total restricted funds	27,040,248	72,097,738	(52,461,743)	4,198,047	50,874,290
Unrestricted funds					
Unrestricted general funds	<u>717,805</u>	<u>3,364,026</u>	<u>(2,241,480)</u>	<u>(299,047)</u>	<u>1,541,304</u>
Total funds	<u>27,758,053</u>	<u>75,461,764</u>	<u>(54,703,223)</u>	<u>3,899,000</u>	<u>52,415,594</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

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

- a) General Annual Grant (GAG) must be used for the normal running costs of the Academy. The following transfers have been made from GAG: £989,000 representing the cost of employer contributions towards the Local Government Pension Scheme. £150,719 was transferred to GAG from unrestricted funds to eliminate the deficit on the GAG fund.
- b) Other revenue grants must be used for specific expenses relating to the running of the Academy including pupil specific funding, 16+ Bursary funding and Graduate Training Programme funding.
- c) The costs and income associated with the defined benefit pension scheme have been recorded in the restricted general fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with those costs.
- d) Capital grants must be used to fund expenditure of a capital nature.
- e) Fixed assets inherited on conversion are the land, buildings and equipment which were transferred from the predecessor establishment.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total £
Springwood High School Academy	1,612,625
St Clement's High School	203,228
Snettisham Primary School	112,398
West Lynn Primary School	195,205
Clenchwarton Primary School	172,264
West Norfolk Academies Trust	1,040,356
Walpole Cross Keys Primary School	61,848
Heacham Junior School	187,166
Marshland High School	403,736
Smithdon High School	5,681
Gaywood Primary School	159,925
Heacham Infant and Nursery School	223,517
Central services	329,519
Total before fixed assets and pension reserve	4,707,468
Pension reserve	(5,456,000)
Tangible fixed assets	53,164,126
Total	<u>52,415,594</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £
Springwood High School Academy	5,294,893	1,533,758	175,428	1,736,860	8,740,939
St Clement's High School	2,194,457	490,345	80,500	497,442	3,262,744
Snettisham Primary School	278,812	68,497	8,658	88,538	444,505
West Lynn Primary School	563,287	114,500	27,714	134,757	840,258
Clenchwarton Primary School	555,470	139,057	16,507	168,314	879,348
West Norfolk Academies Trust	59,269	2,700	-	64,367	126,336
Walpole Cross Keys Primary School	180,124	35,176	20,430	68,094	303,824
Heacham Junior School	409,358	96,414	24,265	136,273	666,310
Marshland High School	2,853,171	665,560	86,451	579,412	4,184,594
Smithdon High School	2,057,044	637,759	69,457	562,965	3,327,225
Gaywood Primary School	1,293,525	220,788	69,142	267,803	1,851,258
Heacham Infant and Nursery School	354,990	92,462	14,458	86,514	548,424
Central services	245,341	408,020	-	344,507	997,868
Academy Trust	<u>16,339,741</u>	<u>4,505,036</u>	<u>593,010</u>	<u>4,735,846</u>	<u>26,173,633</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

	Total
	2017
	£
Springwood High School Academy	9,706,869
St Clement's High School	3,214,999
Snettisham Primary School	455,219
West Lynn Primary School	818,472
Clenchwarton Primary School	973,968
West Norfolk Academies Trust	340,077
Walpole Cross Keys Primary School	319,848
Heacham Junior School	655,574
Marshland High School	4,484,305
Smithdon High School	2,335,326
Gaywood Primary School	442,273
Heacham Infant and Nursery School	513,868
Central services	562,375
Academy Trust	<u>24,823,173</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	53,164,126	53,164,126
Current assets	2,079,333	2,921,699	949,598	5,950,630
Current liabilities	(538,029)	(705,133)	-	(1,243,162)
Pension scheme liability	-	(5,456,000)	-	(5,456,000)
Total net assets	<u>1,541,304</u>	<u>(3,239,434)</u>	<u>54,113,724</u>	<u>52,415,594</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	52,914,938	52,914,938
Current assets	2,195,937	2,215,134	950,956	5,362,027
Current liabilities	(823,184)	(804,074)	-	(1,627,258)
Pension scheme liability	-	(6,463,000)	-	(6,463,000)
Total net assets	<u>1,372,753</u>	<u>(5,051,940)</u>	<u>53,865,894</u>	<u>50,186,707</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Commitments under operating leases

Operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	59,106	45,485
Amounts due between one and five years	19,551	32,541
	<u>78,657</u>	<u>78,026</u>

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

	2018 £	2017 £
Net income	232,887	20,525,654
Depreciation	968,666	741,751
Capital grants from DfE and other capital income	(1,148,815)	(1,427,645)
Interest receivable	(7,415)	(5,274)
Defined benefit pension scheme obligation inherited	-	1,996,000
Defined benefit pension scheme cost less contributions payable	989,000	855,000
Decrease/(increase) in stocks	5,329	(13,324)
Increase in debtors	(120,726)	(79,255)
(Decrease)/increase in creditors	(384,096)	129,371
Assets transferred from local authority	-	(22,986,394)
Net cash provided by/(used in) Operating Activities	<u>534,830</u>	<u>(264,116)</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	7,415	5,274
Purchase of tangible fixed assets	(1,217,854)	(345,637)
Capital grants from DfE/EFA	<u>1,148,815</u>	<u>1,427,645</u>
Net cash (used in)/provided by investing activities	<u>(61,624)</u>	<u>1,087,282</u>

21 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>5,002,977</u>	<u>4,529,771</u>
Total cash and cash equivalents	<u>5,002,977</u>	<u>4,529,771</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 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 they ceased to be a member.

23 Pension and similar obligations

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

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

There were no outstanding contributions at the end of the financial year. Contributions amounting to £323,690 as at 31 August 2017 is included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,683,121 (2017: £1,592,686).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,135,598 (2017 - £951,954), of which employer's contributions totalled £866,423 (2017 - £731,909) and employees' contributions totalled £269,175 (2017 - £220,045). The agreed contribution rates for future years are 20.3 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.

Additional contributions are being made by the individual schools to try and reduce any pension deficits, it is anticipated that these will be made for the foreseeable future.

Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	<u>2.30</u>	<u>2.40</u>

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

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Pension and similar obligations (continued)

	2018	2017
Retiring today		
Males retiring today	22.10	22.10
Females retiring today	24.40	24.40
Retiring in 20 years		
Males retiring in 20 years	24.10	24.10
Females retiring in 20 years	<u>26.40</u>	<u>26.40</u>

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis

	2018 £	2017 £
Discount rate -0.1%	2,280,000.00	2,161,000.00
Salary Rate +0.1%	365,000.00	391,000.00
Pension Rate +0.1%	<u>1,888,000.00</u>	<u>1,732,000.00</u>

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

	2018 £	2017 £
Equities	5,656,920	5,882,560
Government bonds	3,771,280	2,372,000
Property	1,331,040	1,043,680
Cash and other liquid assets	<u>332,760</u>	<u>189,760</u>
Total market value of assets	<u>11,092,000</u>	<u>9,488,000</u>

The actual return on scheme assets was £Nil (2017 - £Nil).

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost	(989,000)	(855,000)
Total amount recognised in the SOFA	<u>(989,000)</u>	<u>(855,000)</u>

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

	2017/18 £	2016/17 £
At start of period	15,951,000	12,236,000
Conversion of academy trusts	-	3,236,000
Current service cost	1,683,000	1,434,000
Interest cost	422,000	317,000
Employee contributions	244,000	218,000
Actuarial (gain)/loss	(1,628,000)	(1,357,000)
Benefits paid	<u>(124,000)</u>	<u>(133,000)</u>
At 31 August	<u>16,548,000</u>	<u>15,951,000</u>

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

	2017/18 £	2016/17 £
At start of period	9,488,000	6,721,000
Conversion of academy trusts	-	1,240,000
Interest income	249,000	164,000
Actuarial gain/(loss)	368,000	546,000
Employer contributions	867,000	732,000
Employee contributions	244,000	218,000
Benefits paid	<u>(124,000)</u>	<u>(133,000)</u>
At 31 August	<u>11,092,000</u>	<u>9,488,000</u>

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

West Norfolk Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

Chas D Allflatt

Mr R Allflatt is a Director of Chas D Allflatt Ltd Building Contractors, and a Trustee of West Norfolk Academies Trust.

Chas D Allflatt Ltd Building Contractors completed Toilet Refurbishment Works at St Clements High School, this was carried out at cost totalling £38,714, they also carried out fencing work at Smithdon with a cost of £900.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017. The academy made the purchases at arms length following a competitive tendering exercise in accordance with its financial regulations, which Mr Allflatt neither participated in or influenced. The element above £2,500 has been provided 'at no more than cost' and Chas D Allflatt has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Chas D Allflatt was £Nil (2017 - £Nil).