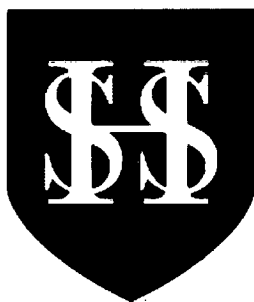


NORTH NORFOLK ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014



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COMPANIES HOUSE

Company registration number:
07800153 (England and Wales)

NORTH NORFOLK ACADEMY TRUST

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NORTH NORFOLK ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors (Trustees):	Gill Baker Christine Candlish Stephen Foster Andrew Richardson Constance Tyce John Wollocombe	(Headteacher)
Governors:	Gill Baker Martin Adams Arthur Bailey Penelope Bevan Jones Christine Candlish Stephen Foster Brian Hannah Sacha Howard Martin Langsdon Jayne Melhuish Andrew Richardson Alex Steward Constance Tyce Velta Williams John Wollocombe	(Chair of Governors) (Community Governor) (Parent Governor) (Community Governor) (Community Governor) (Parent Governor) (Community Governor) (Parent Governor) (Parent Governor) (Parent Governor) (Staff Governor) (Headteacher) (Support Staff Governor) (Community Governor) (Parent Governor) (Directors' Appointed)
Company Secretary:	Jo Knowlden	(Business Manager)
Clerk:	James Main	
Headteacher:	Andrew Richardson	
Consultant Headteacher to NNAT: Tim Roderick		
Leadership Team:	Andrew Richardson Jayne Melhuish Adam Cooke Annmarie Sizer Dawn Hollidge Darren Posthill Tristan Philpott Sam Dangerfield	(Headteacher) (Deputy Headteacher) (Deputy Headteacher) (Assistant Headteacher) (Assistant Headteacher) (Assistant Headteacher) (Assistant Headteacher) (Assistant Headteacher)
Principal and Registered office:	Sheringham High School Holt Road Sheringham Norfolk NR26 8ND	
Company Registration Number:	07800153 (England and Wales)	

NORTH NORFOLK ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor: Lovewell Blake LLP
Chartered Accountants and Statutory Auditor
Bankside 300,
Peachman Way
Broadland Business Park,
Norwich
NR7 0LB

Bankers: NatWest
1 Broadland Business Park
Peachman Way,
Norwich
NR7 0WF

Solicitors: Browne Jacobson LLP
44 Castle Gate,
Nottingham
NG1 7NJ

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2014

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates Sheringham High School, a co-educational secondary school in Sheringham, Norfolk. Since the year end the Trust operates as a Multi Academy Trust.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association dated 14 May 2014 replaced the existing Articles of Association dated 6 October 2011. The Academy changed its name from Sheringham Academy Trust to North Norfolk Academy Trust on this date and became a Multi Academy Trust (Academy Trust). The current articles are the primary governing documents of the Academy Trust. The Trustees of North Norfolk Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as North Norfolk Academy Trust.

Details of the Trustees who hold office at the year end are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act, every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to affairs of the Academy Trust.

Principal Activities

The principal object and activity of the Academy Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so, it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a broad and balanced curriculum. The Academy Trust operates Sheringham High School which is a specialist Arts college and a sixth form centre. The Academy Trust meets the requirements of the Schools Admissions Code in drawing up its own Admission Policy.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2014

Structure, Governance and Management (continued)

Method of Recruitment and Appointment or Election of Trustees

The overall management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Academy Trust's Memorandum and Articles of Association. The Trustees are directors of the Charitable Company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Tim Roderick resigned as a Trustee in July 2014 and as Headteacher in August 2014 with Andrew Richardson being appointed to replace him. Sonya Fassih (October 2013) and Miles Howard (March 2014) resigned as Trustees during the year. Arthur Bailey, Stephen Foster and Sacha Howard were all appointed as Trustees in November 2013.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary the induction process will provide training on charity, educational, legal and financial matters. All new Trustees are welcome to visit other academies and to meet with staff and students. All Trustees are provided with copies of minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a Trustee. The Trust purchases a Trustees training subscription service which provides access to courses and information. As there is a relatively low turnover of Trustees each year, induction is tailored specifically to the individual Trustee.

Organisational Structure

The Academy Trust's organisational structure consists of three levels: The Trustees of the Trust, the Governing Body of the Academy school and the Leadership team of the school. Collectively, they are responsible for the strategic direction, day-to-day management and operation of the Academy Trust.

The Trustees are responsible for setting general policy and direction for the overall Academy Trust, making strategic decisions and making senior staff appointments.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and approving major items of expenditure.

The Governing Body is responsible for the curriculum of the Academy school, the conduct of students, the buildings and grounds and for monitoring and evaluating all aspects of the Academy and its performance on a regular and systematic basis.

The Governing Body works through three main committees: Finance and General Purposes and Premises, Curriculum, and Personnel. Each of which is linked to a member of the Leadership team. There are also standing committees which include the Exclusions committee. The Finance and General Purposes and Premises committee also incorporates the Audit Committee. All have approved terms of reference set out in the Governing Body Standing Orders. An approved scheme of financial delegation and a Financial Management and Regulations policy clearly sets out the level of financial authority delegated to the Headteacher and members of the leadership team and the Business Manager.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2014

Structure, Governance and Management (continued)

The Leadership team is responsible for the day-to-day running of Sheringham High School and takes overall responsibility for all aspects of school development, management and co-ordination, in particular organising the teaching staff, facilities and students.

The Leadership team is supported by the Heads of Subject in their curriculum areas. The Leadership team and the Heads of Subjects have delegated budget management responsibilities.

Risk Management

The Trustees have responsibility to assess the strategic risks to which the Academy Trust is exposed and have completed a risk management register.

Chief risks identified include:

- Deficit in the Local Authority pension scheme and its financial implications for the Academy Trust both for funding and contribution rates.
- Insufficient demand for student places resulting in a reduction in funding Year on Year due to falling roll numbers and the creation of new institutions sponsored by a major Academy chain.
- Financial Systems Risk in the event of disaster
- Key person/succession risk in the event of major personnel change
- Operational, financial and management risks related to the creation of a Multi-Academy Trust and the rapid growth and change that this encompasses.

The Trustees are implementing a number of systems to assess risks that the Academy Trust faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in this report.

Connected Organisations including Related Party Relationships

The Academy Trust has an interest in a charitable organisation, Sheringham Community Smallholding Ltd – also known as the Patch. The aim of the organisation is to provide a community smallholding project benefiting intergenerational community and school groups which will deliver training opportunities, the production and supply of healthy food, build community relationships and promote healthy physical, social and mental lifestyles through active engagement.

The Academy Trust has an interest in Sheringham Woodfields School and its sixth form annexe, where certain facilities are shared and a lease has been granted to Norfolk County Council for this purpose.

The Academy Trust purchased services from Norfolk County Council under normal business arrangements.

Objectives and Activities

Objects and Aims

The Object of the Academy Trust Company is as follows: "The Academy Trust's object ("**the Object**") is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("**the mainstream Academies**") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2014

Objects and Aims (continued)

any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special education provision for pupils with Special Education Needs ("the Special Academies").

The Academy Trust aims to enable each student to develop fully his or her potential, irrespective of academic ability or social background.

The Academy Trust offers a broadly based and balanced curriculum until the age of 16 and an 'A' Level curriculum from age 16 to 18. The Academy Trust prepares children for external examination and subsequent entry to higher education in a very wide range of academic disciplines. Students are mainly drawn from the Norfolk area at age 11. As well as academic work, the Academy Trust offers a successful programme of extra-curricular activities for students across the entire age range.

Objectives, Strategies and Activities

The Academy Trust's mission statement is:

To create an atmosphere of mutual respect and academic challenge in which individuals are encouraged to achieve their full potential within a secure and caring environment.

This is articulated through the following aims:

- Ensure all students are accorded equal regard and equality of opportunity
- Encourage a positive attitude to learning including increasing student's responsibility for their own learning
- Help all students to acquire respect for religious and moral values and an unprejudiced view of other ethnic groups, religions or ways of life
- Encourage the personal, social and moral development of every student including the nurturing of self-discipline, self-respect, a respect for others and the human and natural environment
- Help all students to develop a lively, enquiring mind and the ability to question and argue rationally and to foster habits of responsibility and self-discipline
- Create a caring community, exercising concern and respect for the safety and welfare of others
- Provide a broad, balanced and relevant curriculum for all students
- Promote student and staff well-being
- Enable all students to fulfil their educational potential and to pursue excellence in preparation for work and leisure
- Help all students to acquire the skills and knowledge relevant to adult life and employment in a fast changing world
- Foster the notion of education as a continuous lifetime process
- Position the school at the heart of the community

Every individual who is part of the Academy Trust, from the Headteacher to the youngest student is encouraged to behave, at all times and in all circumstances, with care, courtesy and consideration.

Public Benefit

The key public benefit delivered by North Norfolk Academy Trust is the maintenance and delivery of high quality education to the children of North Norfolk and the surrounding areas and parishes.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2014

Strategic Report

Achievements and Performance

Results in 2014 demonstrated that Sheringham High School is a high performing school. In the last inspection in May 2014, Ofsted judged the school outstanding in behaviour and safety, and leadership and management. The school was judged good in all other categories and overall.

The inspectors recognised the good standards that students achieve in public examinations, especially in English and Mathematics, and praised the school saying,

'Spiritual, moral, social and cultural development is a strength of the school. It is underpinned by very effective curriculum arrangements...Students display a consistent thirst for knowledge.'

For the fifth year running the School has recorded an excellent set of GCSE results, 87% of students achieved 5 or more A* - C grades at GCSE and 77% achieved the so called 'gold standard' of 5 or more A* - C grades including English and Mathematics. This makes the school the highest performing non-fee paying school in Norfolk - 48% of our students continue to satisfy the EBacc measure. At A level, the overall pass rate (A* - E) was 99% with 49% of students achieving passes at Grade A*/B.

The School also consolidated its position as the highest achieving public post-16 provider in the area and the vast majority of students will be studying at their first choice university including some of the top universities in the country.

See the following website for more information:

- DfE: <http://www.education.gov.uk/schools/performance/index.html> and ;
- Ofsted: www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/121214
- School: www.sheringhamhigh.co.uk

Going Concern

After making appropriate enquiries, the Trustees have 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.

Key Financial Performance Indicators

The Academy Trust met its aims and objectives within the grant income received for the period. The effective management of cash flow and scheduling of capital expenditure meant that the Academy Trust's cash balances were never exceeded by commitments.

It is the Academy Trust's management policy that in general terms the income received in any one year is spent for the benefit of those children in education that year. This is balanced against the need to retain a prudent level of reserves.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2014

Key Financial Performance Indicators (continued)

As funding is largely based on student numbers, this is also a key performance indicator. Student numbers for funding purposes were 635 in years 7-11 and 195 in 6th Form. It is anticipated that there will be a drop in roll for years 7-11, (630 for funding purposes in 2014/2015) due to general population trends but that this will recover by 2016/2017. Sixth Form numbers can vary (170 for funding purposes in 2014/2015) and this is a matter discussed regularly by the Trustees and Leadership Team, bearing in mind the downward trend of 6th Form funding and increased competition from new entrants to the Further Education market.

Financial Review

Most of the Academy Trust's income is obtained from the Department for Education via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities, on page 19.

During the year ended 31 August 2014, the Academy Trust received income of £4,181,943 (2013: £4,197,488) in respect of General Annual Grant and other Government funding, £86,314 (2013: £180,463) in the form of DfE capital grants and £147,499 (2013: £260,551) other income, giving total income of £4,415,756 (2013: £4,638,502) for the period. Expenditure for the period amounted to £4,566,820 (2013: £4,602,405).

The Academy Trust receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as income in the fixed asset fund. The fixed asset fund balance is reduced by annual depreciation charge over the expected useful life of the assets concerned.

At 31 August 2014 the net book value of fixed assets was £8,740,611 (2013: £8,698,878) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Financial and Risk Management Objectives and Policies

In accordance with the Funding agreement and the Academies Financial Handbook issued by the Education Funding Agency on behalf of the Department for Education, the Trustees are responsible for recognising, managing and tracking opportunities and risks.

The Academy Trust's system of Internal Control and Risk Management procedures are established through the adoption of a Financial Management and Regulations policy.

Risks are managed through the creation of a Risk Register which identifies the principal risks and uncertainties facing the trust, together with an assessment of the likelihood and impact and appropriate control procedures to mitigate. The risk register is reviewed by the Trustees on an annual basis.

The day to day impact of cash flow on the bank balance and the school's level of creditors is monitored on a weekly and monthly basis. The level of debtors is minimal but is managed in a controlled way to ensure that the Academy Trust receives payment in a timely fashion.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2014

Principal Risks and Uncertainties

The Risk Register categorises risk into the following areas:

- Strategic
- Reputational
- Governing Body
- Operational
- Compliance
- Financial

The principal financial risks are considered to be:

- Local Government Pension scheme deficit
 - The risks relate to the underlying scheme deficit inherited on conversion and the risk of considerable employer contribution increases. The Academy Trust has now received confirmation that the underlying scheme deficit is underwritten by the Department for Education.
 - Contribution rates are reviewed and reassessed by the fund's actuaries on a triennial basis. Increases are restricted to 1% of pensionable payroll under the Contribution Rate Stabilisation Mechanism.
- Fixed assets risk for the construction of new assets
 - The risk of exceeding planned expenditure, or of construction not meeting specification, is controlled by the procurement procedures established in the Financial Management and Regulations policy. This ensures for example that policy limits establish the need for tender procedures.
- Year on Year reductions in per capita funding
 - These could result from changes in funding policy implemented by central government or from decreases in roll. The Academy Trust produces a medium term financial plan which highlights potential difficulties in future years and provides opportunity to take action to mitigate. This plan is created in line with the Financial Management and Regulations policy that the Trustees have adopted and is monitored regularly.
- Financial Systems risks in the event of disaster
 - The risk that financial information could not be recovered in the event of a disaster (e.g. theft, fire, vandalism) is controlled by the creation of back-up procedures and a disaster recovery plan. The Academy Trust has Business Continuity Insurance cover in place.
- Budget Risk
 - The risk that the budget will be in deficit and that it cannot be met by reserves. The Academy Trust school prepares detailed three year plans to highlight potential problems in future years. Budgets are regularly monitored and savings made where possible. The Academy Trust has a redundancy policy in place.
- Creation of Multi Academy Trust
 - Risk that financial management structures and controls will not be robust enough to cope with the rapidly changing and growing environment of a multi-academy trust. The Academy Trust regularly reviews its internal frameworks and controls and seeks advice from auditors.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2014

Reserves Policy

It is the aim of the Trustees of the Academy Trust to show a level of prudence and good financial planning to cover the unexpected and unplanned so that the Academy Trust's primary objectives are preserved under unforeseen circumstances.

Reserves are intended to be used to establish a prudent general reserve to manage the risks identified above in a controlled and phased way. Much of the Academy Trust's infrastructure is aging and life expired and requires maintenance and renewal. The Finance and General Purposes and Premises committee believes that the level of reserves will provide sufficient working capital to cover delays between spending and receipt of grants.

As at 31 August 2014 the Academy Trust had free reserves of £19,211, calculated as unrestricted net assets shown in note 19.

Investment Policy

With the exception of cash held for the operation of the Academy Trust, North Norfolk Academy Trust has no realisable investments as at 31 August 2014. The Trustees have adopted a low risk strategy to cash holdings operating interest bearing accounts with the Academy Trust's bankers. It is the intention to invest any surplus funds in low risk short-term bank deposits although a longer term investment strategy is currently being investigated.

Plans for Future Periods

Each year Trustees adopt a school improvement and development plan (available on the website) that details the aims and objectives over the coming academic years.

Auditor

Lovewell Blake LLP were appointed as auditors during the previous period and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Insofar as the Trustees are aware:

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

The Trustees' Report, including Strategic Report, was approved by the Trustees on 25.11.14 and signed on their behalf by:



Gill Baker
Chair of Trustees

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

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

The **Full Governing Body** has formally met 4 times during the year.

Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Gill Baker (Director & Community Governor)	4	4
Andrew Richardson (Director & Headteacher)	0	0
Timothy Roderick (Consultant Headteacher)	4	4
Martin Adams (Community Governor)	2	4
Arthur Bailey (Parent Governor)	3	3
Penelope Bevan Jones (Community Governor)	3	4
Christine Candlish (Director & Community Governor)	4	4
Sonya Fassih (Parent Governor)	0	1
Stephen Foster (Director & Parent Governor)	3	3
Brian Hannah (Community Governor)	2	4
Miles Howard (Staff Governor)	0	3
Sacha Howard (Parent Governor)	3	3
Martin Langsdon (Parent Governor)	4	4
Jayne Melhuish (Staff Governor)	4	4
Alex Steward (Support Staff Governor)	4	4
Constance Tyce (Director & Community Governor)	3	4
Velta Williams (Parent Governor)	4	4
John Wollocombe (Director & Directors' Appointed)	4	4

There are currently two governor vacancies which are in the process of being filled.

Tim Roderick resigned as Headteacher in August 2014 with Andrew Richardson being appointed to replace him. Sonya Fassih (October 2013) and Miles Howard (March 2014) resigned as Trustees during the year. Arthur Bailey, Stephen Foster and Sacha Howard were all appointed as Trustees in November 2013.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Particular challenges that have arisen for the Board in the year are as follows:

For the Multi Academy Trust:

Strategic and Operational Decisions - Taking decisions about which school's should join the Trust and when. Taking part in the improvement process at Stalham High School prior to its conversion to Academy status and joining the Trust e.g. joining the IEB. Preparing for Multi Academy Trust status.

Governance - Identifying and implementing the correct structures to form a Multi Academy Trust.

Finance - Creation of a new financial model to cope with requirements for managing a Multi Academy Trust.

For Sheringham High School:

Governance - Taking strategic decisions about the direction for the school over the next five years. Appointment of Governors to ensure that a high level of skills and a variety of backgrounds is maintained whilst achieving a full compliment.

Students and Parents - Monitoring of progress towards achievement of high academic standards. Listening to the voice of parents and students through the bi - annual survey and via parent governors. Monitoring the use of the Pupil Premium to ensure the progress of vulnerable students, most able students and students with identified weaknesses of any kind. Undertaking a thematic review of Careers Education, Information, Advice and Guidance within the school.

Staff - Taking decisions about Teachers pay and monitoring performance of teachers. Ensuring the appointment of staff is appropriate to achieving the best outcomes for students within the Academy Trust's financial constraints.

Finance - Ensuring a broad and balanced budget and taking financial decisions to make sure that resources are available to deliver a balanced and broad curriculum to our students. Procuring services to ensure value for money e.g. grounds maintenance contract and contract for refurbishment of two laboratories and prep room in the main school.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Governance Reviews

The Multi Academy Trust is newly formed and so a formal governance review has not yet taken place but it is intended that this will be carried out on an annual basis.

The Governance of Sheringham High School was last reviewed in July 2014. This was a self evaluation that examined progress against previous reviews and milestones, drawing up an appropriate action plan for monitoring. Governance was also featured as part of the Ofsted inspection that took place in May 2014. The inspection stated:

"The governance of the school:

Governance is a strength of the school. Governors are very committed to the school. They spoke knowledgeably to inspectors about aspects of its work and subjects in which the school is working relentlessly to raise attainment to the very highest level. They bring to their roles a wide range of experience and a deep understanding of the local area. Regular visits show governors' support for the school. Governors' attendance at parents' evenings enables them to pick up parental comments and quickly address any concerns. Governors use data well to challenge the school about results and future developments, including its precise role as an academy. They use this knowledge to contribute effectively to the school improvement plan. Visits enable governors to see where teaching is best and to assess how to provide opportunities for staff career development and progression. Teachers' performance is rigorously assessed against the Teachers' Standards and school improvement priorities. Governors are clear about which areas require further work. The allocation and impact of pupil premium funding is reviewed regularly to ensure that its use is continually refined and this has resulted in the detailed programmes which enable eligible students to make a very good and positive start to their time at Sheringham High School and Sixth Form Centre."

The Ofsted report judged Leadership and Management of the school as outstanding. The Trust intends to conduct a self-evaluation of its governance towards the end of the forthcoming Academic year (2014-2015) to ensure that these standards are being maintained. The National Governors' Association provides a useful guide and template to facilitate this process.

The **finance and general purpose and premises committee** is a sub-committee of the main Governing Body. Its purpose is to review and plan the strategic financial planning and expenditure of the Academy Trust's budget.

The finance and general purpose and premises committee has formally met 7 times during the year. Tim Roderick resigned during the year. Arthur Bailey and Stephen Foster were appointed during the year. Attendance at meetings in the year to 31 August 2014 was as follows:

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Governor	Meetings attended	Out of a possible
Martin Adams	4	7
Arthur Bailey	5	6
Gill Baker	6	7
Christine Candlish	4	7
Stephen Foster	4	5
Brian Hannah	3	7
Tim Roderick	6	7
John Wollocombe (Chair)	6	7

The **audit committee** is also a sub-committee of the main Governing Body. Its purpose is to review the Academy Trust's internal and external financial statements to ensure they reflect best practice, and to review the effectiveness of the Academy Trust's internal control systems established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.

The audit committee has formally met once during the year. Attendance at meetings in the year to 31 August 2014 was as follows:

Governor	Meetings attended	Out of a possible
Martin Adams	0	1
Gill Baker	1	1
Christine Candlish	1	1
John Wollocombe (Chair)	1	1

Following the publication of revised guidance from the EFA on audit committee structure, its responsibilities were re-delegated to the finance and general purpose committee who now perform the audit committee functions within their scope.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in North Norfolk Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trustees have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

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 Trustees;
- regular reviews by the finance and general purpose 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 Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have instructed finance staff from Cromer Academy Trust and Reepham Academy Trust to perform Peer Reviews. This includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the peer reviewer reports to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, Andrew Richardson, has responsibility for reviewing the effectiveness of the system of internal control.

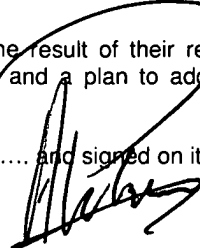
During the year in question the review has been informed by:

- the work of the Peer Reviewers;
- the work of the external auditor;
- the work of the Senior Leadership Team and Business Manager within the Academy Trust who have responsibility for the day to day monitoring and maintenance of the internal control framework in line with the Financial Management and Regulations Policy.

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 improvements of the system is in place.

Approved by order of members of the Trustees on 25.11.14 and signed on its behalf by:


Gill Baker
Chair of Trustees


Andrew Richardson
Accounting Officer

NORTH NORFOLK ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Trustees 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.

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 Trustees and EFA.



Andrew Richardson
Accounting Officer

NORTH NORFOLK ACADEMY 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 operation.

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 EFA/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 25.11.14 and signed on its behalf by:



Gill Baker
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTH NORFOLK ACADEMY TRUST

We have audited the financial statements of North Norfolk Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

MARK PROCTOR ACA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

3 DECEMBER 2014

LoveWell Blake LLP

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH NORFOLK ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 September 2013⁹ and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North Norfolk Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purpose identified by the Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to North Norfolk Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to North Norfolk Academy Trust and the EFA 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 North Norfolk Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of North Norfolk Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of North Norfolk Academy Trust's funding agreement with the Secretary of State for Education dated 26 October 2011 and the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as define in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of minutes of the various committees and sub-committees, management accounts and discussions with key personnel

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH NORFOLK ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

- Evaluation of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses
- Review of expense claims and credit card expenditure, to ensure it adheres to internal control procedures and is not for personal benefit
- Review of financial transactions for any unusual transactions which may be improper
- Ensuring that all the activities of the Academy Trust are in keeping with the Academy Trust's framework and charitable objectives
- Ensuring that key staff, Trustees and Governors have declared their interest in related parties and following up with discussions and testing
- Review of related party transactions to ensure that no favourable rates have been applied
- Ensuring any contracts with connected parties have been procured following the Academy Trust's procurement and tendering process, and if contracts were entered to after 7 November 2013 that the Academy Trust has obtained statements of assurance confirming no profit element was charged
- Ensuring expenditure does not contravene the funding agreement
- Ensuring extra-curricular payments for staff have been made in accordance with the Handbook
- Ensuring that where special payments, including compromise agreements, have been made to staff, that prior approval has been sought for non-contractual amounts over £50,000, payments are not used as a substitute for taking appropriate action under the Academy Trust's misconduct or performance management procedures, and payments are in line with the severance guidance published by EFA
- Ensuring borrowing agreements, including finance leases, have been made in accordance with the Handbook
- Ensuring land and building transactions, especially disposals, are in line with the funding agreement and Handbook and prior approval has been obtained
- Ensuring write-offs over 1% of total income or £45,000 (whichever is smaller) have been approved in advance by the Secretary of State
- Ensuring procurement activity is in accordance with Annex 4.6 of Managing Public Money

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by parliament and the financial transactions do not conform to the authorities which govern them.

MARK PROCTOR ACA DChA (Reporting Accountant)
LOVEWELL BLAKE LLP

3 DECEMBER 2014

Lovewell Blake LLP

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

NORTH NORFOLK ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2014
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2014 £	(restated) Total 2013 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	6,851	-	-	6,851	3,876
Activities for generating funds	3	21,132	-	-	21,132	111,899
Investment income	4	4,134	-	-	4,134	880
Incoming resources from charitable activities:						
Funding for the Academy Trust's educational operations	5	-	4,181,943	86,314	4,268,257	4,377,951
Other incoming resources		115,382	-	-	115,382	143,896
Total incoming resources		<u>147,499</u>	<u>4,181,943</u>	<u>86,314</u>	<u>4,415,756</u>	<u>4,638,502</u>
Resources expended						
Cost of generating funds:						
Costs of activities for generating funds	6	40,661	-	-	40,661	120,907
Charitable activities:						
Academy Trust educational operations	7	-	4,064,465	332,687	4,397,152	4,356,804
Other resources expended		121,270	-	-	121,270	103,657
Governance costs	8	-	7,737	-	7,737	21,037
Total resources expended	6	<u>161,931</u>	<u>4,072,202</u>	<u>332,687</u>	<u>4,566,820</u>	<u>4,602,405</u>
Net (outgoing) / incoming resources before transfers		(14,432)	109,741	(246,373)	(151,064)	36,097
Transfers between funds	17	-	(288,106)	288,106	-	-
Net (expenditure) / income for the year		(14,432)	(178,365)	41,733	(151,064)	36,097
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	17/27	-	(146,000)	-	(146,000)	24,000
Net movement in funds		(14,432)	(324,365)	41,733	(297,064)	60,097
Reconciliation of funds						
Total funds brought forward at 1 September 2013	17	33,643	263,133	8,698,878	8,995,654	8,935,557
Total funds carried forward at 31 August 2014	17	<u>19,211</u>	<u>(61,232)</u>	<u>8,740,611</u>	<u>8,698,590</u>	<u>8,995,654</u>

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

The notes on pages 24 to 39 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST

BALANCE SHEET at 31 August 2014

	Note	2014 £	(restated) 2013 £
Fixed Assets			
Tangible Assets	14	8,740,611	8,698,878
Current Assets			
Debtors	15	78,516	96,811
Cash at bank and in hand		927,518	836,965
		<u>1,006,034</u>	<u>933,776</u>
Current liabilities			
Creditors: Amounts falling due within one year	16	<u>580,055</u>	<u>344,000</u>
Net current assets		425,979	589,776
Total assets less current liabilities		9,166,590	9,288,654
Pension scheme liability	27	<u>(468,000)</u>	<u>(293,000)</u>
Net assets including pension liability	17	<u>8,698,590</u>	<u>8,995,654</u>
Funds of the Academy Trust			
Restricted funds			
Restricted fixed asset fund	17	8,740,611	8,698,878
General fund	17	406,768	556,133
Pension reserve	17	<u>(468,000)</u>	<u>(293,000)</u>
		8,679,379	8,965,011
Unrestricted funds			
General fund	17	<u>19,211</u>	<u>33,643</u>
		<u>8,698,590</u>	<u>8,995,654</u>

The financial statements were approved by the Trustees, and authorised for issue on 25.11.14 and are signed on their behalf by:

G.P. Baker

Gill Baker
Chair of Trustees

The notes on pages 24 to 39 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST

CASH FLOW STATEMENT for the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	22	374,525	115,528
Returns on investments and servicing of finance	23	4,134	880
Capital grant income less capital expenditure	24	<u>(288,106)</u>	<u>(14,963)</u>
Increase in cash in the year	25	90,553	101,445
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013	25	<u>836,965</u>	<u>735,520</u>
Net funds at 31 August 2014	25	<u>927,518</u>	<u>836,965</u>

The notes on pages 22 to 37 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

1. Statement of accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Charity Commission "Statement of Recommended Practice: Accounting and Reporting by Charities" (SORP 2005), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

b) Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

c) Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's accounting policies.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on an accruals basis.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

1. Statement of accounting policies (continued)

c) Incoming resources (continued)

Other income

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

d) Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

e) Tangible fixed assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

f) Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold buildings	2% straight line
Fixtures and fittings	15% straight line
Motor vehicles	25% straight line
Computer equipment and software	25% straight line

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.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

1. Statement of accounting policies (continued)

g) Leased assets

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

h) 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.

i) Pensions benefits

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

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 quinquennial valuations using a prospective method. As stated in note 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension Scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

J) 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 donor and include grants from the Education Funding Agency.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

2. VOLUNTARY INCOME

	Unrestricted £	Restricted £	2014 £	2013 £
Donations	6,851	-	6,851	3,876

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted £	Restricted £	2014 £	2013 £
Catering income	1,020	-	1,020	89,505
Hire of facilities	20,112	-	20,112	22,394
	21,132	-	21,132	111,899

4. INVESTMENT INCOME

	Unrestricted £	Restricted £	2014 £	2013 £
Bank interest	4,134	-	4,134	880

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted £	Restricted £	2014 £	2013 £
DfE / EFA revenue grants				
• General Annual Grant (GAG)	-	3,876,267	3,876,267	3,657,897
• Capital Grants	-	86,314	86,314	180,463
• Other DfE/EFA Grants	-	261,659	261,659	313,483
	-	4,224,240	4,224,240	4,151,843
Other Government grants				
• Local authority grants		20,668	20,668	226,108
• Graduate teacher training programme		14,850	14,850	-
• Miscellaneous	-	8,498	8,498	-
		44,016	44,016	226,108
	-	4,268,256	4,268,256	4,377,951

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

6. RESOURCES EXPENDED

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other costs	2014	2013
	£	£	£	£	£
Costs of activities for generating funds	-	-	40,661	40,661	120,907
Charitable activities:					
Academy Trust's educational operations (note 7)					
• Direct costs	3,010,216	332,687	344,314	3,687,217	3,598,441
• Allocated support costs	268,459	-	412,476	680,935	732,363
• FRS17 pension costs	29,000	-	-	29,000	26,000
	<u>3,307,675</u>	<u>332,687</u>	<u>797,451</u>	<u>4,437,813</u>	<u>4,477,711</u>
Other resources expended	-	-	121,270	121,270	103,657
Governance costs (note 8)	-	-	7,737	7,737	21,037
	<u>3,307,675</u>	<u>332,687</u>	<u>926,458</u>	<u>4,566,820</u>	<u>4,602,405</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

7. CHARITABLE ACTIVITIES – ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted £	Restricted £	2014 £	2013 £
Direct costs				
Teaching and educational support staff costs	-	3,010,216	3,010,216	2,951,821
Depreciation	-	332,687	332,687	315,100
Educational supplies	-	116,421	116,421	97,122
Examination fees	-	75,691	75,691	75,913
Staff development	-	20,048	20,048	17,678
Other direct costs	-	132,154	132,154	140,807
	-	<u>3,687,217</u>	<u>3,687,217</u>	<u>3,598,441</u>
Allocated support costs				
Support staff costs	-	268,459	268,459	263,310
Recruitment and support	-	11,389	11,389	5,173
Maintenance of premises and equipment	-	106,722	106,722	135,027
Cleaning	-	73,164	73,164	68,502
Rent and rates	-	19,498	19,498	27,608
Energy Costs	-	24,279	24,279	48,866
Insurance	-	36,926	36,926	29,342
Security and transport	-	20,991	20,991	23,069
Bank interest and charges	-	2,207	2,207	731
Legal and professional fees	-	46,990	46,990	50,994
Other support costs	-	70,310	70,310	79,741
	-	<u>680,935</u>	<u>680,935</u>	<u>732,363</u>
FRS17 Pension costs	-	29,000	29,000	26,000
	-	<u>4,397,152</u>	<u>4,397,152</u>	<u>4,356,804</u>

8. GOVERNANCE COSTS

	Unrestricted £	Restricted £	2014 £	2013 £
Legal and professional fees	-	1,337	1,337	15,437
Auditor's remuneration (note 9)	-	6,400	6,400	5,600
	-	<u>7,737</u>	<u>7,737</u>	<u>21,037</u>

9. INCOMING RESOURCES FOR THE YEAR INCLUDE

	2014 £	2013 £
Operating leases	44,672	22,250
Fees payable to auditor - audit	6,400	5,600
- other services	1,420	1,900

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

10. STAFF

a. Staff costs

	2014	2013
	£	£
Staff costs during the period were:		
Wages and salaries	2,666,399	2,633,251
Social security costs	195,537	197,108
Pension costs	251,796	252,102
FRS17 pension costs	120,000	111,000
	<u>3,233,732</u>	<u>3,193,461</u>
Supply staff costs	32,443	17,135
Staff restructuring costs	12,500	4,535
	<u>3,278,675</u>	<u>3,215,131</u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,500 (2013: £4,535). One of the non-statutory/non-contractual payments exceeded £5,000 and this was for £12,500.

c. Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year ended 31 August 2014 expressed as full time equivalents was as follows:

	2014	2013
	£	£
Charitable Activities		
Teaching, management and administration	51	50
Support	27	27
	<u>78</u>	<u>77</u>

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

	2014	2013
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff members amounted to £20,817 (2013: £20,315)

11. CENTRAL SERVICES

No other academies joined the Multi Academy Trust until after the year end, hence no central services were provided by the Academy Trust to its academies during the period and no central charges arose.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

12. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

T Roderick (Headteacher & Trustee – resigned Aug 2014)	£85,000 - £90,000 (2013: £80,000 - £85,000)
J Melhuish (Trustee – appointed June 2013)	£60,000 - £65,000 (2013: £5,000 - £10,000)
M Howard (Trustee – resigned March 2014)	£20,000 - £25,000 (2013: £30,000 - £35,000)
A Steward (Trustee – appointed March 2013)	£20,000 - £25,000 (2013: £5,000 - £10,000)

13. TRUSTEES', GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides maximum cover up to £3,000,000 and the cost for the year to 31 August 2014 was £1,000 (2013: £845).

14. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Fixtures & fittings, Computer equipment £	Motor vehicles £	Total 2014 £
Cost				
At 1 September 2013	8,311,591	941,731	1,000	9,254,322
Additions	55,353	319,067	-	374,420
At 31 August 2014	8,366,944	1,260,798	1,000	9,628,742
Depreciation				
At 1 September 2013	290,851	264,135	458	555,444
Charged in period	161,139	171,298	250	332,687
At 31 August 2014	451,990	435,433	708	888,131
Net book values				
At 31 August 2014	7,914,954	825,365	292	8,740,611
At 31 August 2013	8,020,740	677,596	542	8,698,878

All assets are used for educational purposes.

Fixed assets were transferred to the Academy Trust on 1 November 2011. Freehold land was valued at an estimated £20,000 per acre and the buildings valuation was based on the rebuilding costs, as calculated for insurance purposes and then discounted based on the age of each block of buildings. The valuation of other fixed assets was based on the insurance value and then discounted based on the average age of each category of asset. Of the cost value of £8,366,944, £260,000 relates to land and £8,106,944 to buildings.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

15. DEBTORS

	2014	2013
	£	£
Trade debtors	14,207	555
Prepayments and accrued income	18,281	76,502
Other debtors	46,028	19,754
	<u>78,516</u>	<u>96,811</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	211,974	156,620
Taxation and social security	62,845	61,996
Other creditors	37,072	29,204
Accruals and deferred income	268,164	96,180
	<u>580,055</u>	<u>344,000</u>

Deferred income	£	£
Deferred income at 1 September 2013	59,132	52,156
Resources deferred in the year	147,818	59,132
Amounts released from previous years	(59,132)	(52,156)
Deferred income at 31 August 2014	<u>147,818</u>	<u>59,132</u>

Deferred income related to amounts received from the EFA (£131,070) and parents for school trips (£16,748) during 2013/14 relating to 2014/15.

17. FUNDS

	(Restated) Balance at 31 August 2013 £	Incoming resource £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted funds					
General Annual Grant (GAG)	556,133	3,876,267	(3,774,210)	(288,106)	370,084
Other DfE/EFA grants	-	305,676	(268,992)	-	36,684
Pension reserve	(293,000)	-	(29,000)	(146,000)	(468,000)
	<u>263,133</u>	<u>4,181,943</u>	<u>(4,072,202)</u>	<u>(434,106)</u>	<u>(61,232)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	168,774	86,314	(13,034)	-	242,054
Capital expenditure from GAG	148,310	-	(36,012)	288,106	400,404
Donated assets	8,381,794	-	(283,641)	-	8,098,153
	<u>8,698,878</u>	<u>86,314</u>	<u>(332,687)</u>	<u>288,106</u>	<u>8,740,611</u>
Total restricted funds	<u>8,962,011</u>	<u>4,268,257</u>	<u>(4,404,889)</u>	<u>(146,000)</u>	<u>8,679,379</u>
Unrestricted funds					
General fund	33,643	147,499	(161,931)	-	19,211
Total unrestricted funds	<u>33,643</u>	<u>147,499</u>	<u>(161,931)</u>	<u>-</u>	<u>19,211</u>
Total funds	<u>8,995,654</u>	<u>4,415,756</u>	<u>(4,566,820)</u>	<u>(146,000)</u>	<u>8,698,590</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

17. FUNDS (continued)

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

GAG & other DfE/EFA grants: the restricted income fund is for the purpose of specific expenditure within the Academy Trust's declared objectives. DfE grants relate to government funding for the provision of education by the Academy Trust. Funding is repayable if the Academy Trust does not meet all funding requirements.

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 2014. The GAG carried forward is intended to be used to establish a prudent level of reserves to manage risks and unforeseen costs. It will also be used to allow phased and controlled repair, maintenance and replacement of the Academy Trust's aging and life expired infrastructure.

DfE/EFA capital grants: provided by the government for specific capital projects.

Pension reserve: this relates to the deficit on the local government pension fund. Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the Academy Trust's budgeted annual income.

Donated assets: value of donated assets recognised in the financial statements at their estimated value to the Academy Trust in the period in which they are receivable and where the benefit is both quantifiable and measurable.

Fixed asset fund: the value of fixed assets transferred on conversion and acquired since conversion.

18. PRIOR YEAR ADJUSTMENT

A prior year adjustment was made in respect of the value of land and buildings transferred on conversion which had previously been included within unrestricted funds. The brought forward balances relating to capital grants and capital expenditure from GAG were corrected and the amount of £8,381,794 was correctly reclassified to the donated assets restricted fund balance as shown in note 17.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2014 are represented by:

	Unrestricted	Restricted funds	Pension Liability	Restricted fixed asset funds	Total 2014
	£	£	£	£	£
Tangible fixed assets	-	-	-	8,740,611	8,740,611
Net current assets	19,211	406,768	-	-	425,979
Pension scheme liability	-	-	(468,000)	-	(468,000)
Total net assets	19,211	406,768	(468,000)	8,740,611	8,698,590

20. CAPITAL COMMITMENTS

There were no capital commitments at the year end.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2014

21. FINANCIAL COMMITMENTS

Operating leases

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Other		
Operating leases which expire:		
Less than one year	3,635	5,855
Within two to five years	<u>35,940</u>	<u>14,597</u>
	<u>39,575</u>	<u>20,452</u>

At 31 August 2014 the Academy Trust had a 11 year lease in respect of land used for the purpose of a School playing field, the consideration for this lease is nil and therefore there is no annual-commitment.

22. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Net (deficit)/surplus	(151,064)	36,097
Depreciation (note 14)	332,687	315,100
Capital grants from DfE and other capital income	(86,314)	(180,463)
Interest receivable (note 4)	(4,134)	(880)
FRS17 pension cost less contributions payable (note 26)	120,000	111,000
FRS17 pension finance income (note 26)	(91,000)	(85,000)
Decrease/(Increase) in debtors	18,295	(20,169)
(Decrease)/Increase in creditors	<u>236,055</u>	<u>(60,157)</u>
Net cash inflow from operating activities	<u>374,525</u>	<u>115,528</u>

23. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014	2013
	£	£
Interest received	<u>4,134</u>	<u>880</u>
Net cash inflow from returns on investment and servicing of finance	<u>4,134</u>	<u>880</u>

24. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014	2013
	£	£
Capital grants from DfE/EFA	86,314	180,463
Purchase of tangible fixed assets	<u>(374,420)</u>	<u>(195,426)</u>
Net cash outflow from capital expenditure and financial investment	<u>(288,106)</u>	<u>(14,963)</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2014

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash in hand and at bank	<u>836,965</u>	<u>90,553</u>	<u>927,518</u>

26. MEMBERS' LIABILITY

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

27. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at the end of the financial period.

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

27. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in March 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of $\frac{1}{57}$ th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

27. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly the Academy Trust has taken advantage of the exemption in FRS17 and 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 2014 was £118,000 of which employer's contributions totalled £91,000 and employees' contributions totalled £27,000. The agreed future rates for future years range from 5.5% - 12.5% for employees, and 19.3% for employers plus an annual deficit recovery contribution of £5,000 in 2014/15, £9,000 in 2015/16 and £14,000 in 2016/17.

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

Principal Actuarial Assumptions

	2014	2013
	%	%
Salary increase rate	3.5	5.1
Pension increase rate	2.7	2.8
Expected return on assets	5.4	5.8
Discount rate	3.7	4.6

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2010 model assuming the current rate of improvement has reached a peak and will converge to a long term rate 1.25% p.a.. The average future life expectancies at age 65 are summarised below:

	2014	2013
	years	Years
<i>Current pensioners</i>		
Males	22.1	21.2
Females	24.3	23.4
<i>Future pensioners</i>		
Males	24.5	23.6
Females	26.9	25.8

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

27. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
	%	£	%	£
Equities	6.3	547,000	6.6	440,000
Bonds	3.4	177,000	4.1	131,000
Property	4.5	93,000	4.7	72,000
Cash	3.3	25,000	3.6	13,000
Total market value of assets		842,000		656,000
Present value of scheme liabilities – funded		(1,310,000)		(949,000)
Deficit in the scheme		(468,000)		(293,000)

The actuarial gain/(loss) on scheme assets was (£146,000) (2013: £24,000).

	2014 £	2013 £
Current service cost (net of employee contributions)	114,000	102,000
Total operating charge	114,000	102,000
Analysis of pension finance income / (costs)		
Expected return on scheme assets	41,000	25,000
Interest on pension liabilities	(47,000)	(34,000)
Pension finance costs	(6,000)	(9,000)

Pension finance costs

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £193,000 loss (2013: £47,000 loss).

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

27. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	2014	2013
	£	£
At 1 September 2013	949,000	763,000
Current service cost	114,000	102,000
Interest cost	47,000	34,000
Employee contributions	27,000	26,000
Actuarial losses	181,000	24,000
Estimated benefits paid	(8,000)	-
at 31 August 2014	1,310,000	949,000

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

	2014	2013
	£	£
At 1 September 2013	656,000	472,000
Expected return on assets	41,000	25,000
Employee contributions	27,000	26,000
Employer contributions	91,000	85,000
Actuarial gains	35,000	48,000
Estimated benefits paid	(8,000)	-
at 31 August 2014	842,000	656,000

The estimated value of employer contributions for the year ended 31 August 2015 is £97,000.

28. RELATED PARTY TRANSACTIONS

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

During the year the Academy Trust paid expenses, totalling £10,302 (2013: £9,882), on behalf of Sheringham Community Small Holding "The Patch," a charitable organisation in which the Academy Trust has an interest. The Academy Trust received reimbursement in respect of these and prior year expenses amounting to £18,814 (2013: £10,213) and at the balance sheet date owed "The Patch" £5,124 (2013: £3,388 owed from "The Patch").

There were no other transactions which, in the opinion of the Trustees, need to be reported for the purposes of a proper understanding of the accounts.