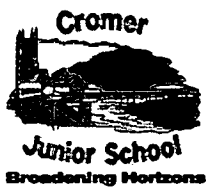


North
Norfolk
**Academy
Trust**

NORTH NORFOLK ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019



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NORTH NORFOLK ACADEMY TRUST

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NORTH NORFOLK ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members: John Wollocombe (Chair of Trustees)
Charles Tucker (appointed 16 September 2019)
Stephen Foster
Tim Roderick

Trustees (Directors): John Wollocombe # (Chair of Trustees)
Christine Candlish (resigned 16 September 2019)
Julia Drury (resigned 31 August 2019)
Mary-Jane Edwards (appointed 30 April 2019)
Marc Goodliffe (resigned 17 October 2018)
Gill Pegg #
Andrew Richardson (Chief Executive Officer and
Accounting Officer)
Constance Tyce #

= members of the audit committee

Senior Management Team:
Chief Executive Officer
Executive Headteacher – Primary Schools
Chief Financial Officer

Andrew Richardson
Marc Goodliffe
Sally Boardman (resigned 30 April 2019)
David Hicks (appointed 1 May 2019)

Clerk: Natasha Allen (to 31 August 2019)
Sarah Rankin (from 1 September 2019)

Principal and Registered office: Sheringham High School
Holt Road
Sheringham
Norfolk
NR26 8ND

Company Registration Number: 07800153 (England and Wales)

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 2019

Trustees' Report

For the purposes of this report the term "Trustee" also means "Director".

The Trustees present their annual report together with the financial statements and auditor's reports of the Charitable Company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates two primary, one junior and two secondary academies in North Norfolk. Its academies had a roll of 1573 in the school census on 4 October 2019: 738 at Sheringham High School; 380 at Stalham High School; 57 at Antingham & Southrepps Primary School, with an additional 14 children in the Nursery; 109 at Gresham Village School and Nursery, with an additional 16 children in the Nursery, and 259 at Cromer Junior School.

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 23 May 2017 replaced the existing Articles of Association dated 14 May 2014 and those of 6 October 2011. The current articles are the primary governing documents of the Academy Trust. The Academy Trust has Members and Trustees. 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 Members and 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 he/she is 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 he/she 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 and Sheringham Sixth Form (a school consistently in the top tier of Eastern County schools), Stalham High School (a much improved school which is rated "good" by Ofsted), Antingham & Southrepps Primary School (an improving, small rural primary school), Gresham Village School and Nursery, and Cromer Junior; both 'Good' schools. 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 2019

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 Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

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 Governors 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 Multi Academy Trust's organisational structure consists of four levels: The Members of the Trust, The Trustees, the Local Governing Bodies of the member Academy schools, and the Leadership teams of those individual schools. Collectively, they are responsible for the strategic direction, day-to-day management and operation of the Academy Trust.

The Members have the power to appoint or remove Trustees and may issue special resolutions requiring the Board of Trustees to take specific action. The Members also receive the Trust's annual accounts, appoint auditors and have oversight of the Board to ensure that they are exercising effective governance and leadership of the Trust.

The Trustees work through the Board of Trustees. The Board of Trustees also has a separate Audit Committee. The Trustees are responsible for setting general policy and direction for the overall Multi Academy Trust, making strategic decisions, making senior staff appointments, adopting an overall annual plan and budget for the Trust, monitoring its financial and operational performance and approving major items of expenditure.

Each member Academy school has a Local Governing Body. The Local Governing Bodies are responsible for the curriculum of each individual 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. They are responsible for budget monitoring against the agreed annual budget plan and approving some items of expenditure in line with the Financial Management and Regulations policy.

During the financial year to 31 August 2018, the Local Governing Body at Sheringham High School dissolved its three main committees: Finance and General Purposes and Premises, Curriculum, and Personnel. This was primarily because of evolving changes in responsibility to Trust Board level for many policy reviews and decisions. There continues to be standing committees which include the Exclusions committee and Pay Review Committee. An approved scheme of financial delegation and a Financial Management and Regulations policy clearly sets out the level of financial authority delegated to the Local Governing Bodies, the Accounting Officer, individual Headteachers/Heads of School and members of the leadership team and the Chief Financial Officer.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Structure, Governance and Management (continued)

The Local Governing Body at Antingham and Southrepps Primary School is responsible for monitoring safeguarding and standards in school; there are no separate committees.

A Local Governing Body at Stalham High School was established in April 2015 and had no committees, all business being dealt with through the Local Governing Body meetings. The Local Governing Body was dissolved in September 2016 and, in order to achieve ongoing and sustained improvement at Stalham High School, the Trustees of North Norfolk Academy Trust (NNAT) have assumed direct control of the governance of the school. The Trust is currently recruiting to reinstate the Local Governing Body.

The Local Governing Body at Gresham Village School and Nursery has two committees – Curriculum (which also deals with Standards) and a Management Committee (finance, strategy and premises). Other issues are in the remit of the full Local Governing Body, with safeguarding being a standing item on all agendas.

The Local Governing Body at Cromer Junior School operates a half-termly cycle of thematic meetings without separate committees.

At the High Schools, a single Leadership team is responsible for the day-to-day running of the schools with an Executive Headteacher in charge, 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.

At Antingham and Southrepps and Gresham Village School, the Primary Executive Headteacher manages and leads school improvement in both schools, supported by a Deputy Headteacher who is also the Head of School at Antingham and Southrepps. The aim is for the Deputy Headteacher to take more of a cross-school role as Antingham and Southrepps move out of 'Requires Improvement'. The Primary Strategy details the vision and plan for the primary schools.

Cromer Junior School is led by the Headteacher and three members of the Senior Leadership Team; the Deputy Head, SENCo and Maths Lead Teacher. Each Teacher, excepting an NQT, leads a subject area. The Academy has a Specialist Resource Base (SRB) for children with Autism which is led by a base manager.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of Key Management Personnel within the Trust is managed by the Board of Trustees. Pay and remuneration for senior teaching staff is based on "School Teachers Pay and Conditions 2019" (<https://www.gov.uk/government/publications/school-teachers-pay-and-conditions>) issued by the Department for Education. This gives detailed information on how the Headteachers' Individual Salary Range is calculated and how Heads of School, Deputies, Assistant Headteachers and other members of the Senior Leadership team fit into that scale. Increments are based entirely on Performance Management.

The pay and remuneration of Key Management Personnel that are not Teachers is based on salary scales agreed at the National Joint Council for Local Government Services and is linked to the grade and scale applicable to similar roles within the Local Government sector and by comparison with that being paid at similar Academy schools.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Structure, Governance and Management (continued)

Trade union facility time

The trust subscribes to trade union facility time arrangement through Norfolk County Council.

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1% - 50%	1
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£228
Provide the total pay bill	£5,581k
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.005%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	100%
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Related Parties and other Connected Charities and Organisations

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, produce and supply 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 has entered into a joint user agreement with North Norfolk District Council, dated 7 March 2017, relating to the sharing of recreational facilities at Stalham High School. The Academy Trust purchased services from Norfolk County Council and North Norfolk District Council under normal business arrangements.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Strategic Report

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 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 a KS5 curriculum from age 16 to 18 which includes level 3 and level 2 "bridging" courses to allow applications to universities (including Russell group), colleges and apprenticeships. 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 3/4, at age 11 and at age 16. 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:

SUCCESS FOR ALL

This is articulated through the following aims:

- To be a community of outstanding schools.
- To enable all students to reach their full potential within a caring and supportive environment.
- To develop high aspirations within all students.
- To strengthen provision across all schools within North Norfolk Academy Trust.
- To use resources efficiently and effectively to the benefit of all students.

Every individual, who is part of the Academy Trust, from the Headteacher, to the youngest students, are 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 2019

Strategic Report (continued)

Achievements and Performance

Challenges have been faced by all Trust schools, but performance at Sheringham High School has continued to be high. Antingham and Southrepps Primary School has shown great improvement, Gresham Village School and Nursery continues to be successful, Stalham High School has undergone a positive transformation, and we were very pleased to add Cromer Junior School to the Trust family on 1 July 2019.

Sheringham High School

Results in 2019 demonstrated that Sheringham High School continues to be a high performing school. Its VA for Progress 8 measure and its Ebacc data shows it to be well above average and in the top tier of local schools; being top in Norfolk for Ebacc 4+ and 5+. The school was inspected by Ofsted on 17 October 2017 and the positive report is available on the school's website.

The inspectors recognised the good standards that students achieve in public examinations, especially in English.

For the tenth year running the School has recorded an outstanding set of GCSE results, with 76% of students in English and Maths achieving grade 4 and above. The Progress 8 measure shows that all students make an average of almost a half a grade more than their prior attainment prediction. At "A" level, the School continues to attract applications from Sheringham High students and those from other high schools locally due to its committed teachers, sensitive education and careers advice, and impressive results and positive VA in over half its subjects. The vast majority of students will be studying at their first choice universities with many attending top universities in the country. The EPQ qualification continues to be outstanding and level 2 qualifications allow all students to access post 16 courses.

Stalham High School

Results in 2019 demonstrate that the hard work by teaching staff and support staff at the school, and across the Trust, has successfully moved the school forward following a period of change. This is a huge achievement by all involved, including the oversight by the Trust Board at Governance level.

The VA for Progress 8 puts the School in the average progress band but, coupled with last year's 0.2 VA, suggest a trend of recovery and ongoing success. Performance in English and Maths at level 4+ was pleasing. Science results were strong and there was a significant increase in success at MFL; something neglected prior to Trust involvement. Overall VA in 2019 shows that students make expected progress and added over a fifth of a grade more than expected per entry in 2018; a trend of continuing success. Ebacc entry and results are also pleasing.

Areas which the 2017 inspection praised continue to have positive impacts; relationships with students, forward looking teaching practices and a holistic approach to student care.

Antingham and Southrepps Primary School

End of Key stage 2 attainment in May 2019 for our cohort of 10 children showed a continued improvement of standards, particularly in mathematics: Reading 80%, Writing 80% Punctuation and Spelling 90% and Mathematics 80%.

Attainment at the end of Key Stage 1 for 2018-19 was lower than in previous years with a cohort of mainly summer born children: Reading 50% Writing 40%, Mathematics 50%. Interventions and focused class teaching continues for the children who did not make the expected level in the Summer. 71% of the Year 1 cohort achieved the Phonics threshold and 100% of children in reception achieved a Good Level of Development.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Strategic Report (continued)

Achievements and Performance (continued)

Whilst we are very aware of the needs of the current year 3 cohort, the continued improvement in standards is a reflection of the significant improvements that have been made at the Academy, with the leadership team having a robust approach to monitoring pupil progress and attainment, the quality of teaching and learning and the deployment of effective interventions for children with their learning.

The school was inspected by Ofsted on 17 October 2017 and the positive report is available on the school's website. Whilst the Ofsted judgement represents a significant improvement from the previous status of 'inadequate', the improvements made in the last two years mean we are expecting a judgement of 'good' at our forthcoming inspection and have put the school close to securing a 'good' judgement at the next inspection.

Gresham Village School and Nursery

Results at the end of Key stage 2 in May 2019 showed that our pupils continue to perform well in Mathematics 91%; Grammar Punctuation and Spelling 91% shows a continuing improvement at the Academy reflecting the changes we have made: Reading 73% was at the National average: results in Writing 55% were disappointing and have led to a major review of how we are teaching writing across the Academy. The actions resulting from this review has already made a significant difference and we are expecting a significant improvement in 2020.

Attainment in Year 2 was good, but reflected the issues with Writing in Year 6: Reading and Mathematics 86%, Writing 71%. Year 1 children achieved a 79% pass rate in the phonics check and 74% achieved a Good Level of Development at the end of their reception year.

Both schools are working together to improve the quality of children's Writing and to develop further our offer of a high quality, broad and balanced curriculum.

Cromer Junior School

The Trust was pleased that Cromer Junior School joined the Trust on 1 July 2019. Work had been underway for a considerable time to achieve this conversion, during which time full due diligence processes were undertaken. The Trust believes that this school is well suited to join the trust in terms of location, standards and ethos. As a financially well managed school we believe they have added value to the Trust and have brought with them reserves to adequately cover planned expenditure over the coming five years. It has positively impacted on the financial accounts of the Trust in the two months of the year since its conversion.

End of Key Stage 2 results were broadly in line with National averages: In Reading 70% of children reached the expected standard, in Writing 80% and in Mathematics 78%. Spelling, Punctuation and Grammar results were lower at 67%. Along with a new curriculum, the Academy has adopted a new scheme of writing for English which is already having a significant impact. School improvement is supported by Viscount Nelson Education Network (VNET) and the Academy has strong improvement partnerships with a number of local schools.

Additional general information is available as follows:

- DfE: <http://www.education.gov.uk/schools/performance/index.html> and ;
- Ofsted: www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/121214
- Schools: www.nnat.org.uk/welcome

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Strategic Report (continued)

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.

As funding is largely based on student numbers, this is also a key performance indicator. Student numbers for funding purposes were 956 in years 7-11 and 102 in 6th Form.

It is anticipated that the Primary roll, for years R - 6, will rise to 423 in 2019/2020 and 445 in 2020/2021. Gresham Village School offers a highly successful Nursery which currently has 19 on roll. Most of these are expected to enrol in the Primary school in due course. Numbers at Antingham and Southrepps Primary have stabilised and the new Nursery has already attracted 11 children. The reputation of the school is growing and from the recent parent survey it is clear parents are pleased with the improvements that have been made. We want the Academy to move from RI to Good as quickly as possible as there promises to be more local housing development.

Following a population bulge, Cromer Junior School grew to 295 in 2017. This will gradually decrease (259 in 2019) since the new Year 3 cohort is only 47. The cohort has remained reasonably stable throughout Year R and KS1 in our feeder schools. Subsequent year groups are closer to the usual 60. The school has a Pupil Premium Cohort of 33% with 24% currently in receipt of Free School Meals. Details of how this grant is allocated is available on the website.

For the Secondary schools, the student numbers continue to decline (1,053 for funding purposes in 2018/2019 (of which 98 are sixth form)), but increasing to 1,118 for 2019/2020. Student numbers are expected to further increase in 2020/21 and 2021/22.

The downward drift in roll has been due to general population trends and, with the exception of Sheringham High School, affected by the previous Ofsted report giving an inadequate rating to Stalham High School. As results at this school have improved dramatically, the rolls should increase as parents return their students. The Year 7 intake for September 2019 of over 100 students is testament to this.

Stalham High School has had some significant changes in its facilities, staffing and overall direction. Its most recent Ofsted and 2 years of GCSE results since will help to improve its local image and encourage more parents to consider the school for their children. Open Evening attendance is pleasingly high.

Sixth form numbers can vary and this is a matter discussed regularly by the Trustees and Leadership Team, bearing in mind the downward trend in sixth form funding, an excess of FE places in Norfolk and increasing competition to attract students for this reason. However, the Senior Leadership team and Sixth Form Director continue to work hard to improve the quality and scope of marketing, exposure at careers and other options evenings and events. Feedback from recent Open Days and Open Evening sessions with potential students and their families, has been very positive. The recent Taster Day was very well attended and the curriculum has been refreshed.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it 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 via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities, on page 29.

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 2015), such grants are shown in the Statement of Financial Activities as restricted 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.

During the year ended 31 August 2019, the Academy Trust received income of £6,493k (2018: £6,408k) in respect of General Annual Grant and other Government funding, £438k (2018: £37k) in the form of DfE capital grants and £1,781k (2018: £444k) other income, giving total income of £8,712k (2018: £6,889k) for the period. This is inclusive of £1,269k on the transfer of Cromer Junior School in 2018-19. Expenditure for the period amounted to £7,807k (2018: £8,009k). There was an in-year surplus of £91k (2018: £nil deficit).

As at 31 August 2019 the Academy Trust had reserves totalling £16,746k (2018 £15,431k), calculated as restricted general funds, excluding pension reserves, plus unrestricted reserves. Of this total, £376k (2018: £166k) is free reserves, calculated as total funds less the amount held in fixed assets and restricted funds, as shown in note 17.

Restricted funds are currently in deficit due to the Local Government Pension Scheme (LGPS) liability. The Academy Trust is taking steps to eliminate this deficit and will make additional contributions in future periods.

At 31 August 2019 the net book value of fixed assets was £16,030k (2018: £14,911k) and movements in tangible fixed assets are shown in note 12 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 and Skills 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 regularly by the Trustees and at least on an annual basis.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Financial and Risk Management Objectives and Policies (continued)

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.

At the year end, the Academy Trust had no significant liabilities arising from the creditors or debtors where there would be a significant effect on liquidity. The Trustees recognise that the defined benefit scheme deficit (LGPS), which is set out in Note 24 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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.
- Insufficient demand for student places resulting in a reduction in funding Year on Year.
 - The Board of Trustees, Local Governing Bodies and the Senior Leadership teams regularly review roll numbers and create and implement marketing strategies and campaigns to encourage students to come to the schools.
- 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.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Principal Risks and Uncertainties (continued)

- 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 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.

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 increased level of restricted reserves is appropriate in order to reflect the needs of the four schools including the requirement that all individual Academy schools within the Trust are able to operate independently within their own budgets, reserves and resources. Trustees aspirations are to achieve a level of reserves of no more than 5% annual income (excluding capital/one-off income) Budget planning for future years shown a draw down on reserves to meet budgetary challenges faced due to external factors and movements in pupil numbers, which are affected by lagged funding.

As at 31 August 2019 the Academy Trust had reserves totalling £669k (2018 £578k), calculated as restricted general funds, excluding pension reserves, plus unrestricted reserves. Of this total, £376k (2018: £166k) is free reserves, calculated as total funds less the amount held in fixed assets and restricted funds, as shown in note 17 (unrestricted funds). The total restricted general funds (excluding pension reserve at 31 August 2019 was £293k (2018 £412k).

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 24).

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 2019. 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.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2019

Fundraising

The Academy Trust undertakes fundraising for its own benefit and for chosen Charities. All fundraising is done within the School Communities and does not involve directly approaching the general public. The Academy Trust does not work with any commercial participators or professional fundraisers. No complaints have been received in respect of fundraising, but any complaints that do arise would be overseen by the Trustees.

Plans for Future Periods

Each year each Local Governing Body adopts a school improvement and development plan (summaries are available on the websites) that details the aims and objectives over the coming academic years. The Board of Trustees has oversight of these.

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 26/11/2019.....
and signed on their behalf by:

John Wollocombe
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.

Where Local Governing Bodies exist, the Board of Trustees have delegated the day-to-day responsibility to the Local Governing Bodies of the member schools and to the Chief Executive Officer for the Trust (who is also the Executive Headteacher of Sheringham High School and Stalham High School), 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 collectively for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

The Members met formally on 27 November 2018.

The Board of Trustees has formally met ten times during the year.

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

Trustee	Meetings attended	Out of a possible
Christine Candlish (Chair)	7	10
Gill Pegg (Trustee)	10	10
Andrew Richardson (Trustee)	10	10
Constance Tyce (Trustee)	10	10
Julia Drury (Trustee)	9	10
John Wollocombe (Trustee)	10	10
Marc Goodliffe (resigned 17 October 2018)	2	3
Mary-Jane Edwards (Trustee from 1 May 2019)	0	1

There are currently no vacancies.

The Board's work is to undertake the ultimate accountability for financial and other corporate functions. It is also to realise the benefits of school-to-school collaboration, which will include a richer and wider curriculum, better professional and career progression opportunities for staff, bigger leadership potential for middle and senior leaders, continued financial efficiency, greater economies of scale, improved relationships with local children's services and therefore, better prospects for all students in the Trust. The Board also monitors performance in its member schools through the provision of performance data and reports.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

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

Strategic and Operational decisions: Continuing to take an active and directing part in the improvement process at Stalham High School. Overseeing a change to the school day and the effective short, medium and long term management of the school through the single senior team

The Trust was joined by Cromer Junior School on 1 July 2019. Ofsted judged the school to be "good" in 2017. The Board oversaw the conversion process including the establishment of "due diligence" checks and TUPE meetings, and felt this addition was a good fit with the trust in terms of ethos and standards, and our growth agenda within the North Norfolk Area.

Key Changes to the composition of the board. These are reported in the reference and administrative details preceding this report.

Finance: Overseeing the tender and award of a Trust wide contract for Grounds Maintenance. Overseeing the establishment and development of a new financial software system which is fit for purpose for a growing academy trust and working towards improved reporting for Trustees, Headteachers and Budget Holders.

Board Performance. The board continually looks at its make up to ensure it has the necessary range of skills and have undertaken a Self-Evaluation workshop in October 2019 to further develop that thinking.

The data used by the Board in its decision making and monitoring consists of:

- monthly consolidated monitoring reports, reported against budget and including a forecast of predicted outturn;
- benchmarking exercises against local and national data;
- a further breakdown of results by school unit;
- specific papers on new initiatives or items of major expenditure;
- a report from the Headteacher or Head of school for each school on progress towards School Improvement plan, backed up by data; and
- a regular report on the review of policies, Health and Safety issues and contracts as standing items.

These reports are backed up by link Trustees' attendance at Local Governing Board meetings and by regular visits to schools in the Trust to test that data is realised in practice. The Board members believe that access to an organisation's staff, premises, students, children and operations can sometimes reveal far more than the Board papers.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

The **Audit Committee** is a sub-committee of the Board of Trustees. 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 twice during the year. Attendance at meetings in the year to 31 August 2019 was as follows:

Trustee	Meetings attended	Out of a possible
Christine Candlish	1	2
Julia Drury	2	2
Gill Pegg	2	2
Constance Tyce	2	2
John Wollocombe (Chair)	2	2

The **Local Governing Body of Sheringham High School** has met six times during the year. Attendance at meetings in the year to 31 August 2019 was as follows:

Governor	Meetings attended	Out of a possible
Penny Bevan Jones (Community Governor until 19.5.19)	3	4
Kate Davis (Community Governor from 19.5.19)	1	1
Christine Candlish (Chair & Chair of Trustees)	5	6
John Hannyngton (Community Governor)	5	6
Clive Hedges (Parent Governor)	5	6
Gill Pegg (Vice Chair & Trustee)	6	6
Andrew Richardson (Headteacher & Trustee)	5	6
Ian Savory (Community Governor)	3	6
Rebecca Shepherd (Staff Governor)	5	6
Alex Steward (Staff Governor)	6	6
Constance Tyce (Governor & Trustee)	6	6
John Wollocombe (Governor & Trustee)	5	6
Kate Yarbo (Parent Governor)	4	6

There are currently two vacancies.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Particular challenges that have arisen for the Local Governing Body of Sheringham High School during the year are as follows:

Governance: Taking strategic decisions over the marketing of the Sixth form in order to increase roll numbers.

Overseeing a major restructure of teaching and support staff.

Overseeing the replacement of outgoing Governors to ensure the separation between Members, Board and Local Governing Bodies in line with the Trust's growth aspirations.

The **Local Governing Body of Stalham High School** was dissolved on 15 September 2016; Trustees then assumed control of Governance. **Trustees and the Head of School at Stalham High School** formally met four times during the year. Attendance at meetings in the year to 31 August 2019 was as follows:

Governor	Meetings attended	Out of a possible
Christine Candlish (Trustee and Chair)	3	4
Julia Drury (Trustee)	3	4
Gill Pegg (Trustee)	2	4
Andrew Richardson (Trustee)	4	4
Constance Tyce (Trustee)	3	4
John Wollocombe (Trustee)	4	4

Particular challenges that have arisen for the Local Governing Body of Stalham High school have been to continue the momentum towards improved teaching and learning standards resulting in the Ofsted result of "Good" in early September 2017 and the GCSE results in summer 18, and the 2019 results.

The **Local Governing Body of Antingham and Southrepps Primary School** has met five times during the year. Attendance at meetings in the year to 31 August 2019 was as follows:

Governor	Meetings attended	Out of a possible
Sophie Hankinson (Parent Governor and Chair)	5	5
Marian Marsh (Community Governor)	4	5
Corne Wheeler (Parent Governor)	1	5
Doug Wright (Community Governor)	5	5
Constance Tyce (Link Trustee)	5	5
Emma Harding (Head of School)	5	5
Rebecca Milin (Staff Governor)	1	2

There are currently five vacancies; two Parent Governor and three Community Governors.

Particular challenges that have arisen for the Local Governing Body of Antingham and Southrepps Primary School in the year have been to find a suitable replacement for the outgoing Chair of Governors and to continue to investigate and promote way to increase the number of students at the school.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

The **Local Governing Body of Gresham Village School and Nursery** has met four times during the year. Attendance at meetings in the year to 31 August 2019 was as follows:

Governor	Meetings attended	Out of a possible
Julia Drury (Co-opted Governor)	4	4
Marc Goodliffe (Headteacher)	4	4
Marijke Kirk (Parent Governor)	3	4
Gillian Sampson (Co-opted Governor)	3	4
Rosabelle Batt (Co-opted Governor)	4	4
Chris Hunter (Co-opted Governor)	3	3
Alan Stevens (Co-opted Governor)	2	3
Jennifer McDonald (Parent Governor)	0	3
Sarah Macdonald (Staff Governor)	2	3

There are currently no vacancies.

The **Local Governing Body of Cromer Junior School** has met once since joining the trust on 1 July 2019.

Governor	Meetings attended	Out of a possible
John Simpson (Chair)	1	1
Whihelm de Neve (Headteacher)	1	1
John Sansby (Co-opted Governor)	1	1
Amy Thompson (Staff Governor)	1	1
Dan Fisher (Vice-Chair and Co-opted Governor)	0	1
Mary-Jane Edwards (Co-opted Governor)	0	1
Adrian Woods (Parent Governor)	0	1

There is currently one vacancy for a Parent Governor. Governors are working on a strategy as to how to be most effective now they are an Academy under the Trust.

Governance Reviews:

The Multi Academy Trust has been continuing to develop. A primary school Executive Headteacher role with responsibility for Gresham Village and Antingham and Southrepps primary schools was established and became effective from 1 July 2017. The Board of Trustees continue to monitor their membership and are keen to expand to bring in additional skills – taking the total to seven. Three members have been appointed. A Governance Review of the Trust was undertaken on 17 October 2017 and has since been done again on 8 October 2019.

Antingham and Southrepps Primary School

A governance review took place in October 2019.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Gresham Village School and Nursery

A self-evaluation and skills audit has been completed at Gresham Village School and Nursery and governance roles allocated.

Stalham High School

The Trust Board, which assumed direct governance of this school, undertook a self-assessment review on 8 October 2019.

Sheringham High School

The governance of Sheringham High School was last reviewed on 16 October 2019. The self-evaluation has examined progress against previous reviews and milestones. An appropriate action plan has been drawn up using the guidance and templates provided by the National Governor's Association.

Review of Value for Money

As accounting officer Andrew Richardson 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 Academy 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 by:

Better Purchasing

The Trust has worked in collaboration with its member schools to ensure that the maximum usage is made of amalgamating existing contracts and using purchasing power to broker the best deals. The Trust has made good use of Purchasing Consortia for other significant purchases including Staff Insurance and Wellbeing services and purchases of major software licencing.

Better Collaboration:

All five schools within the Trust are collaborating to ensure that good practice is shared and resources are made the best use of. There are staff that work across the Trust in either two, three, four or all five schools. This enables all schools to benefit from the availability of specialist teaching and specialist support that would not be available if the individual school had to try to fund the costs on their own. By having locally available key support personnel for IT and financial support, a bespoke service is provided for all schools at a significantly lower cost than is available elsewhere.

Improving Educational Results:

Improving educational results for our students is the Trust's main priority. Despite the challenges, performance in Sheringham High School has continued to be strong. Antingham and Southrepps Primary School has shown great improvement, Gresham Village School and Nursery continues to do well, Cromer is successful, and the position of Stalham High School continues to be good and improving. Pages 5-6 contain more detailed information.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

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 2019 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 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

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 Local Governing Body or 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 Trustees have considered the need for a specific internal audit function and have decided to appoint Educator Solutions as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- review of management reports
- review of asset capitalisation
- testing of payroll systems
- testing of purchase systems
- review of credit card expenditure
- review of income
- testing of control account/bank reconciliations

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

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:

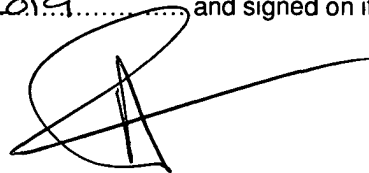
- the work of the internal auditor;
- the work of the external auditor;
- the work of the Senior Leadership Team and Chief Financial Officer within the Academy Trust who have responsibility for the day to day monitoring and maintenance of the internal control framework in line with the Financial Management 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 Audit committee and by the Board of Trustees 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 26/11/2019 and signed on its behalf by:



John Wollocombe
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2018.

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 2018.

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

Andrew Richardson
Accounting Officer

.....
26/11/2019

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

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

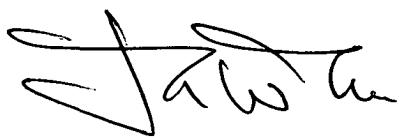
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 26.11.2019..... and signed on its behalf by:



John Wollocombe
Chair of Trustees

NORTH NORFOLK ACADEMY TRUST

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

Opinion

We have audited the financial statements of North Norfolk Academy Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officers statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

NORTH NORFOLK ACADEMY TRUST

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 Trustees' responsibilities statement set out on page 23, the Trustees (who are also the Directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

NORTH NORFOLK ACADEMY TRUST

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

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

This description forms part of our auditor's report.

Use of our report

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

Lovewell Blake LLP
Mark Proctor FCA DChA (Senior Statutory Auditor)
For and on behalf of Lovewell Blake LLP
Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk
NR7 0LB

06/12/19
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH NORFOLK ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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

This report is made solely to North Norfolk Academy Trust and ESFA 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 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 North Norfolk Academy Trust and the ESFA, 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 1 November 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

Delegated authorities: Carrying out the suggested procedures detailed in the Academies Accounts Direction 2018/19 Annex B section 4.4 – 4.10 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of a FNTI have been complied with;

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

Transactions with connected parties: Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B section 4.12 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding declarations of interest and contracts with connected parties, including governors, and employees providing external consultancy;

Governance: Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.14 in considering whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its governance arrangements;

Internal controls: Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.16 in order to consider whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its internal controls;

Procurement: Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.18 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its procurement procedures; and

Income: Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Lovewell Blake LP
Mark Proctor FCA DChA (Senior Statutory Auditor)
For and on behalf of Lovewell Blake LLP, Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk

06/12/19
.....

NORTH NORFOLK ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2019 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	2	21	-	438	459	54
Transfer from local authority on conversion	27	142	(198)	1,325	1,269	-
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	6,680	-	6,680	6,600
Other trading activities	4	302	-	-	302	234
Investments	5	2	-	-	2	1
Total		467	6,482	1,763	8,712	6,889
Expenditure on:						
Raising funds	6	13	-	-	13	7
Charitable activities:						
Academy Trust educational operations	7	244	6,997	553	7,794	8,002
Total	6	257	6,997	553	7,807	8,009
Net income / (expenditure)		210	(515)	1,210	905	(1,120)
Transfers between funds	16	-	(14)	14	-	-
Other recognised gains/ (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16/24	-	(973)	-	(973)	529
Net movement in funds		210	(1,502)	1,224	(68)	(591)
Reconciliation of funds						
Total funds brought forward	16	166	(588)	14,853	14,431	15,022
Total funds carried forward	16	376	(2,090)	16,077	14,363	14,431

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.
The notes on pages 32 to 53 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST

Company No: 07800153

BALANCE SHEET as at 31 August 2019

	Note	2019 £'000	2018 £'000
Fixed Assets			
Tangible assets	12	16,030	14,911
Current Assets			
Debtors	13	487	167
Cash at bank and in hand		783	825
		<u>1,270</u>	<u>992</u>
Current liabilities			
Creditors: Amounts falling due within one year	14	<u>(499)</u>	<u>(403)</u>
Net current assets		771	589
Total assets less current liabilities		<u>16,801</u>	<u>15,500</u>
Creditors: Amounts falling due after more than one year	15	(55)	(69)
Net assets excluding pension liability		<u>16,746</u>	<u>15,431</u>
Defined benefit pension scheme liability	24	(2,383)	(1,000)
Total net assets	16	<u><u>14,363</u></u>	<u><u>14,431</u></u>
Funds of the Academy Trust			
Restricted funds			
Fixed asset fund	16	16,077	14,853
Restricted income funds	16	293	412
Pension reserve	16	(2,383)	(1,000)
		<u>13,987</u>	<u>14,265</u>
Unrestricted income funds	16	376	166
Total funds		<u><u>14,363</u></u>	<u><u>14,431</u></u>

The financial statements on pages 29-53 were approved by the Trustees, and authorised for issue on 26/11/2019 and are signed on their behalf by:

John Wollocombe
Chair of Trustees

The notes on pages 32 to 53 form part of these financial statements.



NORTH NORFOLK ACADEMY TRUST

STATEMENT OF CASH FLOWS for the year ended 31 August 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash (used in) operating activities	19	(193)	(21)
Cash flows from / (used in) investing activities	20	165	26
Cash flows from financing activities	21	(14)	53
Change in cash and cash equivalents in the reporting period		<u>(42)</u>	<u>58</u>
Cash and cash equivalents at 1 September 2018		825	767
Cash and cash equivalents at 31 August 2019	22	<u><u>783</u></u>	<u><u>825</u></u>

The notes on pages 32 to 53 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

1. Statement of accounting policies

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

a) Basis of preparation

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

North Norfolk Academy Trust meets the definition of a public benefit entity under FRS 102.

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 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.

c) Income

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

Grants

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

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

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

Donations

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

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

1. Statement of accounting policies (continued)

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'. 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.

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.

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.

d) Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

1. Statement of accounting policies (continued)

e) Tangible fixed assets

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

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

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
Long leasehold buildings	2% straight line
Long leasehold land	Over the period of the lease
Fixtures and fittings	15% straight line
Motor vehicles	25% straight line
Computer equipment and software	25% straight line

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

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

g) 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.

h) 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.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

1. Statement of accounting policies (continued)

i) Leased property

The Academy Trust has recognised the value of the property occupied by it, under a lease of 125 years, as prepared on behalf of the Education and Skills Funding Agency as at 31 March 2015 (Antingham and Southrepps Primary School, Stalham High School) and Cromer Junior School as at 1 July 2019.

j) Leased assets

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

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

l) 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.

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.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

1. Statement of accounting policies (continued)

m) 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 and Skills Funding Agency.

n) Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined 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 24, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

o) Redundancy

Where an obligation to make a redundancy or termination payment arises, the costs incurred by the academy are accounted for on an accruals basis and included within employee benefits.

p) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. All loans are measured at cost, less impairment.

q) Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

1. Statement of accounting policies (continued)

r) 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 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	438	438	37
Other donations	21	-	21	17
	<u>21</u>	<u>438</u>	<u>459</u>	<u>54</u>

The income from donations and capital grants was £459k (2018: £54k) of which £21k was unrestricted (2018: £17k), £Nil was restricted (2018: £Nil) and £438k was restricted fixed assets (2018: £37k). Capital grants of £438k (2018: £37k) were received from the ESFA.

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
• General Annual Grant (GAG)	-	6,026	6,026	6,028
• Other DfE/ESFA Grants	-	467	467	380
	<u>-</u>	<u>6,493</u>	<u>6,493</u>	<u>6,408</u>
Other Government grants				
• Local authority grants	-	185	185	162
	<u>-</u>	<u>185</u>	<u>185</u>	<u>162</u>
Other grants				
	<u>-</u>	<u>2</u>	<u>2</u>	<u>30</u>
	<u>-</u>	<u>6,680</u>	<u>6,680</u>	<u>6,600</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (continued)

Funding for the Academy Trust's educational operations was £6,680k (2018: £6,600k) of which £Nil was unrestricted (2018: £Nil), £6,680k was restricted (2018: £6,600k) and £Nil was restricted fixed assets (2018: £Nil).

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Catering income	26	-	26	13
Hire of facilities	56	-	56	51
Minibus contributions	3	-	3	1
Trips contributions	159	-	159	121
Income from services provided	37	-	37	39
Music lesson income	7	-	7	5
School uniform sales	14	-	14	4
	302	-	302	234

The income from other trading activities was £302k (2018: £234k) of which £302k was unrestricted (2018: £234k), £Nil was restricted (2018: £Nil) and £Nil was restricted fixed assets (2018: £Nil).

5. INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Bank interest	2	-	2	1

The income from investments was £2k (2018: £1k) of which £2k was unrestricted (2018: £1k), £Nil was restricted (2018: £Nil) and £Nil was restricted fixed assets (2018: £Nil).

6. EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2019 £'000	Total 2018 £'000
		Premises £'000	Other £'000		
Expenditure on raising funds	-	-	13	13	7
Academy Trust's educational operations (note 7)					
• Direct costs	4,728	445	484	5,657	6,053
• Allocated support costs	853	670	402	1,925	1,690
• FRS102 pension costs	212	-	-	212	259
	5,793	1,115	899	7,807	8,009

Expenditure was £7,807k (2018: £8,009k) of which £257k was unrestricted (2018: £219k), £6,997k was restricted (2018: £6,687k) and £553k was restricted fixed assets (2018: £844k).

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

6. EXPENDITURE (continued)

Net income/(expenditure) for the period includes:

	2019 £'000	2018 £'000
Operating leases – plant and machinery	48	49
Depreciation	445	554
Fees payable to auditor – audit	12	11
– other services	10	7

7. CHARITABLE ACTIVITIES – ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted £'000	Restricted £'000	Restricted Fixed Asset £'000	2019 £'000	2018 £'000
Direct costs – educational operations	144	5,068	445	5,657	6,053
Support costs – educational operations	100	1,717	108	1,925	1,690
FRS102 pension costs	-	212	-	212	259
	<u>244</u>	<u>6,997</u>	<u>553</u>	<u>7,794</u>	<u>8,002</u>

Expenditure on charitable activities was £7,794k (2018: £8,002k) of which £244k was unrestricted (2018: £212k), £6,997k was restricted (2018: £6,687k) and £553k was restricted fixed asset (2018: £844k).

Analysis of support costs

Support staff costs	-	853	-	853	783
Technology	-	105	-	105	82
Premises	-	514	108	622	489
Governance costs	-	34	-	34	20
Other support costs	100	211	-	311	316
	<u>100</u>	<u>1,717</u>	<u>108</u>	<u>1,925</u>	<u>1,690</u>

Support costs totalled £1,925k (2018: £1,690k) of which £100k was unrestricted (2018: £92k), £1,717k was restricted (2018: £1,598k) and £108k was restricted fixed asset (2018: £Nil).

Analysis of governance costs

	2019 £'000	2018 £'000
Legal fees	12	2
Auditors remuneration – audit of financial statements	12	11
Auditors remuneration – other services	10	7
	<u>34</u>	<u>20</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

8. STAFF

a. Staff costs

	Total 2019 £'000	Total 2018 £'000
Staff costs during the period were:		
Wages and salaries	4,347	4,227
Social security costs	371	375
Pension costs	945	968
	<u>5,663</u>	<u>5,570</u>
Supply staff costs	131	164
Staff restructuring costs	(1)	47
	<u>5,793</u>	<u>5,781</u>

Staff restructuring costs comprise;

Redundancy payments	(1)	47
	<u>(1)</u>	<u>47</u>

b. Staff numbers

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

	2019 No.	2018 No.
Charitable Activities		
Teaching	77	81
Administration and support	106	81
Management	9	10
	<u>192</u>	<u>172</u>

c. Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	1	2
£80,001 - £90,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £246,581 (2018: £233,225).

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

9. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- the disbursement of income from improvement and capacity and start-up grants amongst the Schools to fund various projects
- the provision of services of a consultant headteacher and a clerk to the Governors
- the provision of a website
- the provision of the Board of Trustees
- the provision of IT support
- the provision of business management services including contract management, Health & Safety Management and energy procurement
- financial management services including invoice processing, payments, bank reconciliation, compliance, payroll & VAT returns

The Academy Trust charges for these services on an invoice basis.

The actual amounts charged during the year were as follows:

	2019	2018
	£'000	£'000
Sheringham High School	99	97
Antingham and Southrepps Primary School	9	8
Stalham High School	57	55
Gresham Village School and Nursery	12	10
Cromer Junior School	5	-
	182	170

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher 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 services as Trustees. The value of Trustees' remuneration was as follows:

A Richardson (Executive Headteacher and Trustee)

Remuneration £85,000 - £90,000 (2018: £85,000 - £90,000)

Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

M Goodliffe (Staff Trustee until 17 October 2018)

Remuneration £0 - £5,000 (2018: £50,000 - £55,000)

Employer's pension contributions £0 - £5,000 (2018: £5,000 - £10,000)

During the period ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018: £115) were reimbursed or paid directly to Trustees (2018: one Trustee).

Other related party transactions involving the Trustees are set out in note 25.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

11. 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 unlimited cover. The cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Fixtures & fittings, Computer equipment £'000	Motor Vehicles £'000	Total 2019 £'000
Cost					
At 1 September 2018	5,974	9,600	2,083	2	17,659
Additions	-	268	7	-	275
Transfer on conversion	-	1,289	-	-	1,289
At 31 August 2019	5,974	11,157	2,090	2	19,223
Depreciation					
At 1 September 2018	581	603	1,562	2	2,748
Charged in year	97	170	178	-	445
At 31 August 2019	678	773	1,740	2	3,193
Net book values					
At 31 August 2019	5,296	10,384	350	-	16,030
At 31 August 2018	5,393	8,997	521	-	14,911

All assets are used for educational purposes.

13. DEBTORS

	2019 £'000	2018 £'000
Trade debtors	27	5
Prepayments and accrued income	189	131
Other debtors	178	-
VAT recoverable	93	31
	<u>487</u>	<u>167</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Trade creditors	293	207
Taxation and social security	60	40
Other creditors	21	10
Concessionary loan: Salix loan	14	14
Accruals and deferred income	111	132
	<u>499</u>	<u>403</u>

Included within creditors falling due within one year are three Salix loans totalling £14k under CIF and SEEF which are provided on the following terms: Repayable interest free over six to eight years via deduction from GAG.

	2019	2018
	£'000	£'000
Deferred income		
Deferred income at 1 September 2018	66	27
Released from previous years	(66)	(27)
Resources deferred in the year	<u>5</u>	<u>66</u>
Deferred income at 31 August 2019	<u>5</u>	<u>66</u>

At the year end, the Trust was in receipt of £5k for Infant Free School Meals received in advance.

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019	2018
	£'000	£'000
Concessionary loan: Salix loan	<u>55</u>	<u>69</u>

Included within creditors falling due after one year are two Salix loans totalling £55k under CIF and SEEF which are both provided on the following terms: Repayable interest-free over six to eight years via deduction from GAG.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

16. FUNDS

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted funds					
General Annual Grant (GAG)	324	6,026	(6,133)	(14)	203
Other DfE/ESFA grants	76	652	(652)	-	76
Other grants	12	2	-	-	14
Pension reserve	(1,000)	(198)	(212)	(973)	(2,383)
	<u>(588)</u>	<u>6,482</u>	<u>(6,997)</u>	<u>(987)</u>	<u>(2,090)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	795	438	(149)	(255)	829
Capital expenditure from GAG	116	-	(146)	30	-
Donated assets	13,942	1,325	(258)	239	15,248
	<u>14,853</u>	<u>1,763</u>	<u>(553)</u>	<u>14</u>	<u>16,077</u>
Total restricted funds	14,265	8,245	(7,550)	(973)	13,987
Total Unrestricted funds	166	467	(257)	-	376
Total funds	14,431	8,712	(7,807)	(973)	14,363

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

GAG & other DfE/ESFA 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 2019. The GAG carried forward is intended to be used to:

- Support the quality of teaching and learning by retaining experienced staff;
- Maintain stability for students, parents and staff by avoiding the cycle of redundancy and recruiting as student numbers recover (the three year budget plan includes planned in year deficits);
- Support capital projects where funding is unavailable or matched funding is required;
- Allow phased and controlled repair, maintenance and replacement of the Trust's aging and life expired infrastructure and computer equipment;
- Establish a prudent level of reserves to manage risks and unforeseen costs.

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.

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

Capital expenditure from GAG: value of GAG funding used for capital projects less related depreciation.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

16. FUNDS (continued)

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.

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted funds					
General Annual Grant (GAG)	424	6,005	(6,159)	54	324
Other DfE/ESFA grants	21	565	(510)	-	76
Other grants	-	30	(18)	-	12
Pension reserve	(1,270)	-	(259)	529	(1,000)
	<u>(825)</u>	<u>6,600</u>	<u>(6,946)</u>	<u>583</u>	<u>(588)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	853	37	(41)	(54)	795
Capital expenditure from GAG	266	-	(150)	-	116
Donated assets	14,595	-	(653)	-	13,942
	<u>15,714</u>	<u>37</u>	<u>(844)</u>	<u>(54)</u>	<u>14,853</u>
Total Restricted Funds	14,889	6,637	(7,790)	529	14,265
Total Unrestricted Funds	133	252	(219)	-	166
Total Funds	15,022	6,889	(8,009)	529	14,431

Total Funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £'000	2018 £'000
Sheringham High School	116	94
Stalham High School	406	418
Antingham and Southrepps Primary School	101	98
Gresham Village School and Nursery	(1)	26
Cromer Junior	14	-
Central Services	33	(58)
Total before fixed asset fund and pension reserve	<u>669</u>	<u>578</u>
Restricted fixed asset fund	16,077	14,853
Pension reserve	<u>(2,383)</u>	<u>(1,000)</u>
Academy Trust	14,363	14,431

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

16. FUNDS (continued)

Gresham Village School and Nursery is carrying a deficit of £1k, approved by the academy trust, as part of a strategy to maintain class structures following a dip in pupil numbers through a period where further growth is coming through. The academy trust's three year budget planning model will be reversed over that timescale.

Analysis of academies by cost

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total £'000
Sheringham High School	2582	263	73	729	3,647
Stalham High School	1,387	200	35	432	2,054
Antingham and Southrepps Primary School	203	89	5	74	371
Gresham Primary School	391	77	15	117	600
Cromer Junior School	165	18	1	33	217
Central services	-	206	-	55	261
Academy Trust	4,728	853	129	1,440	7,150

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

	Unrestricted £'000	Restricted Funds £'000	Pension Liability £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000
Tangible fixed assets	-	-	-	16,030	16,030
Current assets	376	778	-	116	1,270
Current liabilities	-	(485)	-	(14)	(499)
Non current liabilities	-	-	-	(55)	(55)
Pension scheme liability	-	-	(2,383)	-	(2,383)
Total net assets	376	293	(2,383)	16,077	14,363

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 20199

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

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

	Unrestricted	Restricted Funds	Pension Liability	Restricted Fixed Asset Funds	Total 2018
	£	£	£	£	£
Tangible fixed assets	-	-	-	14,911	14,911
Current assets	166	801	-	25	992
Current liabilities	-	(389)	-	(14)	(403)
Non current liabilities	-	-	-	(69)	(69)
Pension scheme liability	-	-	(1,000)	-	(1,000)
Total net assets	166	412	(1,000)	14,853	14,431

18. COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2019 the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	51	48
Amounts due between one and five years	125	85
Amounts due after five years	56	58
	232	191

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

	2019 £'000	2018 £'000
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)	905	(1,120)
Adjusted for:		
Transfer of fixed assets on conversion	(1,289)	-
Depreciation (note 12)	445	554
Impairment of fixed assets (note 12)	-	290
Capital grants from DfE and other capital income (note 2)	(438)	(37)
Interest receivable (note 5)	(2)	(1)
Defined benefit pension scheme obligation transferred on conversion	198	-
Defined benefit pension scheme cost less contributions payable (note 24)	181	224
Defined benefit pension scheme finance cost (note 24)	31	35
(Increase) / Decrease in debtors	(320)	(4)
Increase / (Decrease) in creditors	96	38
Net cash provided / (used in) by operating activities	(193)	(21)

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2019	2018
	£'000	£'000
Interest receivable (note 5)	2	1
Purchase of tangible fixed assets (note 12)	(275)	(12)
Capital grants from DfE/ESFA and other capital income (note 2)	438	37
Net cash provided by investing activities	165	26

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2019	2018
	£'000	£'000
Repayments of borrowings	(14)	(9)
Cash inflows from new borrowings	-	62
Net cash (used in) / provided by investing activities	(14)	53

22. CASH AND CASH EQUIVALENTS

	At 31	At 31
	August	August
	2019	2018
	£'000	£'000
Cash in hand and at bank	783	825
Total cash and cash equivalents	783	825

23. 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.

24. 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 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 or prepaid contributions at either the beginning or the end of the financial year.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £466k (2018: £468k). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS102, 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.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS (continued)

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 2019 was £334,000 (2018: £305,000) of which employer's contributions totalled £267,000 (2018: £241,000) and employees' contributions totalled £67,000 (2018: £64,000). The agreed future rates for future years are as follows:

- North Norfolk Academy Trust 21% to March 2020, and 18.4% thereafter to March 2023, with deficit reduction of £2,900 in 2020/21, £2,300 in 2021/22 and £1,600 in 2022/23;
- Sheringham High School 21% until March 2020, and 20% thereafter to March 2023, with deficit reduction of £24,000 in 2019/20, £19,000 in 2020/21, £17,000 in 2021/22, and £15,000 in 2022/23;
- Stalham High School 20.9% until March 2020, and 19% thereafter to March 2023, with deficit reduction of £1,000 in 2019/20, £5,400 in 2020/21, £4,000 in 2021/22, and £2,500 in 2022/23;
- Antingham and Southrepps Primary School 21.1% to March 2020, and 18.7% thereafter to March 2023, with deficit reduction of £100 in 2019/20, £2,500 in 2020/21, £2,000 in 2021/22 and £1,400 in 2022/23;
- Gresham Village Primary 20.8% to March 2020, and 19.3% thereafter to March 2023, with deficit reduction of £4,000 in 2020/21, £5,100 in 2021/22 and £6,300 in 2022/23.

Cromer Junior School joined after the valuation exercise and future rates will be agreed during 2020.

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

Principal Actuarial Assumptions

	2019	2018
	%	%
Salary increase rate	2.6	2.6
Pension increase rate	2.3	2.3
Discount rate	1.9	2.8
Inflation assumption (CPI)	2.3	2.3
Commutation of pensions to lump sums	50% and 75%	50% and 75%

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

	2019	2018
	Years	Years
<i>Current pensioners</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Future pensioners</i>		
Males	22.4	24.1
Females	25.0	26.4

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS (continued)

	31 August 2019 £'000	31 August 2018 £'000
Sensitivity analysis		
Real discount rate -0.5%	900	542
Salary increase rate +0.5%	119	85
Pension increase rate +0.5%	765	451

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

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equity instruments	1,928	1,486
Bonds	1,416	991
Property	472	350
Cash	119	87
Total market value of assets	3,935	2,914
Present value of scheme liabilities	(6,318)	(3,914)
Deficit in the scheme	(2,383)	(1,000)

The actual return on scheme assets was £173,000 (2018: £162,000).

Amount recognised in the statement of financial activities

	2019 £'000	2018 £'000
Current service cost (net of employee contributions)	424	465
Past service cost	24	-
Net interest cost	31	35
Total operating charge	479	500

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

	2019 £'000	2018 £'000
At 1 September	3,914	3,748
Current service cost	424	465
Past service cost	24	-
Interest cost	119	100
Employee contributions	67	64
Actuarial (gains) / losses	1,058	(432)
Liabilities transferred from joining academies	741	-
Estimated benefits paid	(29)	(31)
At 31 August	6,318	3,914

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2019 £'000	2018 £'000
At 1 September	2,914	2,478
Expected return on assets	88	65
Employee contributions	67	64
Employer contributions	267	241
Actuarial (losses) / gains	85	97
Assets transferred from joining academies	543	-
Estimated benefits paid	(29)	(31)
At 31 August	3,935	2,914

The estimated value of employer contributions for the year ended 31 August 2019 is £271,000.

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trusts's operations and the composition of the Board of Trustees and the Local Governing Bodies of its constituent schools 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. The following related party transactions took place in the period of account.

Sheringham Community Small Holding "The Patch" – a charitable organisation of which Andrew Richardson (a Trustee of the Trust) is a trustee:

- The Academy Trust paid expenses, totalling £12,755 (2018: £10,870), on behalf of "The Patch".
- The Academy Trust received reimbursement in respect of these and prior year expenses amounting to £Nil (2018: £7,119) and at the balance sheet date "The Patch" owed £12,755 to the Academy Trust (2018: £Nil) and £5,007 (2018: £5,007) was owed to "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.

26. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £400k and disbursed £400k from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2018 are £563k received, £563k disbursed and £Nil included in other creditors.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2019

27. CONVERSION TO AN ACADEMY TRUST

On 1 July 2019 Cromer Junior School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to North Norfolk Academy Trust from the Norfolk County Council Local Authority for £nil consideration.

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

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

	Unrestricted Funds £'000	Restricted Income Funds £'000	Restricted fixed asset Funds £'000	Total Funds £'000
Tangible fixed assets				
Leasehold land and buildings	-	-	1,289	1,289
Budget surplus on LA funds	142	-	36	178
LGPS pension surplus/(deficit)	-	(198)	-	(198)
	<u>142</u>	<u>(198)</u>	<u>1,325</u>	<u>1,269</u>

28. FINANCIAL INSTRUMENTS

The carrying amounts of the academy's financial instruments are as follows:

	2019 £'000	2018 £'000
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Trade debtors (note 13)	27	5
Accrued income (note 13)	<u>142</u>	<u>67</u>
	<u>169</u>	<u>72</u>
<i>Financial liabilities</i>		
Measured at fair value through net expenditure:		
Concessionary loans payable (note 14/15)	69	83
Measured at amortised cost:		
Trade creditors (note 14)	293	207
Other creditors (note 14)	21	10
Accruals (note 14)	<u>106</u>	<u>66</u>
	<u>489</u>	<u>366</u>