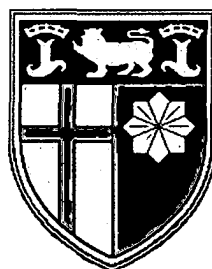
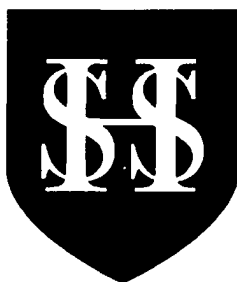


North
Norfolk
**Academy
Trust**

NORTH NORFOLK ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018



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20/12/2018

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COMPANIES HOUSE

Company registration number:
07800153 (England and Wales)

NORTH NORFOLK ACADEMY TRUST

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NORTH NORFOLK ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members:	Christine Candlish (Chair of Trustees) Stephen Foster Tim Roderick
Trustees (Directors):	Christine Candlish # (Chair of Trustees) Gill Pegg # Julia Drury Marc Goodliffe (resigned 17 October 2018) Andrew Richardson (Chief Executive Officer and Accounting Officer) Constance Tyce # John Wollocombe # # = members of the audit committee
Company Secretary:	Jo Knowlden (resigned 6 August 2018)
Senior Management Team: Chief Executive Officer Executive Headteacher – Primary Schools Chief Financial Officer	Andrew Richardson Marc Goodliffe Jo Knowlden (resigned 31 August 2018) Sally Boardman (appointed 3 September 2018)
Clerk:	Natasha Allen
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 2018

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 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates two primary and two secondary academies in North Norfolk. Its academies had a roll of 1,234 in the school census on 4 October 2018: 713 at Sheringham High School; 345 at Stalham High School; 52 at Antingham & Southrepps Primary School, with an additional 11 children in the Nursery; 94 at Gresham Village School and Nursery, with an additional 19 children in the Nursery.

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

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

Principal Activities

The principal object and activity of the Academy Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so, it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a broad and balanced curriculum. The Academy Trust operates Sheringham High School and Sheringham Sixth Form (a school consistently in the top tier of Eastern County schools), Stalham High School (a much improved school which is now rated "good" by Ofsted), Antingham & Southrepps Primary School (an improving, small rural primary school) and Gresham Village School and Nursery (also a "good" school). 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 2018

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 2018

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. This arrangement is ongoing.

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.

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 the primary schools, the Executive Headteacher manages and leads school improvement in both schools, with the Head of School taking specific responsibility for school improvement at Antingham and Southrepps. Our aim is for the Head of School 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.

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 2018" (<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 2018

Structure, Governance and Management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	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	£368
Provide the total pay bill	£5,312k
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.007%

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, the production and supply of healthy food, build community relationships and promote healthy physical, social and mental lifestyles through active engagement.

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

The Academy Trust has entered into a joint user agreement with North Norfolk District Council, dated 7th 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 2018

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 2018

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 some improvement, Gresham Village continues to be successful and Stalham High School has undergone a positive transformation.

Sheringham High School

Results in 2018 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 above average and in the top tier of local schools. The school was inspected by Ofsted on 17th 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 ninth year running the School has recorded a good set of GCSE results, more than 80% of students in Science and English achieving grade 4 and above. The Progress 8 measure shows that all students make an average of a quarter of 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; 100% A*-E and 73% A*-C. 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 2018 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 Board at Governance level.

The VA for Progress 8 was +0.2 which puts the School in the 'good' progress band. Performance in English and Maths at level 4+ was very strong placing the school in the top 4 in the county.

A recent Ofsted has judged the school as Good. Areas which the inspection praised were relationships with students, forward looking teaching practices and an holistic approach to student care. The School's outcomes, care, behaviour and management were also seen as successful and moving the School even further forward on its journey.

Given the previous Ofsted rating of "inadequate", this is a remarkable transformation and the school is fully expected to continue to improve.

Antingham and Southrepps Primary School

End of Key stage 2 attainment in May 2018 was a big improvement on the previous year, particularly in reading and writing; performance at the end of Key Stage 1 was strong in reading and mathematics; 88% of the year 1 cohort achieved the phonics threshold and 83% children in reception achieved a Good Level of Development. This is a reflection of the significant improvements that have been made at the school, with the leadership team having a robust approach to monitoring pupil progress and attainment and the quality of teaching and learning and the deployment of effective interventions for children who were behind with their learning.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Strategic Report (continued)

Achievements and Performance (continued)

The school was inspected by Ofsted on 17th 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 year have put the school close to securing a 'good' judgement at the next inspection.

Gresham Village School and Nursery

Progress and attainment in reading and writing at the end of KS2 and 1 in May 2018 was disappointing, because, despite both cohorts having significant Special Educational Needs and Disabilities, not enough children achieved the expected standard. Attainment in mathematics was strong in both cohorts. For Key Stage 2, this represents a drop in the four year trend of consistently improving and high results. The current year 2 and 6 cohorts are on track to achieve performance similar to that which the school has enjoyed over the past few years. Year 1 children achieved an 88% pass rate in the phonics check and 72% children 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 reading and writing and to ensure that all children are challenged appropriately for their ability.

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

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 133 in years R – 6, 997 in years 7-11 and 132 in 6th Form.

It is anticipated that the Primary roll, for years R - 6, will rise to 146 in 2018/2019 and 147 in 2019/2020). This will continue in Years 2020/2021 and 2021/2022.

Gresham Village School offers a highly successful Nursery which currently has 19 children in attendance. Most of these are expected to enrol in the Primary school in due course. Numbers at Antingham and Southrepps Primary School 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 that parents are pleased with the improvements that have been made. It is imperative that the school moves from RI to Good as quickly as possible, particularly as there promises to be some new local housing development in Southrepps village.

For the Secondary schools, the student numbers continue to decline (1053 for funding purposes in 2018/2019 (of which 98 are sixth form)), but increasing to 1093 for 2019/2020. Students numbers are expected to further increase in 2020/21 and 2021/22.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Strategic Report (continued)

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.

Stalham High School has had some significant changes in its facilities, staffing and overall direction. Its recent Ofsted success will help to improve its local image and encourage more parents to consider the school for their children.

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 new Sixth Form Director have been working 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 positive.

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 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities, on page 28.

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

During the year ended 31 August 2018, the Academy Trust received income of £6,408k (2017: £6,383k) in respect of General Annual Grant and other Government funding, £37k (2017: £55k) in the form of DfE capital grants and £444k (2017: £343k) other income, giving total income of £6,889k (2017: £7,762k, including £981k on the transfer of Gresham Village School and Nursery) for the period. Expenditure for the period amounted to £8,009k (2017: £7,761k). There was an in-year deficit of £1,120k.

As at 31 August 2018 the Academy Trust had reserves totalling £15,431k (2017 £16,292k), calculated as restricted general funds, excluding pension reserves, plus unrestricted reserves. Of this total, £166k (2017: £133k) 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 2018 the net book value of fixed assets was £14,911k (2017: £15,743k) 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.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

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.

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 reputational risk is considered to be:

- Failure to comply with legislation
 - In particular, failure to comply with Health and Safety legislation, resulting in injury or failure to comply with data protection legislation, resulting in a data breach, would be damaging to the Trust's reputation.
 - These risks are mitigated by ensuring that the appropriate policies, training and monitoring systems are in place.

The principal governance risk is considered to be:

- Being unable to recruit suitable Trustees, Members or Governors
 - The risk relates to not having suitably experienced and knowledgeable personnel who are able to make appropriate decisions.
 - These risks are mitigated by actively recruiting trustees and Governors, providing appropriate training and ensuring that an appropriate governance structure is in place.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Principal Risks and Uncertainties (continued)

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.
- **Increase in employer's contributions to Teachers' Pensions**
 - The risk relates to the increase in contributions, which is expected to be effective from September 2019. The amount of the increase is not yet known, but it is considered likely that the new rate could exceed 20% (currently 16.48%).
 - It is expected that the increase will be funded until March 2020, but it is unknown what will happen after that date. If the increase is unfunded from April 2020, there will be a significant increase in the contributions payable by the Trust and therefore a negative impact on the budget.
 - The Trust will be monitoring the situation closely and making budget revisions accordingly.
- **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.
- **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.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

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. The Trust requires all individual Academy schools within the Trust are able to operate independently within their own budgets, reserves and resources. The Trust aims to maintain reserves (excluding pension and fixed asset reserves) of between 5% and 10% of GAG (£300k to £600k).

As at 31 August 2018 the Academy Trust had reserves totalling £578k (2017 £578k), calculated as restricted general funds, excluding pension reserves, plus unrestricted reserves. Of this total, £166k (2017: £133k) 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 2018 was £412k (2017 £445k).

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 2018. 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.

Fundraising

The Academy Trust undertakes fundraising for its own benefit and for chosen Charities. Fundraising activities were carried out by Parent Teacher Associations for Gresham Village School and Antingham and Southrepps Primary School. Parents of Sheringham High carried out fundraising activities on behalf of Sheringham High School. All fundraising activities are within the local communities.

Sheringham Community Snallholding Limited are using the services of a professional bid-writer to try to obtain funding for the charity.

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

North Norfolk Academy Trust's motto is 'Success for All'. Our vision is to build a partnership of nursery, primary and secondary schools in North Norfolk, which work together as a single organisation and with our other partners to deliver the best possible education and care for all our students from 3 to 19. We are a local Trust for our local students and communities, and are determined that this will continue as the Trust grows.

Our five-year plan is to improve the quality and quantity of all schools in the Trust and to welcome additional schools through actively recruiting new local partners with a focus on quality teaching and learning.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Plans for Future Periods (continued)

North Norfolk Academy Trust and its member schools, together have the following key objectives over the next five years:

1. To ensure that all students in the Trust attend schools that are thriving and constantly improving, and that have an Ofsted rating of 'good' or 'outstanding'.
2. To grow our Trust with the aspiration of achieving a community of ten schools by 2023.
3. To ensure the provision for our students and families is 'joined up' and highly effective by developing partnerships with other local schools and settings outside the Trust.


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 27/11/18..... and signed on their behalf by:


Christine Candlish
Trustee

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 Headteacher of Sheringham 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 28th November 2017.

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)	9	10
Gill Pegg (Trustee)	9	10
Andrew Richardson (Trustee)	10	10
Constance Tyce (Trustee)	10	10
Julia Drury	9	10
John Wollocombe (Trustee)	8	10
Marc Goodliffe (resigned 17 th October 2018)	7	10

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. Overseeing an Ofsted inspection which resulted in a rating of "good". This is a remarkable achievement following on from the last Ofsted rating of "inadequate".

Governance – A continuing review and Trust wide implementation of standard policies to ensure consistency in all member schools. New and revised policies included: Health and Safety, Pay, CCTV, Trustees and Governors Expenses, Staff Expenses policy, Conflicts of Interest policy and a policy to establish ways to deal with vexatious complainants. Full self-reviews of governance take place at all schools in October/November of each year. These reviews are minuted and reflect that the governance is positive. Data for examining and challenging student progress is appropriate and fit for purpose.

Finance: Overseeing the tender and award of a Trust wide contract for Grounds Maintenance. Overseeing the procurement and establishment of a new financial software system which is fit for purpose for a growing academy trust.

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
- 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
- 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 2018 was as follows:

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

The **Local Governing Body of Sheringham High School** has met five times during the year. Attendance at meetings in the year to 31 August 2018 was as follows:

Governor	Meetings attended	Out of a possible
Penny Bevan Jones (Community Governor)	3	5
Christine Candlish (Chair & Chair of Trustees)	4	5
John Hannyngton (Community Governor, appointed 3.10.17)	2	4
Clive Hedges (Parent Governor, appointed 6.10.17)	3	4
Sacha Howard (Parent Governor, resigned 19.19.17)	1	1
Gill Pegg (Vice Chair & Trustee)	4	5
Andrew Richardson (Headteacher & Trustee)	5	5
Ian Savory (Community Governor, appointed 6.3.18)	2	3
Rebecca Shepherd (Staff Governor, appointed 5.10.17)	3	4
Alex Steward (Staff Governor)	4	5
Constance Tyce (Governor & Trustee)	4	5
John Wollocombe (Governor & Trustee)	5	5
Kate Yarbo (Parent Governor, appointed 6.10.17)	3	4

There is currently one vacancy.

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 Finance and General Purposes and Premises Committee has formally met once during the year, after which it was dissolved. Attendance at meeting in the year to 31 August 2018 was as follows:

Governor	Meetings attended	Out of a possible
Christine Candlish	1	1
Gill Pegg	1	1
Andrew Richardson (Headteacher)	0	1
John Wollocombe (Chair)	1	1

The **Local Governing Body of Stalham High School** was dissolved on 15th 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 2018 was as follows:

Governor	Meetings attended	Out of a possible
Martin Budgett (Head of School)	4	4
Christine Candlish (Trustee and Chair)	4	4
Julia Drury (Trustee)	2	4
Marc Goodliffe (Trustee)	1	4
Gill Pegg (Trustee)	3	4
Andrew Richardson (Trustee)	4	4
Constance Tyce (Trustee)	3	4
John Wollocombe (Trustee)	3	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.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

The **Local Governing Body of Antingham and Southrepps Primary School** has met six times during the year. Attendance at meetings in the year to 31 August 2018 was as follows:

Governor	Meetings attended	Out of a possible
Sophie Hankinson (Parent Governor and Chair)	6	6
Marian Marsh (Community Governor, appointed 22.17.17)	5	5
Corne Wheeler (Parent Governor)	5	6
Doug Wright (Community Governor)	3	6
Constance Tyce (Link Trustee)	6	6
Emma Harding (Head of School)	6	6
Stephen Uttley (Staff Governor)	5	6

There are currently four vacancies; one Staff 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 on roll number of students at the school.

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 2018 was as follows:

Governor	Meetings attended	Out of a possible
Julia Drury (Link Trustee)	3	4
Marc Goodliffe (Headteacher)	4	4
Peter Campbell (Community Governor, resigned 30.12.17)	2	2
Carolyn Hall (Community Governor)	4	4
Shirley Higgins (Parent Governor)	2	4
Marijke Kirk (Parent Governor)	4	4
Gillian Sampson (Community Governor)	2	4
Kathryn Shapcott (Chair and Staff Governor)	2	4
Rosabelle Batt (Community Governor)	3	4
Lucy Tibble (Community Governor)	1	4

There are currently no vacancies.

The challenge for the Local Governing body since the school joined in July 2017, has been to adapt its procedures and policies to those of the Multi-Academy Trust and to integrate into its structure.

Governance Reviews:

The Multi Academy Trust has been continuing to develop. A primary school Executive Headteacher role has been established for the Trust and became effective from 1 July 2017. The Board of Trustees has been expanded to include two new Trustees – taking the total to 7. Three members have been appointed. A Governance Review of the Trust was undertaken on 17th October 2017.

Antingham and Southrepps Primary School

A new governance review took place on 23rd November 2017.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Gresham Village School and Nursery

A complete review of Governance at this school is currently underway as a result of the changes needed following academisation and joining the Trust.

Stalham High School

The Trust Board assumed direct governance of this school with further review undertaken on 8th November 2017.

Sheringham High School

The governance of Sheringham High School was last reviewed in October 2016 and most recently 10th October 2017. These have 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 four 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 or all four 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 good. Antingham and Southrepps Primary School has shown improvement, Gresham Village has done well and the position of Stalham High School been changed from a rating of "inadequate" to a rating of "Good". Pages 7-8 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 2018 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 2018 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 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 has decided not to appoint an internal auditor. However, the Trustees have instructed finance staff from Synergy Academy Trust to perform Peer Reviews. This includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Covering 4 distinct areas of financial operation, the peer reviewer reports to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Review of Effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control.

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

- the work of the Peer Reviewers;
- 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 Finance and General Purposes Committee, by the Audit committee and by the Board of Directors 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 27/11/18 and signed on its behalf by:



Christine Candlish
Trustee



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 2017.

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 2017.

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

Andrew Richardson
Accounting Officer

.....

27/11/18.

NORTH NORFOLK ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as governors of North Norfolk Academy Trust and 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 2005 and the Academies Accounts Direction 2017 to 2018;
- 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 27/4/18 and signed on its behalf by:



Christine Candlish
Trustee

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 2017 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017, 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 2016 to 2017 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. 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.

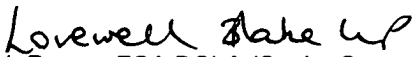
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<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.


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

.....(3) 12/18

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 1 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North Norfolk Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purpose identified by the Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to North Norfolk Academy Trust and 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 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:

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

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

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

Conclusion

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

Lovewell Blake

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
13/12/18

NORTH NORFOLK ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2018 (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 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	2	17		37	54	91
Transfer from local authority on conversion		-	-	-	-	981
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	6,600	-	6,600	6,425
Other trading activities	4	234	-	-	234	264
Investments	5	1	-	-	1	1
Total		252	6,600	37	6,889	7,762
Expenditure on:						
Raising funds	6	75	-	-	75	61
Charitable activities:						
Academy Trust educational operations	7	144	6,946	844	7,934	7,700
Total	6	219	6,946	844	8,009	7,761
Net income / (expenditure)		33	(346)	(807)	(1,120)	1
Transfers between funds	16	-	54	(54)	-	-
Other recognised gains/ (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	16/24	-	529	-	529	889
Net movement in funds		33	237	(861)	(591)	889
Reconciliation of funds						
Total funds brought forward	16	133	(825)	15,714	15,022	14,133
Total funds carried forward	16	166	(588)	14,853	14,431	15,022

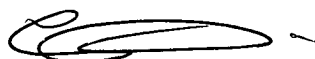
All of the Academy Trust's activities derive from continuing operations during the above two financial periods.
The notes on pages 32 to 53 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST**BALANCE SHEET as at 31 August 2018**

	Note	2018 £'000	2017 £'000
Fixed Assets			
Tangible assets	12	14,911	15,743
Current Assets			
Debtors	13	167	163
Cash at bank and in hand		825	767
		<u>992</u>	<u>930</u>
Current liabilities			
Creditors: Amounts falling due within one year	14	<u>403</u>	<u>353</u>
Net current assets		589	577
Total assets less current liabilities		<u>15,500</u>	<u>16,320</u>
Creditors: Amounts falling due after more than one year	15	(69)	(28)
Net assets excluding pension liability		<u>15,431</u>	<u>16,292</u>
Defined benefit pension scheme liability	24	(1,000)	(1,270)
Total net assets	16	<u><u>14,431</u></u>	<u><u>15,022</u></u>
Funds of the Academy Trust			
Restricted funds			
Fixed asset fund	16	14,853	15,714
Restricted income funds	16	412	445
Pension reserve	16	(1,000)	(1,270)
		<u>14,265</u>	<u>14,889</u>
Unrestricted income funds	16	166	133
Total funds		<u><u>14,431</u></u>	<u><u>15,022</u></u>

The financial statements on pages 29-53 were approved by the Trustees, and authorised for issue on ...27/11/18... and are signed on their behalf by:

Christine Candlish
Trustee



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 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash (used in) operating activities	19	(21)	(299)
Cash flows from / (used in) investing activities	20	26	(208)
Cash flows from financing activities	21	53	-
Change in cash and cash equivalents in the reporting period		<u>58</u>	<u>(507)</u>
Cash and cash equivalents at 1 September 2017		767	1,274
Cash and cash equivalents at 31 August 2018	22	<u>825</u>	<u>767</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 2018

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 2017 to 2018 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 2018

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 2018

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 2018

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).

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 2018

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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

1. Statement of accounting policies (continued)

q) 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. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 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 2018 £'000	Total 2017 £'000
Capital grants	-	37	37	55
Other donations	17	-	17	36
	<u>17</u>	<u>37</u>	<u>54</u>	<u>91</u>

The income from donations and capital grants was £54k (2017: £91k) of which £17k was unrestricted (2017: £36k), £Nil was restricted (2017: £Nil) and £37k was restricted fixed assets (2017: £55k). Capital grants of £37k (2017: £55k) were received from the ESFA.

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
• General Annual Grant (GAG)	-	6,028	6,028	5,967
• Other DfE/ESFA Grants	-	380	380	416
	<u>-</u>	<u>6,408</u>	<u>6,408</u>	<u>6,383</u>
Other Government grants				
• Local authority grants	-	20	20	20
• Graduate teacher training programme	-	142	142	-
• Miscellaneous	-	162	162	22
	<u>-</u>	<u>162</u>	<u>162</u>	<u>42</u>
Other grants	-	30	30	-
	<u>-</u>	<u>6,600</u>	<u>6,600</u>	<u>6,425</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

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

Funding for the academy trust's educational operations was £6,600k (2017: £6,425k) of which £Nil was unrestricted (2017: £Nil), £6,600k was restricted (2017: £6,425k) and £Nil was restricted fixed assets (2017: £Nil).

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Catering income	13	-	13	21
Hire of facilities	51	-	51	35
Minibus contributions	1	-	1	5
Trips contributions	121	-	121	124
Income from services provided	39	-	39	70
Music lesson income	5	-	5	5
Subject sales	-	-	-	3
School uniform sales	4	-	4	1
	234	-	234	264

The income from other trading activities was £234k (2017: £264k) of which £234k was unrestricted (2017: £264k), £Nil was restricted (2017: £Nil) and £Nil was restricted fixed assets (2017: £Nil).

5. INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Bank interest	1	-	1	1

The income from investments was £1k (2017: £1k) of which £1k was unrestricted (2017: £1k), £Nil was restricted (2017: £Nil) and £Nil was restricted fixed assets (2017: £Nil).

6. EXPENDITURE

	Non Pay Expenditure			Total 2018 £'000	Total 2017 £'000
	Staff Costs £'000	Premises £'000	Other £'000		
Expenditure on raising funds	-	-	75	75	61
Academy Trust's educational operations (note 7)					
• Direct costs	4,732	844	323	5,899	5,893
• Allocated support costs	786	-	990	1,776	1,570
• FRS102 pension costs	-	-	259	259	237
	5,518	844	1,647	8,009	7,761

Expenditure was £8,009k (2017: £7,761k) of which £219k was unrestricted (2017: £214k), £6,946k was restricted (2017: £7,018k) and £844k was restricted fixed assets (2017: £529k).

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

6. EXPENDITURE (continued)

Net income/(expenditure) for the period includes:

	2018 £'000	2017 £'000
Operating leases - plant and machinery	49	44
Depreciation	554	529
Fees payable to auditor - audit	11	10
- other services	7	5

7. CHARITABLE ACTIVITIES – ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted £'000	Restricted £'000	Restricted Fixed Asset £'000	2018 £'000	2017 £'000
Direct costs – educational operations	-	5,055	844	5,899	5,893
Support costs – educational operations	144	1,632	-	1,776	1,570
FRS102 pension costs	-	259	-	259	237
	144	6,946	844	7,934	7,700

Expenditure on charitable activities was £7,934k (2017: £7,700k) of which £144k was unrestricted (2017: £154k), £6,946k was restricted (2017: £7,018k) and £844k was restricted fixed asset (2017: £529k).

Analysis of support costs					
Support staff costs	-	786	-	786	610
Recruitment and support	-	4	-	4	6
Maintenance of premises and equipment	-	160	-	160	182
Cleaning	-	134	-	134	153
Rent and rates	-	54	-	54	48
Energy costs	-	108	-	108	106
Insurance	-	29	-	29	28
Security and transport	-	23	-	23	26
Bank interest and charges	-	3	-	3	5
Legal and professional fees	-	77	-	77	92
Governance costs	-	18	-	18	41
Other support costs	144	236	-	380	273
	144	1,632	-	1,776	1,570

Support costs totalled £1,776k (2017: £1,625k) of which £144k was unrestricted (2017: £154k), £1,632k was restricted (2017: £1,417k) and £Nil was restricted fixed asset (2017: £Nil).

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

7. CHARITABLE ACTIVITIES – ACADEMY TRUST’S EDUCATIONAL OPERATIONS (continued)

Analysis of governance costs

	2018 £'000	2017 £'000
Legal fees	-	25
Auditors remuneration – audit of financial statements	11	10
Auditors remuneration – other services	7	6
	<u>18</u>	<u>41</u>

8. STAFF

a. Staff costs

	Total 2018 £'000	Total 2017 £'000
Staff costs during the period were:		
Wages and salaries	4,228	4,263
Social security costs	375	406
Pension costs	709	709
	<u>5,312</u>	<u>5,378</u>
Supply staff costs	159	119
Staff restructuring costs	47	57
	<u>5,518</u>	<u>5,554</u>
Staff restructuring costs comprise;		
Redundancy payments	47	57
	<u>47</u>	<u>57</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non statutory/non-contractual severance payments totalling £Nil (2017: £Nil).

c. Staff numbers

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

	2018 No.	2017 No.
Charitable Activities		
Teaching	81	82
Administration and support	81	94
Management	10	13
	<u>172</u>	<u>189</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

8. STAFF (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	2	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

e. 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 £233,225 (2017: £165,053).

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:

	2018	2017
	£'000	£'000
Sheringham High School	97	73
Antingham and Southrepps Primary School	8	8
Stalham High School	55	52
Gresham Village School and Nursery	10	2
	<u>170</u>	<u>135</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

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 (2017: £80,000 - £85,000)

Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

M Goodliffe (Staff Trustee)

Remuneration £50,000 - £55,000 (2017: £5,000 - £10,000)

Employer's pension contributions £5,000 - £10,000 (2017: £0 - £5,000)

During the period ended 31 August 2018, travel and subsistence expenses totalling £115 (2017: £36) were reimbursed or paid directly to one Trustee (2017: one Trustee).

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

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 2018 £'000
Cost					
At 1 September 2017	6,254	9,598	2,083	2	17,937
Additions	10	2	-	-	12
Impairment	(290)	-	-	-	(290)
At 31 August 2018	5,974	9,600	2,083	2	17,659
Depreciation					
At 1 September 2017	475	437	1,280	2	2,194
Charged in year	106	166	282	-	554
At 31 August 2018	581	603	1,562	2	2,748
Net book values					
At 31 August 2018	5,393	8,997	521	-	14,911
At 31 August 2017	5,779	9,161	803	-	15,743

All assets are used for educational purposes.

The impairment of £290k relates to the revaluation of a school property following receipt of the ESFA valuation in the year ended 31 August 2018. The property was previously valued at the Trustees' best estimate.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

13. DEBTORS

	2018	2017
	£'000	£'000
Trade debtors	5	9
Prepayments and accrued income	131	109
VAT recoverable	31	45
	<u>167</u>	<u>163</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Deferred income	£'000	£'000
Deferred income at 1 September 2017	27	25
Resources deferred in the year	66	27
Amounts released from previous years	<u>(27)</u>	<u>(35)</u>
	2018	2017
	£'000	£'000
Trade creditors	207	222
Taxation and social security	40	-
Other creditors	10	32
Concessionary loan: Salix loan	14	2
Accruals and deferred income	<u>132</u>	<u>97</u>
	<u>403</u>	<u>353</u>
Deferred income at 31 August 2018	<u>66</u>	<u>27</u>

At the year end, the Trust was in receipt of £34k in respect of future trips, £20k for rates relief and £12k for Infant Free School Meals received in advance.

At the prior year end, the Trust was in receipt of £10k in respect of grant funding for a project commencing in September 2017, £6k for 16-19 Bursary Funding, £10k for Cluster Funding relating to the Autumn term and £1k for Pupil Exclusion.

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.

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2018	2017
	£'000	£'000
Concessionary loan: Salix loan	<u>69</u>	<u>28</u>

Included within creditors falling due after one year are two Salix loans totalling £69k 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 2018

16. FUNDS

	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)
	(825)	6,600	(6,946)	583	(588)
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
	15,714	37	(844)	(54)	14,853
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

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 2018. 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 2018

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 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted funds					
General Annual Grant (GAG)	809	6,006	(6,384)	(7)	424
Other DfE/ESFA grants	-	418	(397)	-	21
Pension reserve	(1,641)	-	(517)	888	(1,270)
	(832)	6,424	(7,298)	881	(825)
Restricted fixed asset funds					
DfE/ESFA capital grants	865	33	(45)	-	853
Capital expenditure from GAG	304	-	(45)	7	266
Donated assets	13,750	1,283	(438)	-	14,595
	14,919	1,316	(528)	7	15,714
Total restricted funds	14,087	7,740	(7,826)	888	14,889
Total Unrestricted funds	46	301	(214)	-	133
Total funds	14,133	8,041	(8,040)	888	15,022

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

16. FUNDS (continued)

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted funds					
General Annual Grant (GAG)	809	12,011	(12,543)	47	324
Other DfE/ESFA grants	-	983	(907)	-	76
Other grants	-	30	(18)	-	12
Pension reserve	(1,641)	-	(776)	1,417	(1,000)
	<u>(832)</u>	<u>13,024</u>	<u>(14,244)</u>	<u>1,464</u>	<u>(588)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	865	70	(86)	(54)	795
Capital expenditure from GAG	304	-	(195)	7	116
Donated assets	13,750	1,283	(1,091)	-	13,942
	<u>14,919</u>	<u>1,353</u>	<u>(1,372)</u>	<u>(47)</u>	<u>14,853</u>
Total restricted funds	14,087	14,377	(15,616)	1,417	14,265
Total Unrestricted funds	46	553	(433)	-	166
Total funds	14,133	14,930	(16,049)	1,417	14,431

Fund balances were allocated as follows:

	2018 £'000	2017 £'000
Sheringham High School	94	64
Stalham High School	418	477
Antingham and Southrepps Primary School	98	73
Gresham Village School and Nursery	26	4
Central Services	(58)	(40)
Total before fixed asset fund and pension reserve	<u>578</u>	<u>578</u>
Restricted fixed asset fund	14,853	15,714
Pension reserve	(1,000)	(1,270)
Academy Trust	14,431	15,022

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

16. FUNDS (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total £'000
Sheringham High School	2,799	304	176	470	3,749
Stalham High School	1,401	180	128	384	2,093
Antingham and Southrepps Primary School	184	43	4	62	293
Gresham Primary School	348	57	13	104	522
Central services	-	202	-	47	249
Academy Trust	4,732	786	321	1,067	6,906

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted £'000	Restricted Funds £'000	Pension Liability £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000
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

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

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

	Unrestricted	Restricted	Pension	Restricted	Total
	Funds	Funds	Liability	Fixed Asset	2017
	£	£	£	£	£
Tangible fixed assets	-	-	-	15,743	15,743
Current assets	133	796	-	1	930
Current liabilities	-	(351)	-	(2)	(353)
Non current liabilities	-	-	-	(28)	(28)
Pension scheme liability	-	-	(1,270)	-	(1,270)
Total net assets	133	445	(1,270)	15,714	15,022

18. COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2018 the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	48	37
Amounts due between one and five years	85	52
Amounts due after five years	58	-
	191	89

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

	2018 £'000	2017 £'000
Net (expenditure) / income for the reporting period (as per the Statement of Financial Activities)	(1,120)	1
Adjusted for:		
Fixed assets and pension liabilities transferred from Gresham Village School and Nursery	-	(981)
Depreciation (note 12)	554	529
Impairment of fixed assets (note 12)	290	-
Capital grants from DfE and other capital income (note 2)	(37)	(55)
Interest receivable (note 5)	(1)	(1)
Defined benefit pension scheme cost less contributions payable (note 24)	224	199
Defined benefit pension scheme finance cost (note 24)	35	38
(Increase) / Decrease in debtors	(4)	2
Increase / (Decrease) in creditors	38	(31)
Net cash provided / (used in) by operating activities	(21)	(299)

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2018	2017
	£'000	£'000
Interest receivable (note 5)	1	1
Purchase of tangible fixed assets (note 12)	(12)	(264)
Capital grants from DfE/ESFA and other capital income (note 2)	37	55
Net cash provided / (used in) by investing activities	26	(208)

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2018	2017
	£'000	£'000
Repayments of borrowings	(9)	-
Cash inflows from new borrowings	62	-
Net cash provided / (used in) by investing activities	53	-

22. CASH AND CASH EQUIVALENTS

	At 31	At 31
	August	August
	2018	2017
	£'000	£'000
Cash in hand and at bank	825	767
Total cash and cash equivalents	825	767

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 2018

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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £209k (2017: £158k). 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 2018

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 2018 was £305,000 (2017: £278,000) of which employer's contributions totalled £241,000 (2017: £217,000) and employees' contributions totalled £64,000 (2017: £61,000). The agreed future rates for future years are as follows:

- Sheringham High School 21% until March 2020, with deficit reductions of £10,000 in 2017/18, £17,000 in 2018/19 and £24,000 in 2019/20;
- Stalham High School 19.3% to March 2018, 20.3% to March 2019, and 20.9% to March 2020, with deficit reduction of £1,000 in 2019/20;
- Antingham and Southrepps Primary School 19.3% to March 2018, 20.3% to March 2019, and 21.1% to March 2020, with deficit reduction of £100 in 2019/20; and
- Gresham Village Primary 18.8% to March 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

	2018	2017
	%	%
Salary increase rate	2.6	2.7
Pension increase rate	2.3	2.1
Discount rate	2.8	2.5
Inflation assumption (CPI)	2.3	2.7
Commutation of pensions to lump sums	50.00	50.00

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

	2018	2017
	Years	Years
<i>Current pensioners</i>		
Males	22.1	22.1
Females	24.4	24.4
<i>Future pensioners</i>		
Males	24.1	24.1
Females	26.4	26.4

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Sensitivity analysis	31 August	31 August
	2018	2017
	£'000	£'000
Real discount rate -0.5%	542	510
Salary increase rate +0.5%	85	92
Pension increase rate +0.5%	451	409

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

24. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equity instruments	1,486	1,536
Bonds	991	620
Property	350	273
Cash	87	49
Total market value of assets	2,914	2,478
Present value of scheme liabilities	(3,914)	(3,748)
Deficit in the scheme	(1,000)	(1,270)

The actual return on scheme assets was £162,000 (2017: £41,000).

Amount recognised in the statement of financial activities

	2018 £'000	2017 £'000
Current service cost (net of employee contributions)	465	416
Past service cost	-	-
Net interest cost	35	38
Total operating charge	500	454

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

	2018 £'000	2017 £'000
At 1 September	3,748	3,635
Current service cost	465	416
Past service cost	-	-
Interest cost	100	83
Employee contributions	64	61
Actuarial (gains) / losses	(432)	(892)
Liabilities transferred from joining academies	-	474
Estimated benefits paid	(31)	(29)
At 31 August	3,914	3,748

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

	2018 £'000	2017 £'000
At 1 September	2,478	1,994
Expected return on assets	65	45
Employee contributions	64	61
Employer contributions	241	217
Actuarial (losses) / gains	97	(4)
Assets transferred from joining academies	-	194
Estimated benefits paid	(31)	(29)
At 31 August	2,914	2,478

The estimated value of employer contributions for the year ended 31 August 2019 is £250,000.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2018

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 Dr Andrew Richardson (a Trustee of the Trust) is a trustee:

- The Academy Trust paid expenses, totalling £10,870 (2017: £11,995), on behalf of "The Patch".
- The Academy Trust received reimbursement in respect of these and prior year expenses amounting to £7,119 (2017: £12,569) and at the balance sheet date "The Patch" owed £Nil to the Academy Trust (2017: £5,007).

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. FINANCIAL INSTRUMENTS

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

	2018 £'000	2017 £'000
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Trade debtors (note 13)	5	9
Accrued income (note 13)	67	77
	<u>72</u>	<u>86</u>
<i>Financial liabilities</i>		
Measured at fair value through net expenditure:		
Concessionary loans payable (note 14/15)	83	30
Measured at amortised cost:		
Trade creditors (note 14)	207	222
Other creditors (note 14)	10	32
Accruals (note 14)	66	69
	<u>366</u>	<u>353</u>

NORTH NORFOLK ACADEMY TRUST

APPENDIX 1 – LOCAL GOVERNING BODIES AND LEADERSHIP TEAMS

SHERINGHAM HIGH SCHOOL

Governors (Trustees) -	Penny Bevan Jones	(Community Governor)
	Christine Candlish	(Chair of Governors/Community)
	John Hannyngton	(Community Governor)
	Clive Hedges	(Parent Governor)
	Sasha Howard (resigned 19.09.17)	(Parent Governor)
	Gill Pegg	(Community Governor)
	Andrew Richardson	(Executive Headteacher)
	Ian Savory	(Community Governor)
	Rebecca Shepherd	(Staff Governor)
	Alexandra Steward	(Staff Governor)
	Constance Tyce	(Community Governor)
	John Wollocombe	(Community Governor)
	Kate Yarbo	(Parent Governor)

Headteacher - Andrew Richardson

Leadership Team -	Dawn Hollidge	(Deputy Headteacher)
	Ramin Keshavarz	(Assistant Headteacher/VI Form)
	Jayne Melhuish	(Deputy Headteacher)
	Lee McMahon	(Assistant Headteacher/SENCo)
	Paul Norris	(Assistant Headteacher)
	Ben Phillips	(Senior Teacher)

STALHAM HIGH SCHOOL

Governors (Trustees) -	Christine Candlish	(Chair – Trustee)
	Julia Drury	(Trustee)
	Gill Pegg	(Trustee)
	Andrew Richardson	(Executive Headteacher)
	Constance Tyce	(Trustee)
	John Wollocombe	(Trustee)

Headteacher - Andrew Richardson

Leadership Team -	Dawn Hollidge	(Deputy Headteacher)
	Jayne Melhuish	(Deputy Headteacher)
	Lee McMahon	(Assistant Headteacher/SENCo)
	Paul Norris	(Assistant Headteacher)

NORTH NORFOLK ACADEMY TRUST

APPENDIX 1 – LOCAL GOVERNING BODIES AND LEADERSHIP TEAMS (CONTINUED)

ANTINGHAM AND SOUTHREPPS PRIMARY SCHOOL

Governors (Trustees) -	Sophie Hankinson	(Chair of Governors/Parent)
	Emma Harding	(Head of School)
	Marian Marsh	(Community Governor)
	Constance Tyce	(Link-Trustee)
	Stephen Uttley	(Staff Governor)
	Corné Wheeler	(Parent Governor)
	Doug Wright	(Community Governor)

Head of School - Emma Harding

GRESHAM VILLAGE PRIMARY AND NURSERY SCHOOL

Governors (trustees) -	Rosabelle Batt	(Community Governor)
	Peter Campbell (resigned 30.12.17)	(Community Governor)
	Julia Drury	(Link-Trustee)
	Marc Goodliffe	(Headteacher)
	Carolyn Hall	(Community Governor)
	Shirley Higgins	(Parent Governor)
	Marijke Kirk	(Parent Governor)
	Gillian Sampson	(Community Governor)
	Kathryn Shapcott	(Chair of Governors/Community)
	Lucy Tibble	(Community Governor)

Headteacher - Marc Goodliffe