

**Company Registration No. 08852553 (England and Wales)**

**NORTH WEST ACADEMIES TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**SATURDAY**



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**24/12/2016**

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**COMPANIES HOUSE**

# **NORTH WEST ACADEMIES TRUST LIMITED**

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# NORTH WEST ACADEMIES TRUST LIMITED

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

S Docking (Director/Trustee/CEO) \*  
M Forber (Vice Chair/Director/Trustee)  
B Wignall (Chairman/Director/Trustee)  
A Walmsley (Director/Trustee)  
D Chapman (Parent)  
R Clark (Deputy Headteacher)  
S Buxton (Parent) \*  
J Halstead (Vice Chair)  
K Hassett (Governor) \*  
S Livemore (Parent)  
F Rimmer (Headteacher) \*  
M Baynham (Governor)  
V Ratchford (Chair)

\* members of the finance and education purposes committee

### Members

S Docking  
M Forber  
B Wignall  
A Walmsley  
I Colledge

### Senior management team: at Oak View Academy

- Headteacher	F Rimmer
- Deputy Headteacher	R Clark
- Chair of Local Governing Board	S Docking
- Accounting Officer	S Docking

### Company secretary

Oliver & Co Secretarial Services Limited

### Company registration number

08852553 (England and Wales)

### Principal address

Cedar House  
91 Hoole Road  
Chester  
Cheshire  
CH2 3NG

### Registered office

Cedar House  
91 Hoole Road  
Chester  
Cheshire  
CH2 3NG

**Academies operated**  
Oak View Academy

**Location**  
Winsford

**Principal**  
F Rimmer

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Independent auditor</b>	White & Company (UK) Limited 6th Floor Blackfriars House Parsonage Manchester M3 2JA
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<b>Bankers</b>	Lloyds Bank Group PLC 25 Gresham Street London EC2V 7HN
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<b>Solicitors</b>	Oliver & Co Solicitors Limited Douglas House 117 Foregate Street Chester Cheshire CH1 1HE
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# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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The governors of the Northwest Academies Trust present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust currently operates one academy Oak View Academy for pupils aged 3 - 11 serving a designated catchment area in Cheshire West and Chester. It has a pupil capacity of 210 school places and 26 nursery places, 236 in total, and had a roll of 146 in Autumn term 2014 increasing to a roll of 166 in the school census dated 28 June 2016.

#### **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 are the primary governing documents of the Academy Trust.

The governors are the trustees of North West Academies Trust Limited and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

##### Governors' indemnities

The governors and trustees carry full directors liability insurance.

##### Method of recruitment and appointment or election of governors

The trustees are appointed and inducted in accordance with the provisions set out in the Memorandum and Articles of Association.

Each school within the Trust also has its own local Governing body and the trust has a place on each Governing board.

The number of directors shall not be less than three.

All governors shall upon their appointment give a written undertaking to the Foundation members/ trustees to uphold the object of the Academy Trust.

The members as designated in the articles of association may appoint up to ten governors. They may appoint staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of governors.

The parent governors at each academy shall be elected by parents of the registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time that they are elected. There must be at least two parent governors.

The Secretary of State may appoint such additional governors as he thinks fit if he has given the governors a warning notice and the governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### Policies and procedures adopted for the induction and training of governors

All governors are subject to a formal training and induction process. Training can take place internally or involving external organisations. The principal also fully briefs all governors on the daily operation of the school.

A review of the training needs of the trustees has been carried out during the period and the necessary requirements for further training and the induction of any new trustees will be considered in each period.

Governors training is comprehensive and reviewed regularly.

#### Organisational structure

Subject to provisions of the Companies Act 2006, the Articles of Association and any directions given by special resolution, the business of the Academy Trust is managed by the governors who may exercise all the powers of the Academy Trust. The governors also have the power to expend the funds of the Academy Trust in such manner as they consider most beneficial and enter into contracts on behalf of the Academy Trust should they deem it to be necessary.

Oak View is a converter Academy. Currently it finds itself with considerable areas for development and the trust is working closely with the new Governing body in order to build capacity so that it can carry out the above functions to the best of its ability.

#### Arrangements for setting pay and remuneration of key management personnel

Each year the Governors approve the trusts pay policy which stipulates pay and conditions for all staff. The trust follows teachers pay and conditions for all teaching staff. The teachers pay scales are clearly set out in the pay policy. The academy follows the NJC pay scales for all support staff and these grades are listed as an appendix in the pay policy. For senior staff on the leadership pay scale, pay is determined relevant to school size and budgetary constraints. Currently there are only two members of staff on this pay scale who are the Principal and Deputy Principal at Oak View Academy. The pay of all staff is linked to yearly appraisal and all pay awards are subject to satisfactory performance in relation to targets that are set as part of the appraisal process. The Principal's appraisal targets are set by an external school improvement partner who offers support and guidance to the Governors on both the schools and Principals performance in the workplace.

#### Related parties and other connected charities and organisations

North West Academies Trust Limited is connected to The Delamere CE Primary Academy by virtue that the principal of the school, Steve Docking, operates as CEO of the Trust. In addition to this, Brendan Wignall and Adrian Walmsley are directors and trustees of St Martin's Academy and Steve Docking is also a director of St Martin's Academy.

#### **Objectives and activities**

##### Objects and aims

The Academy Trust's object is specifically restricted in the Articles of Association 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 a school offering a broad and balanced curriculum.

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### Objectives, strategies and activities

The main objectives of the Trust during the period ended 31 August 2016 are summarised below:

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

### Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties under the Charities Act 2006.

# NORTH WEST ACADEMIES TRUST LIMITED

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### Strategic report

#### Achievements and performance

The trust is an organisation that was formed specifically to sponsor a local failing school and support its conversion to academy status. However the Trust is expanding and have a new school in Shropshire which joined them from September 2016 and are in pre opening to open a new free school in Ellesmere Port in September 2018. The Trust, through association, works directly with two high performing schools both graded outstanding by Ofsted. The support and partnerships with both schools is vital in developing capacity at Oak View to support its transition from a former special measures school to a good school or better as soon as is feasible. Oak View's most recent published results show dramatic improvement and are as follows:

#### Year 6 results 2016

% of children achieving the higher standard:

Reading: 16%, Writing: 5%, Maths: 0%

#### All children including those with Special Educational Needs

Number in the class: 19	Not met	Expected	Average	National
Reading	21%	79%	104.9	66%
Writing TA	32%	68%		74%
Maths	21%	79%	101.1	70%
SPAG	37%	63%	101.3	72%

#### Children without Special Educational Needs

Number in the class: 14/19	Not met	Met	Average
Reading	21%	79%	106
Writing TA	21%	79%	
Maths	14%	86%	103
SPAG	21%	79%	103

#### Progress 2016

Our children have made the following progress from the end of KS1 to the end of KS2:

Reading +6.0 placing us in the top 5% of schools nationally for progress in this subject.

Writing +1.8 placing us just below the top 25% of schools nationally for progress in this subject.

Maths +1.5 placing us just below the top 25% of schools nationally for progress in this subject.

#### Year 2 results 2016

#### All children including those with Special Educational Needs

Number in the class: 16	Below	Expected	Working at Greater Depth	% Expected+
Reading	31%	56%	13% N23%	69% N74%
Writing	56%	38%	6% N13%	44% N65%
Maths	37%	38%	25% N18%	63% N72%
Science	31%	69%	—	69%

N= National scores

#### Children without Special Educational Needs

Number in the class: 7/16	Below	Expected	Working at Greater Depth	Expected+
Reading	0%	71%	29%	100%
Writing	14%	71%	14%	85%
Maths	0%	43%	57%	100%
Science	0%	100%	—	100%

The school and the trust are very proud of the results and the improvements made.



# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Key performance indicators

The strategic goals relating to achievement, progress, engagement and provision are monitored closely by the governors and the Trust directors.

Most of the Academy's income is obtained from the Department of Education via the EFA in the form of recurrent grants, the use of which is restricted for a particular purpose. The grants received and the associated expenditure are shown as restricted funds in the statement of financial activities.

### Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

The financial statements have been prepared in accordance with current statutory requirements and the Academy's governing documents and are fully compliant with all aspects of the EFA Financial Academies Handbook.

The grants and sponsorship received during the year and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy remains dependent on the provision of grants from the EFA.

During the year ended 31 August 2016, the deficit of income over expenditure for the year (before recognised gains and losses and excluding capital restricted funds and funds inherited on conversion) equated to £32k (2015: surplus £135k) represented by total expenditure of £1,102k (2015: £1,008k) against income (excluding capital grants) of £1,070k (2015: £1,143k).

The governors and directors are diligent in monitoring all financial transactions and ensuring the school receives the best value for money.

On 31 August 2016 the net book value of fixed assets was £2,430k (2015: £2,440k) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services of the pupils of the Academy.

### Reserves policy

The governors review the level of reserves on an annual basis. The reserves of the Academy consist of both general unrestricted funds and restricted funds. The governors consider the present level of reserves adequate for the needs of the organisation.

### **Oakview School**

The policy of the trust is to maintain general restricted reserves of approximately three months expenditure at any point in time. This ensures that there are adequate reserves to cover day to day running costs should there be a fluctuation in income or costs.

Furthermore it also provides adequate resources should there be significant expenditure required on the school that is out of the ordinary such as emergency repairs.

Oakview produced a loss in the year ended 31 August 2016, with the difference between income received and expenditure made being paid for by deposit savings. The school and trust are confident that this situation will be addressed by September 2018 as pupil numbers and associated revenues increase.

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Investment policy and powers

The governors have the ability to invest to funds of the Trust as they see fit. Currently the Trust does not have any long term investments with the cash reserves of the Trust being held in bank accounts. The governors have no plans for any long term investment purchases in the near future.

### Principal risks and uncertainties

The Trust is exposed to a variety of financial risks including interest rate and cash flow risk.

The governors have delegated the responsibility of monitoring financial risk management to a sub-committee of the board or the Governor body at Oak View. Termly finance meetings are held with the school and regular reviews of spending under tight financial control take place with the Headteacher, CEO, the school business manager and the school local governing board. The school is supported by the Principal Financial officer of the trust and the Trusts accountant oversees and ensures that all spend is compliant with financial policies and in accordance with the Financial Academies Handbook. The policies set by the board by the Trust are implemented effectively by The Principal.

The financial and risk management objectives have been set out in the respective policies which are reviewed and updated on an annual basis.

The Academy Trust has exposure to a number of financial risks including credit, cash flow and liquidity risks. However, given the nature of the Academy Trust, the 'Financial instruments' that they deal with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. Consequently, trustees and governors are of the opinion that the financial risks will not be material to the assessment of the Trust's assets, liabilities, financial position and its results.

One of the risks facing the Academy is in relation to the Local Government Pension Scheme (LGPS), the costs of which are largely outside the control of the Academy. Hymans Robertson were instructed by Cheshire West and Chester, the Administering Authority to the Pension Fund, to undertake pension expense calculations in respect of pension benefits provided by the LGPS to employees of North West Academies Trust Limited as at 31 August 2016. The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2007/08, as amended. It is contracted out of the State Second Pension.

### **Plans for future periods**

The Trust is in partnership with Oak View and has set a budget linked to making Oak View a 'good' school at its next Ofsted inspection. In addition to this The Trust has set its own budget to ensure that it can offer effective services of school improvement to Oak View and also deliver its own service needs for employees. The school is currently vulnerable due to pupil numbers. The school is carefully managing all aspects of this school years budget to ensure that it can deliver staffing levels next year based on smaller number of pupils than in previous years. Financial challenges are at their hardest in schools with the highest needs.

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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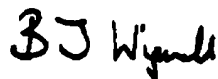
### **Auditor**

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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.

A resolution proposing that White & Company (UK) Limited be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 19 December 2016 and signed on its behalf by:



B Wignall  
Chairman/Director/Trustee

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Scope of responsibility**

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

The board of governors has delegated the day-to-day responsibility to the principal, 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 West Academies Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' Responsibilities. The board of governors has formally met three times during the period. Attendance during the period at meetings of the board of governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
S Docking (Director/Trustee/CEO)	3	3
M Forber (Vice Chair/Director/Trustee)	2	3
B Wignall (Chairman/Director/Trustee)	0	0
A Walmsley (Director/Trustee)	0	0
D Chapman (Parent)	3	3
R Clark (Deputy Headteacher)	3	3
S Buxton (Parent)	3	3
J Halstead (Vice Chair)	3	3
K Hassett (Governor)	1	3
S Livemore (Parent)	1	3
F Rimmer (Headteacher)	3	3
M Baynham (Governor)	2	3
V Ratchford (Chair)	2	3

Governance at North West Academies Trust Limited is strong, objective and provides support and challenge in equal measure. The trust is small but very considered in its operation. The trust is also in the process of reorganising its composition to expand the number of members and directors at each level. Details of the composition of the board and their pen portraits can be found on the North West Academies Trust website. We benchmark the performance of the Governors based on the results the school achieves in comparison to others of an equal standing nationally, the financial performance of the school to achieve strategic objectives and also that year on year we can balance the school budget effectively.

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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The finance and education purposes committee is a sub-committee of the main board of governors. Its purpose is to:

Its purpose is to consider annual budgets, authorise and monitor expenditure, approve the appointment of auditors and approve the purchase of capital items.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
S Docking (Director/Trustee/CEO)	3	3
S Buxton (Parent)	1	1
K Hassett (Governor)	0	0
F Rimmer (Headteacher)	3	3

#### **Review of value for money**

As accounting officer the principal 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 governors 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:

- Consistently benchmarking our costs against our collaboration of schools considering how we learn from each other in achieving best value for money both in terms of outcomes for our pupils and spending of our resources.
- holding a benchmarking day in 2014 to 2015, and as a result we are able to implement savings for the academic year 2015 to 2016.

#### **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 West Academies Trust Limited for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The board of governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **The risk and control framework**

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

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

The board of governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the governors have appointed Sandie Jones as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

On a termly basis, the RO reports to the board of governors through the finance and education purposes committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors. No material control issues were identified.

### **Review of effectiveness**

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

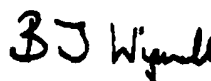
- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of governors on 19 December 2016 and signed on its behalf by:



S Docking  
Director/Trustee/CEO



B Wignall  
Chairman/Director/Trustee

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**


***FOR THE YEAR ENDED 31 AUGUST 2016***

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As accounting officer of North West Academies Trust Limited I have considered my responsibility to notify the Academy Trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's board of governors 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 2015.

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



S Docking  
**Accounting Officer**

19 December 2016

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The governors (who act as trustees for North West Academies Trust Limited and are also the directors of North West Academies Trust Limited for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors 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 that grants received from EFA/DfE have been applied for the purposes intended.

The governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on 19 December 2016 and signed on its behalf by:



B Wignall  
Chairman/Director/Trustee



# **NORTH WEST ACADEMIES TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF NORTH WEST ACADEMIES TRUST LIMITED**

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We have audited the accounts of North West Academies Trust Limited for the year ended 31 August 2016 set out on pages 19 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 14, the governors, who are also the directors of North West Academies Trust Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF NORTH WEST ACADEMIES TRUST LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

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

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



**Emma Abbott (Senior Statutory Auditor)**  
**for and on behalf of White & Company (UK) Limited**

**Chartered Accountants**

**Statutory Auditor**

6th Floor

Blackfriars House

Parsonage

Manchester

M3 2JA

Dated: 19 December 2016

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH WEST ACADEMIES TRUST LIMITED AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North West Academies Trust Limited during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of North West Academies Trust Limited's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of North West Academies Trust Limited's funding agreement with the Secretary of State for Education dated 1 April 2014 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. 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:

- An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH WEST ACADEMIES TRUST LIMITED AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

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### **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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Emma Abbott  
**Reporting Accountant**  
White & Company (UK) Limited  
6th Floor  
Blackfriars House  
Parsonage  
Manchester  
M3 2JA

Dated: 19 December 2016

# NORTH WEST ACADEMIES TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000	Total 2016 £'000	Total 2015 £'000	
<b>Income and endowments from:</b>						
Donations and capital grants	3	64	-	-	64	54
Charitable activities:						
- Funding for educational operations	5	-	973	-	973	1,050
Other trading activities	4	33	-	-	33	39
<b>Total income and endowments</b>		97	973	-	1,070	1,143
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	19	1,083	33	1,135	1,045
<b>Total expenditure</b>	6	19	1,083	33	1,135	1,045
<b>Net income/(expenditure)</b>						
		78	(110)	(33)	(65)	98
Transfers between funds		(38)	6	32	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(298)	-	(298)	20
<b>Net movement in funds</b>		40	(402)	(1)	(363)	118
<b>Reconciliation of funds</b>						
Total funds brought forward		-	15	2,367	2,382	2,264
Total funds carried forward		40	(387)	2,366	2,019	2,382

# NORTH WEST ACADEMIES TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative information ended 31 August 2015	Notes	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total 2015 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	54	-	-	54
Charitable activities:					
- Funding for educational operations	5	-	1,050	-	1,050
Other trading activities	4	39	-	-	39
<b>Total income and endowments</b>		<u>93</u>	<u>1,050</u>	<u>-</u>	<u>1,143</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	11	997	37	1,045
<b>Total expenditure</b>	6	<u>11</u>	<u>997</u>	<u>37</u>	<u>1,045</u>
<b>Net income/(expenditure)</b>		82	53	(37)	98
Transfers between funds		(82)	82	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	16	-	20	-	20
<b>Net movement in funds</b>		-	155	(37)	118
<b>Reconciliation of funds</b>					
Total funds brought forward		-	(140)	2,404	2,264
Total funds carried forward		<u>-</u>	<u>15</u>	<u>2,367</u>	<u>2,382</u>

# NORTH WEST ACADEMIES TRUST LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		2,430		2,440
<b>Current assets</b>					
Debtors	12	64		48	
Cash at bank and in hand		215		285	
		<u>279</u>		<u>333</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(123)		(106)	
<b>Net current assets</b>			156		227
<b>Net assets excluding pension liability</b>			<u>2,586</u>		<u>2,667</u>
Defined benefit pension liability	16		(567)		(285)
<b>Net assets</b>			<u>2,019</u>		<u>2,382</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			2,366		2,367
- Restricted income funds			180		300
- Pension reserve			(567)		(285)
<b>Total restricted funds</b>			<u>1,979</u>		<u>2,382</u>
<b>Unrestricted income funds</b>	15		40		-
<b>Total funds</b>			<u>2,019</u>		<u>2,382</u>

The accounts set out on pages 19 to 39 were approved by the board of governors and authorised for issue on 19 December 2016 and are signed on its behalf by:

*B J Wignall*

B Wignall  
Chairman/Director/Trustee

Company Number 08852553

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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	<b>Notes</b>	<b>2016 £'000</b>		<b>2015 £'000</b>
Net cash inflow/(outflow) from operating activities	<b>18</b>	(47)		144
<b>Capital expenditure and financial investments</b>				
Payments to acquire tangible fixed assets		(23)	(33)	
		<u>(23)</u>		<u>(33)</u>
<b>Net cash flow from capital activities</b>				
		<u>(23)</u>		<u>(33)</u>
<b>Increase/(decrease) in cash</b>		<u>(70)</u>		<u>111</u>

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# **NORTH WEST ACADEMIES TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016**

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### **1 Accounting policies**

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

#### **1.1 Basis of preparation**

The accounts 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

North West Academies Trust Limited meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of North West Academies Trust Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

#### **1.3 Income**

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

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 period 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### Sponsorship income

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

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **1 Accounting policies**

**(Continued)**

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

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

The property occupied by Oak View Academy was recognised at the date of conversion on the balance sheet as a fixed asset with a corresponding entry as a gift in kind to the restricted fixed asset fund. This is then depreciated on a straight line basis over the term of the lease.

### **1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### Governance costs

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

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **1 Accounting policies**

**(Continued)**

#### **1.5 Tangible fixed assets and depreciation**

Assets with an estimated useful economic life of two years or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

Leasehold land and buildings	On a straight line basis over the term of the lease (125 years)
------------------------------	---

Fixtures, fittings & equipment	25% reducing balance
--------------------------------	----------------------

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.

#### **1.6 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### **1.7 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### **1.8 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.9 Pensions benefits**

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

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **1 Accounting policies**

**(Continued)**

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. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### **1.10 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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

#### **1.11 Critical accounting estimates and areas of judgement**

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting policies

(Continued)

#### Critical areas of judgement

##### **Income**

Income receipts are calculated by reference to the amounts received to date and grant, sponsorship other other guarantee agreements. Amounts recognised as income but not yet received are included in prepayments and accrued income. Amounts received but not recognised as income are included in accruals and deferred income.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the Trust have exceeded these limits during the year ended 31 August 2016.

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Private sponsorship	50	-	50	45
Other donations	14	-	14	9
	<u>64</u>	<u>-</u>	<u>64</u>	<u>54</u>

### 4 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	9	-	9	12
Other income	24	-	24	27
	<u>33</u>	<u>-</u>	<u>33</u>	<u>39</u>

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	718	718	796
Other DfE / EFA grants	-	124	124	130
	<u>-</u>	<u>842</u>	<u>842</u>	<u>926</u>
<b>Other government grants</b>				
Local authority grants	-	131	131	124
	<u>-</u>	<u>131</u>	<u>131</u>	<u>124</u>
<b>Total funding</b>	<u>-</u>	<u>973</u>	<u>973</u>	<u>1,050</u>

### 6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
<b>Academy's educational operations</b>					
- Direct costs	665	-	62	727	618
- Allocated support costs	115	84	209	408	427
	<u>780</u>	<u>84</u>	<u>271</u>	<u>1,135</u>	<u>1,045</u>
<b>Total expenditure</b>	<u>780</u>	<u>84</u>	<u>271</u>	<u>1,135</u>	<u>1,045</u>

<b>Net income/(expenditure) for the year includes:</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Fees paid to auditor for audit services	6	6
Operating lease rentals	4	12
Depreciation of tangible fixed assets	33	37
	<u>39</u>	<u>55</u>

### Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;

The Academy Trust charges for these services on the following basis:

6.5% Government Annual Grant

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 6 Expenditure

(Continued)

The amounts charged during the year were as follows:

**Total  
£'000**

Oak View Academy

36

36

### 7 Charitable activities

**Unrestricted  
funds  
£'000**

**Restricted  
funds  
£'000**

**Total  
2016  
£'000**

**Total  
2015  
£'000**

Direct costs - educational operations

19

708

727

618

Support costs - educational operations

-

408

408

427

19

1,116

1,135

1,045

**2016  
£'000**

**2015  
£'000**

#### Analysis of support costs

Support staff costs

115

133

Depreciation and amortisation

33

37

Technology costs

33

4

Premises costs

93

69

Other support costs

50

98

Governance costs

84

86

408

427

### 8 Staff costs

**2016  
£'000**

**2015  
£'000**

Wages and salaries

613

558

Social security costs

44

33

Operating costs of defined benefit pension schemes

117

96

Staff costs

774

687

Supply staff costs

-

2

Staff development and other staff costs

6

28

Total staff expenditure

780

717

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 8 Staff costs

(Continued)

#### Staff numbers

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

	2016 Number	2015 Number
Teachers	13	12
Administration and support	14	12
Management	1	1
	<u>28</u>	<u>25</u>

#### Higher paid staff

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

	2016 Number	2015 Number
Over 60,000	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the Academy Trust comprise the governors 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 £121,395 (2015: £117,732)

### 9 Governors' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contract of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

The value of governors' remuneration and other benefits was as follows:

Fiona Rimmer (Headteacher - Oak View Academy) (Principal):

Remuneration £60,000 - £70,000 (2015: £60,000 - £70,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £5,000 - £10,000)

Richard Clark (Deputy Headteacher - Oak View Academy):

Remuneration £40,000 - £50,000 (2015: £40,000 - £50,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

Other related party transactions involving the governors are set out within the related parties note.



# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 10 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust is part of the DFE's Risk Protection Insurance scheme to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this scheme is £25 per pupil (covering all insured risks, of which this risk is an inseparable part) with funding taken directly at source from the EFA.

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

### 11 Tangible fixed assets

	Leasehold land and buildings £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>			
At 1 September 2015	2,412	73	2,485
Additions	10	13	23
	<u>2,422</u>	<u>86</u>	<u>2,508</u>
At 31 August 2016	2,422	86	2,508
<b>Depreciation</b>			
At 1 September 2015	27	18	45
Charge for the year	19	14	33
	<u>46</u>	<u>32</u>	<u>78</u>
At 31 August 2016	46	32	78
<b>Net book value</b>			
At 31 August 2016	2,376	54	2,430
	<u>2,385</u>	<u>55</u>	<u>2,440</u>
At 31 August 2015	2,385	55	2,440

The leasehold property relates to the school premises which the Academy occupies at a peppercorn rental rate. In accordance with FRS 5 Reporting the Substance of Transactions and the EFA Accounts Direction 2013 the property was introduced upon the conversion of the school to an academy on 1 April 2014 at a valuation of £2,412,310. This adjustment was made as substantially all of the risks and rewards of ownership of the property rest with the Academy.

The valuation is based on the insured value and has not been formally valued.

The Trust have undertaken a full assets and inventory register for all fixed assets at Oak View Academy.

### 12 Debtors

	2016 £'000	2015 £'000
Trade debtors	1	6
VAT recoverable	24	18
Prepayments and accrued income	39	24
	<u>64</u>	<u>48</u>

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Creditors: amounts falling due within one year	2016 £'000	2015 £'000
Trade creditors	74	62
Other taxation and social security	13	12
Other creditors	13	12
Accruals and deferred income	23	20
	<u>123</u>	<u>106</u>
	<u><u>123</u></u>	<u><u>106</u></u>
 14 Deferred income	 2016 £'000	 2015 £'000
Deferred income is included within:		
Creditors due within one year	15	17
	<u>15</u>	<u>17</u>
	<u><u>15</u></u>	<u><u>17</u></u>
 Deferred income at 1 September 2015	 17	 15
Released from previous years	(17)	(15)
Amounts deferred in the year	15	17
	<u>15</u>	<u>17</u>
	<u><u>15</u></u>	<u><u>17</u></u>
 Deferred income at 31 August 2016	 15	 17
	<u>15</u>	<u>17</u>
	<u><u>15</u></u>	<u><u>17</u></u>

At the balance sheet date the Academy Trust was holding funds received in advance for its 2016/17 academic year.

15 Funds	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant	46	718	(1,099)	261	(74)
Other DfE / EFA grants	130	124	-	(124)	130
Other government grants	124	131	-	(131)	124
	<u>300</u>	<u>973</u>	<u>(1,099)</u>	<u>6</u>	<u>180</u>
Funds excluding pensions	300	973	(1,099)	6	180
Pension reserve	(285)	-	16	(298)	(567)
	<u>15</u>	<u>973</u>	<u>(1,083)</u>	<u>(292)</u>	<u>(387)</u>
	<u><u>15</u></u>	<u><u>973</u></u>	<u><u>(1,083)</u></u>	<u><u>(292)</u></u>	<u><u>(387)</u></u>

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds	(Continued)				
Restricted fixed asset funds					
DfE / EFA capital grants	15	-	(33)	18	-
Inherited funds	2,385	-	-	(19)	2,366
Capital expenditure from GAG	(33)	-	-	33	-
	<u>2,367</u>	<u>-</u>	<u>(33)</u>	<u>32</u>	<u>2,366</u>
Total restricted funds	<u>2,382</u>	<u>973</u>	<u>(1,116)</u>	<u>(260)</u>	<u>1,979</u>
Unrestricted funds					
General funds	-	97	(19)	(38)	40
Total funds	<u>2,382</u>	<u>1,070</u>	<u>(1,135)</u>	<u>(298)</u>	<u>2,019</u>

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

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

The Restricted Fixed Asset Fund comprises the deemed gifting of the school premises against which depreciation will be charged over the 125 year term of the lease. Also contained in the fund are grants for the extension of the school building against which depreciation will be charged on the additions over the remainder of the lease term.

The deficit arising on the GAG during the period was budgeted following a fall in pupil numbers as a result of the last OFSTED inspection. The Trust has incurred high levels of expenditure in order to improve the facilities, teaching provisions and IT equipment at Oakview in order to improve performance and increase pupil numbers. This has naturally created a deficit as expenditure exceeded income in the year, however the Trust held sufficient cash reserves to finance this position. The Trust expects to return to a surplus position by September 2018.

### Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2016 were allocated as follows:	
Oak View Academy	220
Total before fixed assets fund and pension reserve	220
Restricted fixed asset fund	2,366
Pension reserve	(567)
<b>Total funds</b>	<u>2,019</u>

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 15 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Oak View Academy	660	97	60	203	1,020
Central services	5	18	-	85	108
	<u>665</u>	<u>115</u>	<u>60</u>	<u>288</u>	<u>1,128</u>

### 16 Pensions 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 Cheshire West and Chester Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £12,701 (2015: £3k) were payable to the schemes at 31 August 2016 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

Not less than every four years 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.

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- 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%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £55,853 (2015: £46,289).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are per cent for employers and per cent for employees. The estimated value of employer contributions for the forthcoming year is £44,000.

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.

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	44	45
Employees' contributions	14	12
	<hr/>	<hr/>
Total contributions	58	57
	<hr/>	<hr/>
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.1	3.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
	<hr/>	<hr/>

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Pensions and similar obligations

(Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	22.3	22.3
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.7	26.7

#### The Academy Trust's share of the assets in the scheme

	2016 Fair value £'000	2015 Fair value £'000
Equities	256	166
Bonds	189	141
Property	34	32
Other assets	5	14
Total market value of assets	484	353

Actual return on scheme assets - gain/(loss)	73	(26)
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#### Amounts recognised in the statement of financial activities

	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	60	53
Net interest cost	(32)	7

#### Changes in the present value of defined benefit obligations

	2016 £'000
Obligations at 1 September 2015	638
Current service cost	60
Interest cost	26
Employee contributions	14
Actuarial loss	313
At 31 August 2016	1,051

# NORTH WEST ACADEMIES TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

<b>16</b>	<b>Pensions and similar obligations</b>	<b>(Continued)</b>		
	<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>		<b>2016</b>	
			<b>£'000</b>	
	Assets at 1 September 2015		353	
	Interest income		15	
	Return on plan assets (excluding amounts included in net interest):			
	Actuarial gain		58	
	Employer contributions		44	
	Employee contributions		14	
	At 31 August 2016		484	
<b>17</b>	<b>Analysis of net assets between funds</b>			
		<b>Unrestricted</b>	<b>Restricted funds:</b>	<b>Total</b>
		<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Fund balances at 31 August 2016 are represented by:</b>			
	Tangible fixed assets	(1)	-	2,431
	Current assets	-	279	-
	Creditors falling due within one year	41	(99)	(65)
	Defined benefit pension liability	-	(567)	-
		40	(387)	2,366
				2,019
<b>18</b>	<b>Reconciliation of net income/(expenditure) to net cash flows from operating activities</b>			
			<b>2016</b>	<b>2015</b>
			<b>£'000</b>	<b>£'000</b>
	Net income/(expenditure) for the reporting period		(65)	98
	Adjusted for:			
	Defined benefit pension costs less contributions payable		16	8
	Defined benefit pension net finance cost/(income)		(32)	7
	Depreciation of tangible fixed assets		33	37
	(Increase)/decrease in debtors		(16)	69
	Increase/(decrease) in creditors		17	(75)
	<b>Net cash used in operating activities</b>		<b>(47)</b>	<b>144</b>

# **NORTH WEST ACADEMIES TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### **19 Commitments under operating leases**

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due in two and five years	15	19
	<u>          </u>	<u>          </u>

#### **20 Related party transactions**

Owing to the nature of the Multi Academy Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:-

During the period, Timpson Limited, a company in which W J Timpson, a Governor in The Delamere Church of England Primary Academy, is a director, granted a bursary of £50,000 (2015: £45,000) to Oak View Academy, a school operated by the Academy Trust. This bursary has been recognised in full in the current period.

During the period, The Delamere Church of England Primary Academy recharged £26,921 (2015: £18,327) to North West Academies Trust Limited for school to school support. No amounts were due to The Delamere Church of England Primary Academy at the year end (2015: £4,766).

During the period, North West Academies Trust Limited recharged £8,000 (2015: £8,000) to The Delamere Church of England Primary Academy for shared financial services and compliance provided to the school. Furthermore, North West Academies Trust Limited recharged £4,311 (2015: £513) for expenditure incurred on the Academy's behalf. No amounts were due from The Delamere Church of England Primary Academy at the year end (2015: £3,713).

During the period, North West Academies Trust Limited recharged £10,000 (2015: £10,000) to St Martin's Academy for shared financial services and compliance provided to the school. Furthermore, North West Academies Trust Limited recharged £4,258 (2015: £1,040) for expenditure incurred on behalf of St Martin's Academy. An amount of £806 (2015: £2,290) was due from St Martin's Academy at the year end and is included within debtors.

In entering into the above transactions, the trust had complied with the requirements of the Academies Financial Handbook 2016.

#### **21 Post balance sheet events**

On 1 September 2016, Ellesmere Primary School, Ellesmere, Shropshire joined North West Academies Trust Limited.



# **NORTH WEST ACADEMIES TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### **22 Members' liability**

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