

REGISTERED COMPANY NUMBER: 08852553 (England and Wales)

Report of the Trustees and
Financial Statements for the Year Ended 31st August 2018
for
North West Academies Trust Limited

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN



North West Academies Trust Limited

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for the Year Ended 31st August 2018

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North West Academies Trust Limited

Reference and Administrative Details
for the Year Ended 31st August 2018

MEMBERS

I Colledge
Sir J Timpson (appointed 1.10.17)
Chester Diocesan BoE (appointed 1.10.17)
M J Forber (resigned 1.9.17)
B J Wignall
A P Walmsley (resigned 30.9.17)

TRUSTEES

K Cobb (appointed 1.10.17)
K L Cook (appointed 1.10.17) *
S E Docking (Accounting Officer) *
M J Forber
D N Jones (appointed 1.10.17) *
E M Ollman (appointed 1.10.17)
J Roberts-Joyce (appointed 1.10.17)
A P Walmsley (Chair of Finance Committee)
B J Wignall (Chairman)

* members of the finance and general purpose committee

COMPANY SECRETARY

Oliver & Co Secretarial Services Limited

SENIOR MANAGEMENT TEAM

F Whittaker (Principal - Oak View Academy)
A Everett (Former Headteacher - Ellesmere)
J Clayton (Head of Academy - Delamere)
S E Docking (CEO)
W Smith (Head of Academy - St Martin's)
S Roberts (Headteacher - Ellesmere)

REGISTERED OFFICE

Cedar House
91 Hoole Road
Chester
CH2 3NJ

**REGISTERED COMPANY
NUMBER**

08852553 (England and Wales)

North West Academies Trust Limited

Reference and Administrative Details
for the Year Ended 31st August 2018

AUDITORS

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

BANKERS

Lloyds Bank Group PLC
25 Gresham Street
London
EC2V 7HN

SOLICITORS

Oliver & Co Solicitors Ltd
Douglas House
117 Foregate Street
Chester
Cheshire
CH1 1HE

Report of the Trustees
for the Year Ended 31st August 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust operates 4 primary academies in Cheshire West and Chester and Shropshire. Its academies have a combined pupil capacity of 1033 and had a roll of 839 in the academy census in the summer term 2018.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The 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 our academies and those with a designated Church of England religious character by offering a broad and balanced curriculum.

We aim to ensure that all children who attend any of the academies have a right to an outstanding education. The trust is responsible for ensuring that each academy is compliant with their statutory obligations but in addition to this the trust staff offer support and challenge in equal measure to the individual academy leadership. This is delivered through a 'bottom up' approach from the trust not through 'top down' control.

Significant activities

The main objectives of the MAT during the year ended 31 August 2018 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, guidance and care;
- To continue to raise the standard of educational achievement and attainment of all pupils, ensuring that each child achieves to the best of their ability;
- To improve the effectiveness of each 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 Diocese (in our Church Academies), the local community and other key stakeholders involved in supporting each of our academies.
- To conduct the business of the academy trust in accordance with the highest standards of integrity, probity and openness following the seven principles of public life.

Report of the Trustees
for the Year Ended 31st August 2018

OBJECTIVES AND ACTIVITIES

Public benefit

The trust strives to promote and support the advancement of education within the local area. Each academy within the MAT provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport.

Wherever possible each academy also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example to:

- Local sports clubs
- After academy activities
- Third parties i.e. clubs

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees 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.

Report of the Trustees
for the Year Ended 31st August 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Trust currently operates four academies. They are:

The Delamere CE Primary Academy

Delamere - Officially joined NWAT on 1/10/2017 but is the founder academy of NWAT and joined the trust when we changed our articles of association to become a mixed MAT. The academy is rated outstanding in all areas, has exceptionally high pupil performance and has an outstanding SIAMS report. 2017/18 was another very successful year for the Academy with children in KS2 achieving 98.5% pass rate, which is well above the national average (71%) for combined reading, writing, maths and grammar. In the KS1 SATs these results were also pleasing with 92.5% passing the expected standard, once again well above the national average of 73%. In regards to EYFS data, the school achieved a pass rate of 83%, which met the schools ambitious target and was 12% above the national average of 71%.

Highlights of the year include:

- Delamere was featured in Tatler Magazine (2018) and were rated as one of the top 10 state primary schools in the country.
- The Schools Minister, Nick Gibb, has written to the school to congratulate us on being in the top 1% nationally for attainment.
- A combination of the charity work the children do in their houses and through PTA events has resulted in over £3000 being raised this year.

St Martin's Academy, Chester

This academy opened in September 2013 as a free school for Chester. It was rated outstanding by Ofsted in May 2015 and has outstanding standards of education in all areas. It is one of the most oversubscribed schools in Cheshire West and Chester. St Martin's Academy continues to be the most oversubscribed school in the local area. Results at all statutory assessment points far exceed national averages and in the most part meet or exceed targets set at the start of the year with overall attendance at over 98% for the year. Teacher retention rates are high with the school acting as a strategic partner with the University of Chester in the development of Associate Teachers at undergraduate and post-graduate level. The school building is reaching capacity, with expansion into Cedar House requiring sympathetic renovation this year and next. The children attending school and their parents are our biggest assets; they are happy and speak highly of the school, they set high expectation of themselves and are well prepared for the next step on their learning journey.

Highlights of the year include:

- 100% of children passed the Phonics Screening Check compared to 82% nationally achieving the high targets set by the Trust.
- 92% GLD across the EYFS, more than 20% higher than the national average with an average point scores across all ELGs of 48.08pts compared to 34.6pts nationally.
- In KS1, 88% of children achieved the national expectations in reading and mathematics with 92% reaching standard in writing, more than 10% higher than national averages.

Report of the Trustees
for the Year Ended 31st August 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Oak View Academy, Winsford

This academy joined NWAT in April 2014 and was a forced academisation. It was officially rated as the second worst school in the country based on academic results in 2014. Three years after it joined the trust it was rated good by Ofsted and is the highest performing school in the town of Winsford. In 2017-18, the school achieved its best set of Foundation stage results: 73% of our children achieving good level of development. As a result of the improvements in the foundation stage, entry into reception is now oversubscribed. Children in years 2 and 6 also achieved their best results in writing since academisation: 76% at the end of year 6 and 48% at the end of year 2. This helped us to achieve the combined score of 65% for reading, writing and maths in Y6.

Highlights of the year include:

- The school has used the Sports Premium to employ a PE teacher, which has had an enormous impact in the children's participation in PE and in sporting competitions within the trust and with other local schools. Some of the teams have started to win local tournaments.
- In addition through use of The Timpson Foundation bursary the children had opportunities to visit Belfast and London. Oak View also use their pupil premium funding to employ a full time speech and language therapist which has helped to improve a large number of children speech and language levels to age related expectations.

Ellesmere Primary School, Ellesmere, Shropshire

- Joined our trust in September 2016. The school had debts of over £250,000 at the point of joining our trust and academic standards that were considerably below floor targets. It is Ofsted rated good but through working with the trust is now able to set a balanced budget and has considerably improved academic performance for all children who attend the school. 2017/18 was a year of significant change at Ellesmere. Head and Deputy Head positions both changed mid-year. The new senior leadership team have worked extremely hard, with dedicated trust support, to ensure that the experience for children, parents and staff at the school has continued to improve through this period and that outcomes remain positive. The targets for attainment that were set in September 2017 were considered to be challenging and aspirational. However, several of these targets were met and exceeded. Notably in years 1, 2 and 3. Published KS1 and KS2 outcomes show that children continue to achieve better than national in most cases and highlight some important areas for future targeting. Most notably, reading and writing progress between key stages.

Highlights of the year include:

- Maths remains a real strength throughout the school, particularly given children's below average starting points in EYFS. KS2 Maths outcomes 80% Exp 31% GD compared to 76% and 24% nationally.
- Percentage of disadvantaged pupils achieving the expected standard or higher in reading, writing and maths combined at Key Stage 2 was 83% versus 70% national none disadvantaged pupils.
- Key Stage 1 outcomes: Reading 82% Exp 33% GD; Writing 78% Exp 22% GD; Maths 84% Exp 24% GD. School Games Gold Awarded in 2017/18 - One year ahead of expectations due to the dedication and passion of our sports team and the support and enthusiasm of the trust.

Report of the Trustees
for the Year Ended 31st August 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

In addition to this the trust is going through a period of expansion and growth. We have a free school in pre opening which will be based in Ellesmere Port and is due to open in September 2022. Also we have been in re-brokerage talks with the DFE for three additional academies to join our trust. Two joined on 1 November 2018 and one on 1 December 2018. Further details can be found in the post balance sheet event notes.

Key financial performance indicators

The trust aims for all academies within the trust to achieve the annual agreed performance set by the LGB prior to the start of the financial year. Furthermore, the trust requires all academies to operate balanced budgets unless the deficit budget is required for investment and reserves are available to cover this budget.

The trust also requires each academy to maintain adequate reserves to cover the day to day running of each academy. This is usually set at one months' running costs.

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

Financial review

Financial position

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2018, total expenditure of £4,751,000 was covered by income funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year was £3,194,000

At 31 August 2018, the net book value of fixed assets was £10,642,000 and movements in tangible fixed assets are shown in the notes to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the academies within the trust.

Investment policy and objectives

The Trust does not have any long-term investments with the cash reserves of the Trust being held in bank accounts. The Trust has no plans for any long-term investment purchases.

Report of the Trustees
for the Year Ended 31st August 2018

STRATEGIC REPORT

Financial review

Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's cost. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long-term sickness where unforeseen costs are incurred.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

The balance on the restricted general fund (excluding pensions and fixed asset reserve) plus the balance on the unrestricted fund at 31st August 2018 amounted to £98,000.

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.

Fundraising

The Trust does not do any fundraising. All schools within the trust operate Parent Teacher Associations or equivalent parent support bodies, who fundraise on behalf of each individual school. Funds raised are donated directly to the school in question.

Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the academy trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the academy trust's financial position, including revenue streams, cost control and cash management.

The risks to which the academy trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

Future plans

On 1 October and 1 November a total of three new schools were admitted to the trust following a re-brokering exercise by the DfE. This doubles the activities of the trust. Furthermore all three schools require restructuring. The immediate plans are to restore these schools to educational and financial health whilst maintaining the quality of education provided by the existing schools within the trust.

Report of the Trustees
for the Year Ended 31st August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity 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 trustees of North West Academies Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as North West Academies Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details.

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 cease to be a member.

Trustees' Indemnities

The academy trust maintains Governors' and officers' liability insurance through the RPA scheme which gives appropriate cover for any legal action brought against its Governors. The academy trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the academy trust.

The academy trust is a member of the Risk Protection Scheme for academies.

Recruitment and appointment of new trustees

Under the terms of our Articles:

- The members may appoint by ordinary resolution up to 10 trustees.
- The total number of trustees including the Chief Executive Officer, if they so choose to act as a trustee, who are employees of the academy trust shall not exceed one third of the total number of trustees.
- In circumstance where the trustees have not appointed local governing bodies in respect of academies, there shall be a minimum of two parent trustees.
- Parent trustees and parent local governors shall be elected, or appointed by interview, if the number of parents or individuals exercising parental responsibility standing for election is less than the number of vacancies.
- The trustees may appoint co-opted trustees. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees.

Report of the Trustees
for the Year Ended 31st August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The organisational structure consists of three levels: the trustees, the local governing board (LGB) and the academy leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. Responsibilities are delegated through our scheme of delegation.

The trustees are responsible for setting general policy and dealing with compliance. The LGB create an annual plan for their academy and budget accordingly. They monitor the academy by the use of performance reports and budgets. They make major decisions about the direction of the academy, capital expenditure and senior staff appointments and this is delegated through the scheme of delegation. Overall responsibility for ensuring value for money and challenging the academies on how they spend their delegated budgets to improve outcomes for children rests with the CEO.

The senior leadership team is different in each academy. These managers control the academy at an executive level implementing the policies laid down by the trustees and the LGB then reporting back to them. As a group the senior leadership team are responsible for the authorisation of spending up to a level delegated to them, within agreed budgets, and the appointment of staff, although appointment boards for posts in the senior leadership team always contain a trustee. Some spending control is devolved to members of the middle management team, with limits, above which a member of the senior leadership team must countersign.

The middle management team includes curriculum area leaders and heads of year. Along with the senior management team these managers are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

Induction and training of new trustees

The training and induction provided for new trustees depends on their previous experience. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a trustee. New trustees may attend an induction if relevant and have access to a full programme of courses which they will choose to attend, based on their role and experience. Trustees can and do visit all academies within the trust and meetings are held at each of the academies on a rota basis.

Report of the Trustees
for the Year Ended 31st August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The key management personnel of the academy trust comprise the trustees, CEO and senior leadership team as disclosed on the Reference and Administrative page.

The pay policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the CEO and following guidance from the relevant professional pay review bodies. The CEO is not involved in setting their own remuneration.

Only staff trustees, including the relevant academy leader at each academy and the CEO, are remunerated, and these individuals are only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in notes to the financial statements.

The day to day running of the remuneration policy is delegated to the CEO and academy leaders at each academy and monitored by the LGB and finance and resources committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked closely to pay spines, helping trustees conclude that each individual's remuneration is at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at the specific approved rates.

The board always bear in mind the charitable status of the academy trust and in recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in the notes to the financial statements.

Related parties

The academy trust is fortunate to benefit from two bursaries provided by The Timpson Foundation. The Timpson Foundation is a Charitable Trust operated by Sir John Timpson, one of the Members. The bursaries are given to Oak View Academy and Delamere Academy. Both are for the provision of extra curricular activities such as educational trips and visits.

The academy trust also benefits from discounted legal services from Oliver and Co, Solicitors, based in Chester. Kay Cook is a Trustee of the Academy Trust and also a Director and shareholder of Oliver and Co.

All academies encourage parents to form active PTA's both to encourage parental involvement and raise academy funds. All academies within the academy trust have a PTA.

Trade union facility time

The Trust and our academies currently have no relevant Trade Union Officials on staff but recognises employee rights to be a member of a trade union and respects this accordingly.

Report of the Trustees
for the Year Ended 31st August 2018

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

AUDITORS

The auditors, UHY Hacker Young, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13th December 2018 and signed on the board's behalf by:


Trustee

BJ WIGNALL

North West Academies Trust Limited

Governance Statement for the Year Ended 31st August 2018

Scope of Responsibility

As trustees, 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the CEO, 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 trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 4 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
B J Wignall	3	4
S E Docking	4	4
K L Cook	3	4
D N Jones	2	4
J Roberts-Joyce	3	4
K Cobb	3	4
A P Walmsley	3	4
M J Forber	4	4
E M Ollman	3	4

J Timpson & I Colledge also attended 2 out of a possible 2 meetings in their capacity as members.

During the year five new trustees were appointed following the admission of The Delamere Primary Academy and St Martins Academy into the trust.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the academy effectively, and to ensure the academy provides a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring.

Attendance at the Finance and General Purpose Committee meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
A Walmsley*	2	2
K Cook	2	2
D Jones	1	2
S Docking	2	2

* Char of Finance

Governance Statement
for the Year Ended 31st August 2018

Review of Value for Money

As accounting officer, the Chief Executive, Steve Docking, has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by ensuring that excellent education is provided for all with targeted intervention to achieve the best use of staff resources, robust review of spending decisions and benchmarking of spending across all academies in the Trust to ensure that best practice is shared and acted upon.

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 charitable company 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 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The 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 trustees;
 - regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
 - setting targets to measure financial and other performance;
 - clearly defined purchasing (asset purchase or capital investment) guidelines.
 - delegation of authority and segregation of duties;
- identification and management of risks.

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

- not to appoint an internal auditor at this stage, although have implemented this for the academic year 2018/19. However, the trustees have appointed Adrian Walmsley, a trustee, as the internal reviewer;

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

Governance Statement
for the Year Ended 31st August 2018


Review of Effectiveness

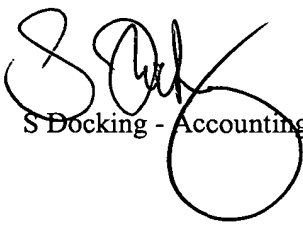
As accounting officer, Steve Docking has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the peer reviewer;
- the work of the external auditor;
- 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 ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 13th December 2018 and signed on its behalf by:


B. WIGNALL
- Trustee


S Docking - Accounting Officer

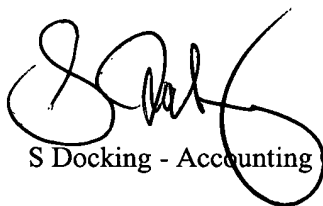
North West Academies Trust Limited

Statement on Regularity, Propriety and Compliance
for the Year Ended 31st August 2018

As accounting officer of North West Academies Trust Limited I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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 board of trustees and ESFA.



S Docking - Accounting Officer

13th December 2018

North West Academies Trust Limited

Statement of Trustees Responsibilities
for the Year Ended 31st August 2018

The trustees (who act as governors of North West Academies Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 13th December 2018 and signed on it's behalf by:


BJWIGNALL

Trustee

Report of the Independent Auditors to the Members of North West Academies Trust Limited

Opinion

We have audited the financial statements of North West Academies Trust Limited (the 'charitable company') for the year ended 31st August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2018 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 Academies Accounts Direction 2017 to 2018.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of
North West Academies Trust Limited

Opinion on other matters prescribed by the Companies Act 2006

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report of the Independent Auditors to the Members of
North West Academies Trust Limited



Nicolaus Stuart Jenkins (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

13th December 2018

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 1st September 2017 to 31st August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

13th December 2018

In accordance with the terms of our engagement 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 West Academies Trust Limited during the period 1st September 2017 to 31st August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to North West Academies Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to North West Academies Trust Limited 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 West Academies Trust Limited and the ESFA, 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 and the Academies Financial Handbook, extant from 1st 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 1st September 2017 to 31st August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 charitable company's income and expenditure.

North West Academies Trust Limited

Statement of Financial Activities
for the Year Ended 31st August 2018

					31.8.18	31.8.17
	Not es	Unrestricted fund £'000	General restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	55	6	3,554	3,615	177
Transfer from Local Authority on conversion		-	-	-	-	2,843
Charitable activities						
Funding for the academy's educational operations	4	397	3,913	-	4,310	2,625
Other trading activities	5	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>126</u>
Total		472	3,919	3,554	7,945	5,771
EXPENDITURE ON						
Raising funds		-	7	-	7	-
Charitable activities						
Academy's educational operations		<u>170</u>	<u>4,417</u>	<u>157</u>	<u>4,744</u>	<u>3,070</u>
Total	6	<u>170</u>	<u>4,424</u>	<u>157</u>	<u>4,751</u>	<u>3,070</u>
NET INCOME/(EXPENDITURE)		302	(505)	3,397	3,194	2,701
Transfers between funds	20	<u>(204)</u>	<u>160</u>	<u>44</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	623
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>332</u>	<u>-</u>	<u>332</u>	<u>259</u>
Net movement in funds		98	(13)	3,441	3,526	3,583

The notes form part of these financial statements

North West Academies Trust Limited

Statement of Financial Activities - continued
for the Year Ended 31st August 2018

				31.8.18	31.8.17
	Unrestricted	General	Restricted	Total	Total
	fund	restricted	fixed asset	funds	funds
	£'000	funds	funds	£'000	£'000
	Not	£'000	£'000		
	es				
RECONCILIATION OF FUNDS					
Total funds brought forward	-	(1,597)	7,199	5,602	2,019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>98</u>	<u>(1,610)</u>	<u>10,640</u>	<u>9,128</u>	<u>5,602</u>

All of the charitable company's activities derive from acquisitions in the current year.

The notes form part of these financial statements

North West Academies Trust Limited

Balance Sheet

At 31st August 2018

	Notes	31.8.18 £'000	31.8.17 £'000
FIXED ASSETS			
Tangible assets	12	10,642	7,232
CURRENT ASSETS			
Debtors	13	120	93
Cash at bank		<u>499</u>	<u>388</u>
		619	481
CREDITORS			
Amounts falling due within one year	14	(447)	(356)
NET CURRENT ASSETS		<u>172</u>	<u>125</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,814	7,357
CREDITORS			
Amounts falling due after more than one year	15	(76)	(160)
PENSION LIABILITY	21	(1,610)	(1,595)
NET ASSETS		<u>9,128</u>	<u>5,602</u>
FUNDS	20		
Unrestricted funds		98	-
Restricted funds		<u>9,030</u>	<u>5,602</u>
TOTAL FUNDS		<u>9,128</u>	<u>5,602</u>

The notes form part of these financial statements

North West Academies Trust Limited

Balance Sheet - continued

At 31st August 2018

The financial statements were approved by the Board of Trustees on 13th December 2018 and were signed on its behalf by:



BJ WIGNALL

Trustee

The notes form part of these financial statements

North West Academies Trust Limited

Cash Flow Statement
for the Year Ended 31st August 2018

	Notes	31.8.18 £'000	31.8.17 £'000
Cash flows from operating activities:			
Cash generated from operations	1	13	(160)
Interest element of hire purchase and finance lease rental payments		<u>-</u>	<u>(1)</u>
Net cash provided by (used in) operating activities		<u>13</u>	<u>(161)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(32)	-
Capital grants from DfE/ESFA		<u>25</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(7)</u>	<u>-</u>
Cash flows from financing activities:			
Loan repayments in year		(107)	266
Capital repayments in year		<u>-</u>	<u>25</u>
Net cash provided by (used in) financing activities		<u>(107)</u>	<u>291</u>
Cash transferred on conversion & from existing academies		<u>212</u>	<u>43</u>
Change in cash and cash equivalents in the reporting period		111	173
Cash and cash equivalents at the beginning of the reporting period		<u>388</u>	<u>215</u>
Cash and cash equivalents at the end of the reporting period		<u>499</u>	<u>388</u>

The notes form part of these financial statements

North West Academies Trust Limited

Notes to the Cash Flow Statement
for the Year Ended 31st August 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.18	31.8.17
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	3,194	2,701
Adjustments for:		
Depreciation	163	55
Capital grants from DfE/ESFA	(25)	-
Transfer from Local Authority on conversion	-	(3,132)
Interest element of hire purchase and finance lease rental payments	-	1
Transfers in of existing academies	(3,502)	-
Increase in debtors	(27)	(29)
Increase in creditors	7	102
Difference between pension charge and cash contributions	<u>203</u>	<u>142</u>
Net cash provided by (used in) operating activities	<u><u>13</u></u>	<u><u>(160)</u></u>

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

1. ACCOUNTING POLICIES

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going concern

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes, 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.

Critical areas of judgement

Income receipts are calculated by reference to the amounts received to date and grant, sponsorship by 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.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received 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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

2. ACCOUNTING POLICIES - continued

Sponsorship income

Sponsorship income provided to the charity 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 it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the charity 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'.

Donated fixed assets

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 charity's accounting policies.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Costs of charitable activities are incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity 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' meeting and reimbursed expenses.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Straight line over 125 years and Straight line over 60 years
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost

Assets with an estimated useful economic life of two years or more are capitalised at 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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

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 the notes. Prepayments are not financial instruments.

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

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

2. ACCOUNTING POLICIES - continued

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement 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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

2. ACCOUNTING POLICIES - continued

Transfer of assets from existing academies

Where assets are received on the transfer of an existing academy into the Academy Trust, 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, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within donations and capital grant income.

Liabilities

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

Provisions

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

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

3. DONATIONS AND CAPITAL GRANTS

	31.8.18	31.8.17
	£'000	£'000
Donations	33	127
Grants	25	-
Private sponsorship	55	50
Transfer In - Existing academies	<u>3,502</u>	<u>-</u>
	<u>3,615</u>	<u>177</u>

Grants received, included in the above, are as follows:

	31.8.18	31.8.17
	£'000	£'000
Devolved formula capital	<u>25</u>	<u>-</u>

North West Academies Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	31.8.18 Total funds £'000	31.8.17 Total funds £'000
Other income from the academy trust's educational operations	397	-	397	-
Grants	<u>-</u>	<u>3,913</u>	<u>3,913</u>	<u>2,625</u>
	<u>397</u>	<u>3,913</u>	<u>4,310</u>	<u>2,625</u>

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	31.8.18 Total funds £'000	31.8.17 Total funds £'000
DfE/ESFA revenue grant				
General Annual Grant (GAG)	-	3,174	3,174	2,014
Start up grants	-	-	-	11
Other DfE/ESFA grants	<u>-</u>	<u>436</u>	<u>436</u>	<u>309</u>
	-	3,610	3,610	2,334
Other government grant				
Local authority grants	<u>-</u>	<u>303</u>	<u>303</u>	<u>291</u>
	<u>-</u>	<u>3,913</u>	<u>3,913</u>	<u>2,625</u>

5. OTHER TRADING ACTIVITIES

	31.8.18 £'000	31.8.17 £'000
Hire of facilities	11	27
Other income	<u>9</u>	<u>99</u>
	<u>20</u>	<u>126</u>

North West Academies Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

6. EXPENDITURE

				31.8.18	31.8.17
	Staff costs	Non-pay expenditure		Total	Total
	£'000	Premises	Other costs	£'000	£'000
		£'000	£'000		
Raising funds					
Costs of fundraising					
Direct costs	-	-	7	7	-
Charitable activities					
Academies educational operations					
Direct costs	2,651	-	304	2,955	1,874
Allocated support costs	<u>834</u>	<u>376</u>	<u>579</u>	<u>1,789</u>	<u>1,196</u>
	<u>3,485</u>	<u>376</u>	<u>890</u>	<u>4,751</u>	<u>3,070</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.18	31.8.17
	£'000	£'000
Auditors remuneration	7	6
Other non-audit services	4	3
Depreciation - owned assets	157	54
Other operating leases	<u>5</u>	<u>4</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:

- 4% to 6.5% based on GAG
- Flat amount

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

6. EXPENDITURE - continued

The amounts charges during the year were as follows:

	Total £'000 2018	Total £'000 2017
Oak View Academy	48	45
Ellesmere Primary School	85	83
St Martin's Academy	15	-
Delamere CofE Academy	15	-
	<u>163</u>	<u>128</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	31.8.18 Total funds £'000	31.8.17 Total funds £'000
Direct costs	66	2,889	2,955	1,874
Support costs	<u>104</u>	<u>1,685</u>	<u>1,789</u>	<u>1,196</u>
	<u>170</u>	<u>4,574</u>	<u>4,744</u>	<u>3,070</u>

	31.8.18 Total £'000	31.8.17 Total £'000
Analysis of support costs		
Support staff costs	834	526
Depreciation	58	25
Technology costs	49	41
Premises costs	376	254
Other support costs	395	196
Governance costs	<u>77</u>	<u>154</u>
Total support costs	<u>1,789</u>	<u>1,196</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

8. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

S Docking (CEO, Accounting Officer & Trustee)

- Remuneration £75,000 - £80,000 (2017: £5,000 - £10,000)
- Employers pension contributions paid £10,000 - £15,000 (2017: £NIL)

Trustees' expenses

During the period ended 31st August 2018, travel and subsistence expenses totalling £2,800 were reimbursed to 1 trustee (2017: NIL).

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

9. STAFF COSTS

	31.8.18	31.8.17
	£'000	£'000
Wages and salaries	2,572	1,700
Social security costs	209	133
Operating costs of defined benefit pension schemes	<u>669</u>	<u>399</u>
	3,450	2,232
Supply teacher costs	6	3
Staff development costs	<u>29</u>	<u>12</u>
	<u><u>3,485</u></u>	<u><u>2,247</u></u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.18	31.8.17
Teachers	48	31
Administrative and support	122	75
Management	<u>4</u>	<u>2</u>
	<u><u>174</u></u>	<u><u>108</u></u>

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

	31.8.18	31.8.17
£60,001 - £70,000	1	2
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u><u>2</u></u>	<u><u>2</u></u>

Key management personnel

The key management personnel of the Academy Trust comprise the governors and the senior management team as listed on the reference and administrative page. The total amount of employee benefits (including employers pension contributions and employers national insurance contributions) received by key management personnel for their service to the Academy Trust was £364,448 (2017: £252,663)

10. TRUSTEES' AND OFFICERS' INSURANCE

The charitable company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	General restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	175	1	1	177
Transfer from Local Authority on conversion	-	(1,390)	4,233	2,843
Charitable activities				
Funding for the academy's educational operations	-	2,625	-	2,625
Other trading activities	<u>126</u>	<u>-</u>	<u>-</u>	<u>126</u>
Total	301	1,236	4,234	5,771
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	<u>59</u>	<u>2,955</u>	<u>56</u>	<u>3,070</u>
NET INCOME/(EXPENDITURE)	242	(1,719)	4,178	2,701
Transfers between funds	<u>(282)</u>	<u>250</u>	<u>32</u>	<u>-</u>
Other recognised gains/(losses)				
Gains/(losses) on revaluation of fixed assets	-	-	623	623
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>259</u>	<u>-</u>	<u>259</u>
Net movement in funds	(40)	(1,210)	4,833	3,583
RECONCILIATION OF FUNDS				
Total funds brought forward	40	(387)	2,366	2,019
TOTAL FUNDS CARRIED FORWARD	<u>-</u>	<u>(1,597)</u>	<u>7,199</u>	<u>5,602</u>

North West Academies Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

12. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1st September 2017	7,174	160	-	7,334
Additions	-	32	-	32
Transfer in from existing academies	<u>3,386</u>	<u>129</u>	<u>20</u>	<u>3,535</u>
At 31st August 2018	<u>10,560</u>	<u>321</u>	<u>20</u>	<u>10,901</u>
DEPRECIATION				
At 1st September 2017	-	102	-	102
Charge for year	<u>99</u>	<u>51</u>	<u>7</u>	<u>157</u>
At 31st August 2018	<u>99</u>	<u>153</u>	<u>7</u>	<u>259</u>
NET BOOK VALUE				
At 31st August 2018	<u>10,461</u>	<u>168</u>	<u>13</u>	<u>10,642</u>
At 31st August 2017	<u>7,174</u>	<u>58</u>	<u>-</u>	<u>7,232</u>

A breakdown of assets transferred into the Trust is shown within the notes to the financial statements, under transfer of existing academies.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18 £'000	31.8.17 £'000
Trade debtors	11	7
VAT	42	30
Prepayments and accrued income	<u>67</u>	<u>56</u>
	<u>120</u>	<u>93</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17
	£'000	£'000
Other loans (see note 16)	83	106
Hire purchase (see note 17)	-	25
Trade creditors	98	90
Social security and other taxes	55	29
Other creditors	57	35
Accruals and deferred income	<u>154</u>	<u>71</u>
	<u>447</u>	<u>356</u>

Deferred Income

	2018	2017
	£'000	£'000
Deferred income at 1 September 2017	46	15
Released from previous years	(46)	(15)
Resources deferred in year	<u>108</u>	<u>46</u>
Deferred Income at 31 August 2018	<u>108</u>	<u>46</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.18	31.8.17
	£'000	£'000
Other loans (see note 16)	<u>76</u>	<u>160</u>

16. LOANS

An analysis of the maturity of loans is given below:

	31.8.18	31.8.17
	£'000	£'000
Amounts falling due within one year on demand:		
ESFA Abatement	<u>83</u>	<u>106</u>
Amounts falling due between two and five years:		
ESFA Abatement	<u>76</u>	<u>160</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

16. LOANS - continued

Ellesmere Primary School converted to Academy status on 1 September 2016. At this date, the school had accumulated a deficit of £250,352 which is require to be repaid to Shropshire County Council. A repayment plan has been agreed over three years with the final repayment being due July 2020. The repayment plan in interest free with monthly payments of £6,954.

The abatement has been secured over one of the properties held by North West Academies Trust Limited via a legal charge.

17. LEASING AGREEMENTS

	Hire purchase contracts	
	31.8.18	31.8.17
	£'000	£'000
Net obligations repayable:		
Within one year	-	25

Fixtures & fittings held under finance lease have a net carrying value of £NIL (2017 £14,058) and depreciation was charges during the year totalling £NIL (2017 £24,099)

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.18	31.8.17
	£'000	£'000
Within one year	4	-
Between one and five years	29	19
	<u>33</u>	<u>19</u>

18. 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 whilst she 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

North West Academies Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.18
	Unrestricted	General	Restricted	Total funds
	fund	restricted	fixed asset	
	£'000	funds	funds	£'000
Fixed assets	-	-	10,642	10,642
Current assets	98	521	-	619
Current liabilities	-	(445)	(2)	(447)
Long term liabilities	-	(76)	-	(76)
Pension liability	-	(1,610)	-	(1,610)
	<u>98</u>	<u>(1,610)</u>	<u>10,640</u>	<u>9,128</u>

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

				31.8.17
	Unrestricted	General	Restricted	Total funds
	fund	restricted	fixed asset	
		funds	funds	£'000
Fixed assets	-	-	7,232	7,232
Current assets	-	481	-	481
Current liabilities	-	(323)	(33)	(356)
Long term liabilities	-	(160)	-	(160)
Pension liability	-	(1,595)	-	(1,595)
	<u>-</u>	<u>(1,597)</u>	<u>7,199</u>	<u>5,602</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

20. MOVEMENT IN FUNDS

	At 1.9.17	Net movement in funds	Transfers between funds	At 31.8.18
	£'000	£'000	£'000	£'000
Unrestricted funds				
General fund	-	302	(204)	98
Restricted funds				
General Annual Grant	224	(187)	(37)	-
Other restricted funds	(226)	29	197	-
Fixed Asset Fund - Transferred on conversion	6,599	(61)	588	7,126
Fixed Asset Fund - DfE/ESFA capital grants	600	-	(544)	56
Fixed Asset Fund - Transfer in of existing academies	-	3,458	-	3,458
Pension Fund	(1,595)	(15)	-	(1,610)
	5,602	3,224	204	9,030
TOTAL FUNDS	<u>5,602</u>	<u>3,526</u>	<u>-</u>	<u>9,128</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	472	(170)	-	302
Restricted funds				
General Annual Grant	3,287	(3,474)	-	(187)
Other DfE/ESFA grants	437	(437)	-	-
Other restricted funds	29	-	-	29
Other government grants	303	(303)	-	-
Fixed Asset Fund - Transferred on conversion	(1)	(60)	-	(61)
Fixed Asset Fund - DfE/ESFA capital grants	21	(21)	-	-
Fixed Asset Fund - Transfer in of existing academies	3,534	(76)	-	3,458
Pension Fund	(137)	(210)	332	(15)
	7,473	(4,581)	332	3,224
TOTAL FUNDS	<u>7,945</u>	<u>(4,751)</u>	<u>332</u>	<u>3,526</u>

North West Academies Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.16	Net movement in funds	Transfers between funds	At 31.8.17
	£'000	£'000	£'000	£'000
Unrestricted Funds				
General fund	40	242	(282)	-
Restricted Funds				
General Annual Grant	(74)	(799)	1,097	224
Start up grants	-	11	(11)	-
Other DfE/ESFA grants	254	309	(563)	-
Other restricted funds	-	(244)	18	(226)
Other government grants	-	291	(291)	-
Fixed Asset Fund - Transferred on conversion	2,366	4,856	(623)	6,599
Fixed Asset Fund - DfE/ESFA capital grants	-	(55)	655	600
Pension Fund	(567)	(1,028)	-	(1,595)
	1,979	3,341	282	5,602
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>2,019</u>	<u>3,583</u>	<u>-</u>	<u>5,602</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	301	(59)	-	242
Restricted funds				
General Annual Grant	2,013	(2,812)	-	(799)
Start up grants	11	-	-	11
Other DfE/ESFA grants	309	-	-	309
Other restricted funds	(244)	-	-	(244)
Other government grants	291	-	-	291
Fixed Asset Fund - Transferred on conversion	4,233	-	623	4,856
Fixed Asset Fund - DfE/ESFA capital grants	1	(56)	-	(55)
Pension Fund	<u>(1,144)</u>	<u>(143)</u>	<u>259</u>	<u>(1,028)</u>
	5,470	(3,011)	882	3,341
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>5,771</u>	<u>(3,070)</u>	<u>882</u>	<u>3,583</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

20. MOVEMENT IN FUNDS - continued

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

	At 1.9.16	Net movement in funds	Transfers between funds	At 31.8.18
	£'000	£'000	£'000	£'000
Unrestricted funds				
General fund	40	544	(486)	98
Restricted funds				
General Annual Grant	(74)	(986)	1,060	-
Start up grants	-	11	(11)	-
Other DfE/ESFA grants	254	309	(563)	-
Other restricted funds	-	(215)	215	-
Other government grants	-	291	(291)	-
Fixed Asset Fund - Transferred on conversion	2,366	4,795	(35)	7,126
Fixed Asset Fund - DfE/ESFA capital grants	-	(55)	111	56
Fixed Asset Fund - Transfer in of existing academies	-	3,458	-	3,458
Pension Fund	(567)	(1,043)	-	(1,610)
	<u>1,979</u>	<u>6,565</u>	<u>486</u>	<u>9,030</u>
TOTAL FUNDS	<u>2,019</u>	<u>7,109</u>	<u>-</u>	<u>9,128</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	773	(229)	-	544
Restricted funds				
General Annual Grant	5,300	(6,286)	-	(986)
Start up grants	11	-	-	11
Other DfE/ESFA grants	746	(437)	-	309
Other restricted funds	(215)	-	-	(215)
Other government grants	594	(303)	-	291
Fixed Asset Fund - Transferred on conversion	4,232	(60)	623	4,795
Fixed Asset Fund - DfE/ESFA capital grants	22	(77)	-	(55)
Fixed Asset Fund - Transfer in of existing academies	3,534	(76)	-	3,458
Pension Fund	(1,281)	(353)	591	(1,043)
	<u>12,943</u>	<u>(7,592)</u>	<u>1,214</u>	<u>6,565</u>
TOTAL FUNDS	<u>13,716</u>	<u>(7,821)</u>	<u>1,214</u>	<u>7,109</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

20. MOVEMENT IN FUNDS - continued

The specific purpose for which the fund 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 on of a school building against which deprecation is charge over the remainder of the lease term. Fixtures and fittings are also included within the fun and depreciated in accordance with the Trust's policy.

Total fund analysis by academy

Fund balance at 31st August 2018 were allocated as follows:

	2018 £'000	2017 £'000
North West Academies Trust (Central Services)	17	(2)
Oak View Academy	28	-
Ellesmere Primary School	(33)	-
St Martins Academy	64	-
Delamere CofE Academy	22	-
	<u>98</u>	<u>(2)</u>
Restricted fixed asset fund	10,639	7,199
Pension fund	<u>(1,610)</u>	<u>(1,595)</u>
Total Funds	<u><u>9,127</u></u>	<u><u>5,602</u></u>

Total cost analysis by academy

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Direct Educational supplies & services £'000	Other costs excluding depreciation £'000	Total £'000
Oak View Academy	710	190	103	168	1,171
Ellesmere Primary School	961	363	70	228	1,622
St Martin's Academy	362	115	68	122	667
Delamere CofE Academy	550	134	57	113	854
Central Services	68	32	6	174	280
	<u><u>2,651</u></u>	<u><u>834</u></u>	<u><u>304</u></u>	<u><u>805</u></u>	<u><u>4,594</u></u>

21. 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 The Cheshire Pension Fund & The Shropshire County Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £52,000 were payable to the schemes at 31 August 2018 (2017: £33,000) 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.

21. PENSION AND SIMILAR OBLIGATIONS
- continued

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 employer's pension costs paid to TPS in the period amounted to £240,000 (2017: £153,000).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £267,000 (2017: £189,000), of which employer's contributions totalled £212,000 (2017: £149,000) and employees' contributions totalled £55,000 (2017: £40,000). The agreed contribution rates for future years are 15.7 to 23.3 per cent for employers (2019/2020) and 5.5 to 12.5 per cent for employees.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

21. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.18	31.8.17
	£'000	£'000
Present value of funded obligations	(3,145)	(2,331)
Fair value of plan assets	<u>1,535</u>	<u>736</u>
	<u>(1,610)</u>	<u>(1,595)</u>
Deficit	<u>(1,610)</u>	<u>(1,595)</u>
Liability	<u>(1,610)</u>	<u>(1,595)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.8.18	31.8.17
	£'000	£'000
Current service cost	381	254
Net interest from net defined benefit asset/liability	43	12
Benefit Charges	(4)	(3)
Administrative Charges	<u>3</u>	<u>3</u>
	<u>423</u>	<u>266</u>
Actual return on plan assets	<u>51</u>	<u>64</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

21. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.18	31.8.17
	£'000	£'000
Defined benefit obligation	2,331	1,051
Current service cost	381	254
Contributions by scheme participants	55	40
Interest cost	77	47
conversion	-	1,144
Benefits paid	(4)	(1)
Business combinations	-	3
Transfer In obligation	625	-
Actuarial (gains)/losses from changes in financial assumptions	<u>(320)</u>	<u>(207)</u>
	<u>3,145</u>	<u>2,331</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.18	31.8.17
	£'000	£'000
Fair value of scheme assets	736	484
Remeasurement & Admin	2	-
Contributions by employer	212	149
Contributions by scheme participants	55	40
Interest	34	12
Benefits paid	(4)	(1)
Transfer In Asset	488	-
Return on plan assets (excluding interest income)	<u>12</u>	<u>52</u>
	<u>1,535</u>	<u>736</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.18	31.8.17
	£'000	£'000
Actuarial (gains)/losses from changes in financial assumptions	320	207
Return on plan assets (excluding interest income)	<u>12</u>	<u>52</u>
	<u>332</u>	<u>259</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

21. PENSION AND SIMILAR OBLIGATIONS
- continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.18	31.8.17
Equities	50%	50%
Bonds	38%	38%
Property	7%	7%
Cash	2%	2%
Other assets	3%	3%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.8.18	31.8.17
Discount rate	2.8%	2.5%
Future salary increases	2.9%	2.7%
Future pension increases	2.3%	2.4%

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

	2018 Year	2017 Years
Retiring today		
Males	22.5	22.3
Females	25.0	24.5
Retiring in 20 years		
Males	24.3	23.9
Females	27.0	26.5

Sensitivity analysis

	2018 £'000	2017 £'000
Discount rate - 0.1%	84	31
Mortality assumption + 0.1%	72	25
CPI rate + 0.1%	42	20

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

22. RELATED PARTY DISCLOSURES

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

W J Timpson - Member.

During the period Timpson Ltd, a company in which W J Timpson is a director, granted a bursary of £55,000 to the Trust. This bursary has been recognised in full in the current period.

B Wignall - Member & Trustee

During the period Ellesmere College Ltd, a company in which B Wignall is Chief Executive, provided support to the trust in return for the use of facilities. This amounted to £26,186 (2017: £19,898)

S Docking - Member & Trustee

During the period Delamere CofE Primary Academy Ltd, of which S Docking was a Trustee, was re-charged £24,405 for services provided by the trust.

During the period North West Academies Trust (St Martins) Ltd, of which S Docking was a Trustee, was re-charged £16,563 for services provided by the trust.

K Cook - Trustee

During the period Oliver & Co Solicitors, a firm in which K Cook is a Partner, provided professional services amounting to £20,598.

S Roberts - Governor

During the period Lia Roberts Counselling, a business of S Roberts, provided services amounting to £4,207.

No other related party transaction took place in the period if account, other than certain trustees' remuneration and expenses already disclosed in the notes

23. POST BALANCE SHEET EVENTS

On 1 November 2018 The University of Chester Academy, Northwich, and The University Primary Academy, Weaverham, joined the Trust following a re-brokering by the DfE.

On 1 December 2018 The University Church Free School, Chester, joined the Trust again following a re-brokering by the DfE.

The schools above enter the trust with fixed cumulative inherited deficits of £320,000. They also have ongoing revenue deficit budgets and require restructuring to align operating income with operating expenses. The DfE have confirmed financial support to the Trust in the form of grants and loans to facilitate the restructuring following the re-brokering.

24. TRANSFERS OF EXISTING ACADEMIES IN TO THE ACADEMY TRUST

On 1st October 2017, the following academy schools transferred into the trust. The assets, liabilities and fair value adjustments are shown below:

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

St Martin's Academy

	Values reported by transferring trust £'000	Fair Value adjustment £'000	Transfer in recognised £'000
Tangible Fixed Assets			
Leasehold land & building	1,337	-	1,337
Fixtures, fitting & equipment	100	-	100
Other assets			
Debtors due in less than one year	17	-	17
Cash at bank and in hand	118	-	118
Liabilities			
Creditors due in less than one year	(88)	-	(88)
Pensions			
Pension scheme assets	52	-	52
Pension scheme liabilities	(90)	-	(90)
Net assets	<u>1,446</u>	<u>-</u>	<u>1,446</u>

Delamere CofE Academy

	Values reported by transferring trust £'000	Fair Value adjustment £'000	Transfer in recognised £'000
Tangible Fixed Assets			
Leasehold land & building	2,046	-	2,046
Fixtures, fitting & equipment	34	-	34
Motor Vehicles	18	-	18
Other assets			
Debtors due in less than one year	22	-	22
Cash at bank and in hand	94	-	94
Liabilities			
Creditors due in less than one year	(59)	-	(59)
Pensions			
Pension scheme assets	436	-	436
Pension scheme liabilities	(535)	-	(535)
Net assets	<u>2,056</u>	<u>-</u>	<u>2,056</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2018

The Academy Trusts relating to both academies transferred into the Trust revalued its land and building immediately prior to the transfer, hence no fair value adjustment was required.