



CWA Academy Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2014

Company Registration No. 7338780

CWA Academy Trust

DIRECTORS' REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

Legal Status

*Company Limited by Guarantee
incorporated on 6th August 2010,
Company Registration Number 7338780*

Members

*Sharon Cambridge
Derek Stringer
Debbie Gates (appointed July 2014)
David Pomfret (resigned November 2014)
College of West Anglia*

Trustees and Directors

*Derek Stringer – Chair of the Board of Directors
David Pomfret - Chief Executive Officer
and Accounting Officer. (Member of F&R
and Audit Committees) (resigned as a
member of the Audit Committee Sept
2014)
Sharon Cambridge
Arlene Clark
Mark Reavell – (Member of F&R Committee and Audit
Committee)
Stephen Jones – (Member of F&R and Audit
Committees)
Craig Morrison - (Member of Audit Committee)
(resigned as a member of the Audit Committee Sept
2014)
Jon Ford – (Member of Audit Committee) (resigned as a
member of the Audit Committee Sept 2014)
Paul Dunning – (Member of F&R and Audit
Committees) (resigned as a Trustee Sept 2014)
Debbie Gates – Vice Chair (Member of F&R Committee
and Audit Committee)
Louise Ward

Michael Moore – (co-opted member of the Audit
Committee (November 2014) and a Trustee with effect
from 16 December 2014)*

CWA Academy Trust

DIRECTORS' REPORT

Local Governing Bodies

King's Lynn Academy

David Pomfret – Chair
Craig Morrison – Principal
Arlene Clark
Richard Bradley
Tom Harrison (resigned October 2014)
Debbie Gates
David Pollock (resigned September 2014)
Melanie Wellard
Wendy Fisher
Simon Mace (resigned March 2014)
Peter Coote – staff governor
Suzanne McMahon – parent governor
Parent Governor vacancy

David Pomfret stood down as Chair on 31st August 2014. Arlene Clark has been appointed Chair

Nelson Academy

Melanie Wellard - Chair – appointed 1/1/14
Andrew Gedge – appointed 1/1/14, resigned 4/12/14
Stephen Lowery – appointed 1/1/14
Michael Leggott – appointed 1/1/14
Matthew Warr – appointed 1/1/14
Rosemary Godbold - parent governor - appointed 27/2/14
Janet Day – parent governor - appointed 27/2/14
Karla Short - staff governor - appointed 1/1/14
Lynn Knox – appointed 4/12/14
Louise Ward – Principal – appointed 1/1/14

Downham Market Academy

David Pomfret – Chair
Jon Ford – Principal
Jeanette Reading
Richard Bradley
Melanie Wellard
Michael Perillo – (resigned 29 August 2014)
Hilary Auld
Richard Davidson
David Pollock
Andrew Gedge
Rebecca Nicholson – parent governor appointed Nov 2013
Rachel Mills – parent governor (appointed Nov 2013, resigned 21 May 2014)
Rachel Hayward – staff governor (appointed 4 October 2013, resigned 29 January 2014)
Tim Read – staff governor (appointed 25 March 2014)
Andrew Rayner – parent governor (appointed 6 October 2014)

David Pomfret stood down as Chair on 31st August 2014. Richard Bradley has been appointed Chair

Eastgate Academy

Melanie Wellard – Chair- appointed 1/4/14
Jeremy McManus – appointed 1/4/14
Ann Higgins – appointed 1/4/14
Guy Pyle – appointed 1/4/14
Louise Gayton – appointed 1/4/14
Brian Elflett – parent governor – appointed 22/5/14
Danielle Flores- Yallop – parent governor – appointed 10/7/14
Wendy Darrell – staff governor – appointed 1/4/14
Linda Hotherstall – Principal – appointed 1/4/14

CWA Academy Trust

DIRECTORS' REPORT

Trust Senior Leadership Team:

Chief Executive Officer and Accounting Officer
Director of Achievement
Principal Consultant - Primary
Director of Finance and Operations
Clerk to the Board of Directors

CWA Academy Trust

David Pomfret
Alan Fletcher
Duncan Ramsey
Alan Evans
Deborah Hinks

King's Lynn Academy and King Edward VII Academy

Principal

Craig Morrison

Downham Market Academy

Principal

Jon Ford

Nelson Academy

Principal

Louise Ward

Eastgate Academy

Principal

Linda Hotherstall

CWA Academy Trust
DIRECTORS' REPORT

Principal and Registered Office

College of West Anglia
Tennyson Avenue
King's Lynn, Norfolk
PE30 2QW

Company Registration Number

7338780 (England and Wales)

Independent Auditor

Baker Tilly UK Audit LLP
Abbotsgate House
Hollow Road
Bury St. Edmunds
Suffolk
IP32 7FA

Bankers

Lloyds TSB Bank plc
Wisbech Business Centre
Wisbech
Cambridgeshire
PE30 1JU

Nat West Bank plc
King's Lynn Branch
4 Tuesday Market Place
King's Lynn, Norfolk
PE30 1YY

Santander UK plc
Bootle
Merseyside
L30 4GB

CWA Academy Trust

DIRECTORS' REPORT

Directors Report

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2014.

The trust operates 4 academies in Eastern England, with a fifth academy joining on 1 September 2014.

The five academies are:

1. King's Lynn Academy
2. Downham Market Academy
3. Nelson Academy
4. Eastgate Academy
5. King Edward VII Academy

Its five academies have a combined pupil capacity of 4,706 and had a roll of 3,881 in the school census in October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association (which were revised in September 2014) are the primary governing documents of the Academy Trust.

Members

The Members of the Academy Trust are detailed in the Memorandum of Association and listed in the previous section on Reference and Administrative Details. The Articles of Association state that the Members of the Academy Trust shall comprise:

1. The Sponsor – The College of West Anglia
2. Up to five persons appointed by the College of West Anglia
3. The Chairman of the Board of Directors
4. The Members may agree by passing a special resolution in writing to appoint such additional members as they see fit.

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.

Directors / Trustees

The revised constitution creates a Board of Directors (also called Trustees) as well as separate Local Governing Bodies for each academy which forms part of the Trust. The Trustees are directors of the charitable company for the purposes of the Companies Act 2006.

The full constitution can be viewed on the Trust website www.cwaacademytrust.co.uk

CWA Academy Trust

DIRECTORS' REPORT

Method of recruitment and appointment of directors

Directors are appointed as follows:

1. Up to six Directors elected appointed by the sponsor The College of West Anglia. This has been amended on 16 December 2014 to read
'Up to six Directors elected by the Members of the Trust'
2. The Chief Executive Officer
3. Up to three Principals
4. Co-opted directors

In accordance with normal commercial practice, the Academy Trust purchases insurance to protect Directors from claims arising from negligent acts, errors, or omission occurring whilst on Academy Trust business. The cost of the insurance is included in the total insurance cost as shown in the financial statements. The insurance provides cover up to £1 million on any one claim.

The terms of office for all Directors shall be four years, except the Principals whose term of office as Directors runs in parallel with his / her term of office as Principal. The Directors who were in office at the 12th December 2014 are listed on page 2.

Under the new constitution which reflects the creation of the multi-academy trust, the Board of Directors has set up three standing sub-committees:

1. Finance and Resources
2. Audit
3. Performance Management (renamed HR and Performance Management in December 2014)

The Academy Trust Directors have complied with their duty to have due regard to exercising their powers to ensure that the Trust is for the advancement of education. The creation of Local Governing Bodies will further strengthen the ability of the Trust to meet the needs of the local community. The facilities at the Academies of the Trust are made available for community use wherever possible.

Organisational structure

The Academy Trust is governed by a Board of Directors. The Board retains the responsibility for the following (amongst other matters):

- determining the educational character and mission of its academies
- approving strategic plans and annual operational / development plans and monitoring progress against these
- approving the annual budget before the start of each year
- ensuring the solvency of the Academy Trust
- agree constitutional matters, including procedures where the Board has discretion;
- recruit new members as vacancies arise and to appoint new Directors where appropriate
- establish Local Governing Bodies and relevant committees and determine their constitution and terms of reference
- appoint or remove the Principal and other senior post-holders
- decide which functions will be delegated to committees and individuals
- make the appropriate policy approvals

CWA Academy Trust

DIRECTORS' REPORT

In addition to the three standing committees, the Academy Trust Board has set up Local Governing Bodies at each academy.

The role of the Local Governing Body is to provide advice to the Academy Trust in relation to the functioning of that Academy.

This advisory role will:

- i. ensure a level of local accountability and representation;
- ii. serve as a safeguard against centralised decision making by taking account of local circumstances;
- iii. provide essential local representation of parents and the community.

As a principle, the Academy Trust Board is clear that its involvement revolves around setting the strategic direction of the Academy Trust and ensuring that systems are in place for this to be delivered. The Academy Trust carries out a skills audit to ensure that the Board of Directors has the broad base of skills that are needed. In addition seminars are held with the senior leadership teams to ensure that there is an understanding of risks facing the Academy Trust. Additional training to explain the funding regime was organised during the year.

Further details of the governance arrangement are included in the Constitution.

The Senior Leadership Teams are responsible for the day to day operations of each Academy.

The Chief Executive Officer is the appointed Accounting Officer of the Academy Trust.

Connected organisations, including related party transactions

The Trust sponsor is the College of West Anglia. The College is highly regarded and has been consistently graded as 'good' or 'outstanding' in Ofsted inspections. The College has therefore been able to bring a great deal of expertise to the Board of Directors.

During the course of the year, the Academy Trust has transacted at arm's length with the College for the provision of practical learning opportunities for pupils in years 9 – 11. Plans are currently being prepared to further develop this relationship in relation to sixth form provision.

One of King's Lynn Academy's two specialisms is Business & Enterprise and the Academy Trust appreciate the on-going support provided by the Norfolk Charitable Trust in funding a post primarily focussed on helping the Academy to develop Business & Enterprise within the Academy and secondly helping the Academy develop links with businesses and enterprises in the region. Norfolk Charitable Trust is funded by Mr. Thomas Harrison, Chairman of Morston Assets, who (until September 2014) was a member of the Local Governing Body of King's Lynn Academy.

Risk Management

The risks facing any Academy Trust are varied and complex and the Board of Directors are very aware of these risks.

The Directors confirm that the major risks facing the Academy Trust have been identified. For the year ended 31st August 2014 this has been undertaken through the work of the Board of Directors, the Finance & Resources Committee and the Audit Committee. A risk management workshop was

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DIRECTORS' REPORT

run in May 2014 which has helped to identify key risks and determine the mitigating actions to be taken.

Objectives and Principal Activities

The principal activities are documented in the Articles of Association and relate to the advancement of public benefit education in the United Kingdom.

In particular the Academy Trust is required to:

- advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools
- offer a broad and balanced curriculum

The revised Funding Agreements which the Academy Trust has signed with the Department for Education supports these objectives. The Funding Agreement outlines these responsibilities in greater detail and also specifies the funding arrangements.

The objectives for the year and future years are outlined in each Academy's development plan.

Employment of disabled persons

The policy of the Trust is to support the recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making resources available and through training and career development.

Employee consultation

The Trust recognises that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunities in all areas of its activities including creating an environment in which the contribution and needs of all people are fully valued.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE OF THE TRUST

This year has seen further major developments within the Academy Trust, building upon the conversion to a Multi-Academy Trust in July 2013. Two primary schools joined the Trust

- Nelson Academy joined in January 2014 (previously Clackclose School, Downham Market)
- Eastgate Academy joined in April 2014 (previously Eastgate School, King's Lynn)

A further secondary school King Edward VII School, King's Lynn, joined the Trust in September 2014.

The Trust have always managed growth carefully, ensuring that all its academies are located in the geographical areas of King's Lynn and West Norfolk.

Each school which has joined the Trust has had poor historic academic performance. The Trust has therefore had to place significant focus on improving achievement and this commitment is demonstrated in the fact that the Trust has both a Director of Achievement and a newly appointed Principal Consultant – Primary. As is illustrated in the following section, each Academy continues to make continued sustained improvements.

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DIRECTORS' REPORT

King's Lynn Academy GCSE Outcomes & Progress Analysis for 2014

Stable performance was achieved in 2014, with the majority of indicators similar to 2013 in a year where many changes to the assessment landscape nationally had posed significant threat to KLA's achievement outcomes (new first entry only regulations, removal of equivalencies, explicitly tougher GCSEs).

The final examination outcomes for KLA were 41% compared to 44% in 2013, and English and Maths attainment outcomes were within 1 percentage point of those attained in 2013. However the introduction of the new 'first entry rules' means that KLA performance measured by first entry places the Academy below the floor standard at 33% 5+A*-C including English and Maths.

The other main features of academic performance are:

- English C+ overall was 52%, compared to 53% in 2013
- Maths C+ overall was 56%, compared to 57% in 2013
- The proportion of students making 3 or more levels of progress in English rose to 56% from 47% in 2012, a second successive year of improvement.
- The proportion of students making 3 or more levels of progress in Maths fell to 50% from 55%
- The performance and progress of Pupil Premium students remained static overall
- The gap in attainment between boys and girls halved between 2013 and 2014. Boys attained less highly than girls, although their achievement is likely to be similar in value added terms. Boys attainment overall improved for the fourth year in a row.

Downham Market Academy GCSE Outcomes & Progress Analysis for 2014

Attainment in English at DMA improved sharply in 2014 to 71% A*-C from 61% in 2013. Maths attainment remained static at 65%, while the national pass rate fell significantly, moving DMA in line with national performance in attainment.

The proportion of pupils achieving 5 or more A*-C including English and Maths at DMA fell to 49% from 55% in 2014. This was mainly attributable to unexpected declines in outcomes in two vocational subjects – Engineering and ICT.

GCSE performance remained strong, and the proportion of pupils achieving both English and Maths in 2014 was the Academy's highest ever at 58%. The main features of academic performance were:

- GCSE outcomes for the proportion of students achieving 5 or more C+ passes including English and Maths were 49%, compared to 55% the previous year.
- English C+ overall was 71%, compared to 61% in 2013
- Maths C+ overall was 65%, compared to 66% in 2013
- The proportion of students making 3 or more levels of progress in English rose to 77% from 59% in 2012, the second consecutive year of significant improvement. DMA performance in this indicator is now significantly ahead of national averages.
- The proportion of students making 3 or more levels of progress in Maths rose to 60% from 59%, again a second consecutive improvement in this indicator.

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DIRECTORS' REPORT

- The performance and progress of Special Educational Needs students was exceptionally high and well in excess of national comparators, following strong improvement for the third successive year in both English and Maths.
- The progress of Pupil Premium (PP) students rose significantly in both Maths and English. Maths PP pupils now make progress in line with that made by non PP pupils nationally.
- Students with the lowest ability profiles made better progress in both English and Maths
- Upper ability boys made less progress than would have been expected
- Performance at Post 16 was broadly in line with expectation at A2, but low for AS.

Nelson Academy Progress Analysis for 2014

Nelson Academy attainment improved (based on the global measure of proportion of pupils attaining Level 4 or higher in each of Reading, Writing and Maths) from 46% in 2013 to 56% in 2014. Progress rates however declined slightly from 2013 and remain below national figures. The floor standard was not reached.

However outcomes in KS1 and Early Years Foundation Stage EYFS were both significantly higher than in previous years and are considered to be good.

- 72% KS1-KS2 Expected Progress in Reading (National Average NA 91%)
- 69% KS1-KS2 Expected Progress in Maths (NA 89%)
- 77% KS1-KS2 Expected Progress in Writing (NA 93%)
- 26% KS1-KS2 Better than Expected Progress in Reading (NA 30%)
- 10% KS1-KS2 Better than Expected Progress in Writing (NA 30%)
- 15% KS1-KS2 Better than Expected Progress in Maths (NA 31%)
- 56% L4+ Reading Writing Maths RWM (NA 75%)

Eastgate Academy Progress for 2014

Eastgate Academy showed a dramatic improvement in outcomes in 2014, at the end of its first year of operation as a CWA Trust academy. Every single Year 6 pupil made expected progress in Reading and Mathematics, and almost every single one made expected progress in Writing.

Rates of pupils exceeding the expected progress benchmark in 2014 were also far in excess of 2013 outcomes and in most cases far better than the national average. Pupil Premium outcomes were well in excess of national averages

- 100% KS1-KS2 Expected Progress in Reading (NA 91%)
- 100% KS1-KS2 Expected Progress in Maths (NA 89%)
- 95% KS1-KS2 Expected Progress in Writing (NA 93%)
- 69% KS1-KS2 Better than Expected Progress in Reading (NA 30%)
- 19% KS1-KS2 Better than Expected Progress in Writing (NA 30%)
- 33% KS1-KS2 Better than Expected Progress in Maths (NA 31%)
- 78% L4+ RWM (NA 75%)

CWA Academy Trust

DIRECTORS' REPORT

FINANCIAL REVIEW

Financial Report for the Year

The Academy Trust's accounting period is from 1st September 2013 to 31st August 2014 and these are the Academy Trust's fourth set of financial statements.

These financial statements include a full year for King's Lynn Academy and for Downham Market Academy, as well as eight months and five months financial performance data for Nelson Academy and Eastgate Academy respectively. The impact of the introduction of Nelson Academy and Eastgate Academy is fully reflected in the financial statements, the largest impact being the transfer of fixed assets, pension fund deficit and school balances.

The majority of the Trust's income is obtained from the Education Funding Agency (EFA) based on student numbers. The use of this funding is restricted to educational purposes. In this year the Trust has also received grants to cover the additional costs incurred in setting up new academies. A small amount of income is derived from the letting of premises although the primary purpose of lettings is to encourage community involvement.

The grants received as well as associated expenditure are shown as restricted funds in the financial statements.

Payroll continues to be the highest individual costs in all Academies within the Trust. Control of financial performance rests ultimately with the Trust, with day to day management delegated to the Academy Principal and leadership team. The Trust has indicated that it regards staff cost as a percentage of income as a key financial indicator and wishes to see this reduced consistently. The clear rationale behind this decision is that funding is released to be more specifically targeted to priority areas. In its budget setting process, each Academy is expected to achieve an in-year surplus as well as not using contingency funding.

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

During 2013/14, the Trust has allowed the use of reserves of £120k to improve the poor inherited IT network at Downham Market Academy.

King's Lynn Academy's major refurbishment / new build project is nearing completion. The valuation of the new assets has been reflected in the 2014 Financial Statements. The buildings and plant / equipment will be transferred by Norfolk County Council to the Academy Trust on a 125 year lease following the completion of the capital project. In the meantime the Academy has a short term Occupancy Agreement.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, provided to support staff, to the restricted fund. The current deficit has been calculated at £2,538k, the increase resulting from the introduction of Nelson Academy and Eastgate Academy's pension deficits, as well as actuarial losses incurred during the year. It should be noted that this does not present the Academy Trust with any current liquidity problems. Valuations of the pension fund assets have also proved to be extremely volatile in recent years as a result of global financial uncertainty.

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DIRECTORS' REPORT

The complex accounting arrangements for the valuation of fixed assets and the valuation of the local government pension fund, both of which are large scale non-cash items, tends to distract from the operational financial management. The Trust Board have monitored the financial position and recognise that whilst the financial performance for 13/14 is good, there is a need for ongoing monitoring in view of declining funding that is available, the introduction of new academies into the Academy Trust and low pupil numbers in King's Lynn Academy which will continue for a few years.

Financial and risk management objectives and policies

The financial risks are significant and many are outside the control of the Trust. It is widely expected that there will be very little increase in pupil funding rates and sixth form funding for Academies is going to fall as a result of the proposals to converge school and further education funding rates.

The expansion of the Trust is recognised as a risk especially in relation to staff capacity. In response to this, the Trust has obtained additional funding from the Sponsor Capacity Fund to review how support services should be delivered to meet future needs / reduce costs. Funding has also been received to enhance primary leadership capacity and following a successful appointment, the Trust has confirmed this as a permanent post in the Trust structure.

Financial and cash flow management therefore continues to be an area for considerable monitoring. There are clear plans and budgets in place which reduce operating costs and equally importantly ensure that there is a clear focus on the priorities of the Academies and Trust.

A methodology has been developed to assess the financial stability of each Academy, taking into account financial performance, levels of reserves and likely future funding pressures.

Reserves policy

The Trust has adopted a policy that each Academy should have available reserves equivalent to two month's GAG funding. Each Academy is expected to deliver an in-year surplus in order to achieve its reserves target. Reserves can only be used with the specific approval of the Board.

The pension fund deficit currently stands at £2,538k. This liability does not represent an immediate cash flow impact for the trust. The expected cash out flow in 2014/15 for the scheme is £508k

The Academy Trust has £841k of free reserves available for general purposes as at 31 August 2014. The GAG funding carried forward is £678k and this is available for the general educational use of the Academy Trust.

Investment policy

There are periods during the year when the Trust holds significant cash balances. The Trust has no bank overdraft provision and as a consequence the treasury management policy has been risk averse. Current arrangements are that any deemed cash surpluses are invested in a fixed term deposit account for a 6 to 13 week period.

Key performance indicators

The academic performance of the Academies within the Trust are monitored in great detail. A summary of each Academy's performance is included within this report.

Pupil numbers are an important indicator as they determine funding levels. All Academies, with the exception of King's Lynn Academy, are at or near capacity. The demographic indicators for West Norfolk demonstrate that pupil numbers will increase steadily in future years.

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DIRECTORS' REPORT

The financial performance of each Academy is closely monitored and the overall financial position is reflected in the Notes to the Accounts. The key financial indicators are the overall levels of cash surpluses / deficits and 'payroll costs as a percentage of costs'.

The overall Balance Sheet position for the Trust has improved due in part to the in-year surpluses and secondly as a consequence of increasing the number of additional Academies within the Trust. Each Academy has a small cash surplus at the point of conversion.

Key Performance Indicators

Indicator	King's Lynn Academy	Downham Market Academy	Nelson Academy	Eastgate Academy
Pupil numbers as a %age of capacity	53%	87%	100%	100%
Payroll costs as a %age of turnover Target 75%	68%	76%	80% (part year)	66% (part year)
Academy reserves £k Target 2 months GAG)	£852k £526k	£453k £1,089k	£120k £215k	£94k £183k
Academic performance	See previous section			

FUTURE PLANS FOR THE ACADEMY TRUST

The Academy Trust is determined to continue to improve the quality of education provided within its academies. To help to achieve this, a Director of Achievement had previously been appointed whose role is to provide challenge and support to individual academies within the Academy Trust to achieve this improvement. A Principal Consultant has now been appointed to further strengthen the central team and the support that can be given to primary and secondary schools.

As previously indicated, King Edward VII Academy joined the Trust on 1st September 2014 and a significant amount of attention is being paid to its integration into the Trust and to rapidly improving its educational performance.

The strengthening of the focus on individual pupil achievement will continue. In particular all Academies have measures in place to narrow the gap in attainment by a range of different groups, in particular those who are entitled to Pupil Premium.

The Academy Trust will continue to grow but Directors are determined that the growth has to be consistent with the strategic direction of the Academy Trust. At this stage it is anticipated that the number of academies in the Trust will continue to grow beyond the current five academies, although the current focus has to be on improving the performance of the five academies that form part of the Trust. Some additional growth will however help to strengthen the Central Leadership Team.

Performance Management procedures for all employees will be put in place, with targets which reflect the priorities of the Trust.

As part of its efficiency drive, the Academy Trust has started a project to review support services, to determine the most effective split of central / local services, who is best placed to provide these support services and identify cost savings which can be reinvested in education provision.

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DIRECTORS' REPORT

GOING CONCERN

The Trust has reviewed and considered budgets and forecasts alongside the Academy Trust's ongoing development plan and the robust measures being considered.

The Directors have a reasonable expectation based upon these measures 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

Principal Risks and Uncertainties

The major risks identified and addressed by the Board of Directors during the year have included:

- ensuring the required improvements in attainment for all pupils
- preparation for future Ofsted inspections
- establishing sufficient capacity at senior leadership levels
- developing financial plans for the current and future years
- developing strategic plans for each Academy and the Trust
- the introduction of new Academies into the Trust
- ensuring compliance with legislative requirements

Public benefit

The Academy Trust Directors have complied with their duty to have due regard to exercising their powers to ensure that the Academy Trust is for the advancement of education.

Auditor


Baker Tilly UK Audit LLP has indicated its willingness to continue in office

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the Auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Directors' Annual Report is approved by order of the Board of Directors and the Strategic Report (included therein) is approved by the Board of Directors in their capacity as the directors at a meeting on 16 December 2014 and signed on its behalf by:

Name:


Derek Stringer 19/12/2014

Chair of CWA Academy Trust

CWA Academy Trust

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform to 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 CWA Academy Trust and the Secretary of State for Education. The Chief Executive is 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 Directors' Report and in the Statement of Directors' Responsibilities.

The Directors met 5 times during the year and there were also meetings of Finance & Resources Committee, Audit Committee and the Performance Management Committee.

All Directors, other than the Principals, give up their time freely and no remuneration or expenses were paid during the year. Attendance during the year at meetings of the Board of Directors, the Finance & Resources Committee and Audit Committee was as follows:

Name	Committees	Attendance	Attendance %	Absences (number)
A. Clark	Board of Directors	5	100	-
D. Gates	Board of Directors	5	100	-
	Finance	4	100	-
C. Morrison	Board of Directors	5	100	-
	Audit	2	67	1
D. Pomfret (to Sept 2014)	Board of Directors	5	100	-
	Finance	4	100	-
	Audit	2	67	1
D Stringer	Board of Directors	5	100	-
S Cambridge	Board of Directors	4	80	1
J Ford (to Sept 2014)	Board of Directors	5	100	-
	Audit	3	100	-
S Jones	Board of Directors	5	100	-
	Finance	4	100	-
	Audit	3	100	-

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GOVERNANCE STATEMENT

M Reavell	Board of Directors	5	100	-
	Finance	4	100	-
P Dunning (resigned Sept 2014)	Board of Directors	5	100	-
	Finance	2	50	2
	Audit	1	67	2
L Ward (appointed Jan 2014)	Board of Directors	3	100	-

The purpose of the system of internal control

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

Capacity to handle risk

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

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 Academy Trust Board
- regular reviews by the Finance and Resources 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 guidelines
- delegation of authority and segregation of duties
- agreed Governance and Financial Regulations
- identification and management of risks

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GOVERNANCE STATEMENT

- delegation of authority and segregation of duties
- agreed Governance and Financial Regulations
- identification and management of risks

The Board of Directors has considered the need to implement a process for independent checking of financial controls, systems, transactions and risks and has decided to appoint Baker Tilly to carry out a supplementary programme of work. The scope of work was discussed and agreed with the Board of Directors and included performing a range of checks on the Academy Trust's financial systems.

Baker Tilly reported to the Audit Committee in December 2014, presenting a report which indicated that internal controls appeared to be working effectively, based upon the testing undertaken. There were some risks and advisory points raised and these have been discussed and actions agreed.

The risks were increased this year as further academies was introduced to the Academy Trust. The procedures previously in place within the Academy Trust were introduced in the new academies.

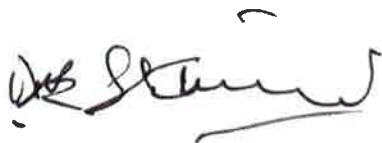
Review of effectiveness

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the testing of internal controls undertaken – as referred to above
- the work of the external auditor
- the work of the executive managers within the Academy Trust (in particular the Director of Finance) who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer is aware of the outcomes of any reviews of the system of internal control and these have been considered during the year by the Finance and Resources Committee. The new arrangements which formed the multi-academy trust has seen the creation of an Audit Committee who will monitor progress in future.

Approved by order of the members of the Board of Directors on 16 December 2014 and signed on its behalf by:



Derek Stringer
Chair CWA Academy Trust



David Pomfret
Accounting Officer

CWA Academy Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust Board of Directors are able to identify any irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook.

I confirm that no instances of material irregular, 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 Directors and the EFA.



David Pomfret
Accounting Officer

Date 19/12/14

CWA Academy Trust

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who act as trustees for the charitable activities of CWA Academy Trust and are the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' Report (including the Strategic Report) and the Financial Statements in accordance with the Academies Accounts Direction 2014 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

The Directors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Financial Statements are available on the Academy Trust's website:

www.cwaacademytrust.co.uk

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable companies' website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 16 December 2014 and signed on its behalf by:



Derek Stringer
Chair of CWA Academy Trust

19/12/2014

CWA Academy Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWA ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2014

We have audited the financial statements of CWA Academy Trust for the year ended 31 August 2014 on pages 23 to 49. 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 Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 20, the directors (who act as trustees for the charitable activities of the charitable company) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Directors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CWA Academy Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWA ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2014

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

Claire Sutherland (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk, IP32 7FA

Date *6 January 2015*

CWA Academy Trust

STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure account and Statement of Total Recognised Gains and Losses)

31 August 2014

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2014 £'000	Total 2013 £'000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	47	5	12,997	13,049	202
Voluntary income – transfer from local authority on conversion	2	157	(375)	5,567	5,349	21,152
Activities for generating funds	2	87	94	-	181	153
Investment income	19	5	-	-	5	10
Incoming resources from charitable activities:						
Funding for the Academy Trust's educational operations	3	620	13,305	16	13,941	6,013
Total incoming resources		916	13,029	18,580	32,525	27,530
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	4	40	-	-	40	40
Costs of activities for generating funds	4	58	-	-	58	149
Charitable activities:						
Academy Trust's educational operations	5	500	13,147	1,412	15,059	6,450
Governance costs	6	-	107	-	107	103
Total resources expended	4	598	13,254	1,412	15,264	6,742
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		318	(225)	17,168	17,261	20,788
Gross transfers between Funds		-	-	-	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		318	(225)	17,168	17,261	20,788
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial (losses)/gains on defined benefit schemes	23	-	(708)	-	(708)	(73)
NET MOVEMENT IN FUNDS		318	(933)	17,168	16,553	20,715
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 September 2013		523	(674)	26,762	26,611	5,896
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2014	15	841	(1,607)	43,930	43,164	26,611

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

CWA Academy Trust

BALANCE SHEET

31 August 2014

Company Registration No. 7338780

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
FIXED ASSETS					
Tangible assets	11		43,830		26,550
CURRENT ASSETS					
Stock	12	31		26	
Debtors	13	817		1,448	
Cash at bank and in hand		2,507		2,520	
		<u>3,355</u>		<u>3,994</u>	
CREDITORS:					
Amounts falling due within one year	14	(1,483)		(2,636)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			1,872		1,358
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>45,702</u>		<u>27,908</u>
Pension scheme liability	23		(2,538)		(1,297)
			<u></u>		<u></u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>43,164</u>		<u>26,611</u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15		43,930		26,762
General fund	15		931		623
			<u></u>		<u></u>
Restricted funds excluding pension reserve			44,861		27,385
Pension reserve	15		(2,538)		(1,297)
			<u></u>		<u></u>
TOTAL RESTRICTED FUNDS			42,323		26,088
TOTAL UNRESTRICTED FUNDS	15		841		523
			<u></u>		<u></u>
TOTAL FUNDS			<u>43,164</u>		<u>26,611</u>

The financial statements on pages 23 to 49 were approved by the Trustees and authorised for issue on 16 December 2014 and are signed on their behalf by:

Mr Derek Stringer
Chair of CWA Academy Trust

19/12/2014,

CWA Academy Trust

CASH FLOW STATEMENT

For the year ended 31 August 2014

	Notes	2014 £'000	2013 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	18	(54)	1,482
Returns on investment and servicing of finance	19	5	10
Capital expenditure	20	(131)	(791)
Cash transferred on conversion to academy trust		167	-
		<hr/>	<hr/>
(DECREASE) / INCREASE IN CASH IN THE YEAR	21	(13)	701
Net funds at 1 September		2,520	1,819
		<hr/>	<hr/>
Net funds at 31 August	21	2,507	2,520
		<hr/> <hr/>	<hr/> <hr/>

CWA Academy Trust

ACCOUNTING POLICIES

Basis of Preparation

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

Going Concern

The Directors 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 directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities to the extent of the entitlement to the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Capital grants are recognised as voluntary income on a receivable basis to the extent that there is an entitlement.

Donations

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

Other income

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

CWA Academy Trust

ACCOUNTING POLICIES

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable in incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

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

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Directors.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and the Department for Education and the Local Authority where the asset acquired or created is held for a specific purpose.

CWA Academy Trust

ACCOUNTING POLICIES

Tangible fixed assets

Tangible Fixed Assets costing £2,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Long leasehold buildings	based on the estimated remaining economic life
Fixtures, fittings and equipment	25% pa
ICT equipment	25% pa
Motor Vehicles	25% pa

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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Leased assets

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

Pension 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, are contracted out of the State Second Pension (S2P) until April 2016 and the assets are held separately from those of the Academy Trust.

As described in Note 23 the LGPS obligation relates to the employees of the Academy Trust, who were employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

CWA Academy Trust

ACCOUNTING POLICIES

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 benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA within Other Creditors.

Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained schools Clackclose School and Eastgate School to the Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for CWA Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities and analysed under unrestricted, restricted general and restricted fixed asset funds.

CWA Academy Trust

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

1 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

2 VOLUNTARY INCOME & ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2014 Total £'000	2013 Total £'000
<u>VOLUNTARY INCOME</u>					
Transfer from Local Authority on conversion to an Academy Trust:					
Fixed Assets	-	-	5,557	5,557	21,335
Restricted capital grant	-	-	10	10	120
Funds transferred from the predecessor school	157	-	-	157	380
LGPS pension deficit	-	(375)	-	(375)	(683)
	<u>157</u>	<u>(375)</u>	<u>5,567</u>	<u>5,349</u>	<u>21,152</u>
Other fixed asset donations from local authority	-	-	12,938	12,938	-
Other donations	47	5	59	111	202
	<u>204</u>	<u>(370)</u>	<u>18,564</u>	<u>18,398</u>	<u>21,354</u>

ACTIVITIES FOR GENERATING FUNDS

Catering income	-	-	-	-	88
Hire of facilities	24	-	-	24	11
Activities income	-	-	-	-	1
Consultancy services	-	-	-	-	1
Uniform sales	-	-	-	-	33
Sale of assets	5	-	-	5	8
Sundry items	-	94	-	94	11
Nursery income	58	-	-	58	-
	<u>87</u>	<u>94</u>	<u>-</u>	<u>181</u>	<u>153</u>

Catering sales and Uniform sales have been reclassified in 2014 as Incoming Resources from the Trust's educational operations

CWA Academy Trust

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

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed asset funds £'000	Total 2014 £'000	Total 2013 £'000
DfE/EFA REVENUE GRANTS					
General annual grant (GAG)	-	11,849	-	11,849	4,809
Start-up grants	-	189	-	189	484
Pupil Premium Grant	-	633	-	633	214
Other DfE / EFA grants	-	431	-	431	293
	-	13,102	-	13,102	5,800
OTHER GOVERNMENT GRANTS					
SEN income	-	139	-	139	150
Other income	-	59	-	59	-
	-	13,300	-	13,300	5,950
OTHER INCOME					
Catering income	394	-	-	394	-
Other income	226	5	16	247	63
	620	13,305	16	13,941	6,013

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

4 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
Costs of generating voluntary income	40	-	-	40	40
Costs of activities for generating funds	49	-	9	58	149
Academy's educational operations					
Direct costs	9,079	542	2,283	11,904	5,352
Allocated support costs	1,766	143	1,246	3,155	1,098
	10,845	685	3,529	15,059	6,450
Governance costs including allocated support costs	17	-	90	107	103
	10,951	685	3,628	15,264	6,742

Net incoming/(outgoing) resources for the year	2014 £'000	2013 £'000
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Fees payable to Baker Tilly UK Audit LLP and its associates for:

Audit	25	18
Other services	16	10

Amounts payable under operating leases:

Other	21	15
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Depreciation	1,412	867
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CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

5 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS COSTS

	2014 £'000	2013 £'000
DIRECT COSTS		
Teaching and educational support staff costs	9,079	3,755
Educational supplies and services	589	259
Examination fees	213	67
Staff development	8	26
Employment expenses	58	31
Energy	222	106
Other utilities	87	54
Ground maintenance	63	31
Building maintenance	170	155
Other direct costs	3	1
Depreciation	1,412	867
	<u>11,904</u>	<u>5,352</u>
ALLOCATED SUPPORT COSTS		
Support staff costs	1,766	732
Cleaning	66	16
Rent and rates	77	24
Insurance	159	60
Admin supplies	94	26
IT	212	68
Professional charges	200	69
Other support costs	581	103
	<u>3,155</u>	<u>1,098</u>
	<u>15,059</u>	<u>6,450</u>

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

6 GOVERNANCE COSTS

	2014 £'000	2013 £'000
Auditors' remuneration		
Audit of financial statements	25	15
Other services	16	5
Support costs	17	30
Academy set up costs	49	53
	<u>107</u>	<u>103</u>

7 STAFF COSTS

	2014 £'000	2013 £'000
(a) Staff costs during the year were:		
Wages and salaries	8,458	3,525
Social security costs	585	259
Pension costs	1,291	519
	<u>10,334</u>	<u>4,303</u>
Supply teacher costs	476	169
Staff restructuring costs	101	55
Value of donated services	40	40
	<u>10,951</u>	<u>4,567</u>

(b) Staff restructuring costs

Included in staff restructuring costs are non-contractual severance payments totalling £61k (2013: nil). Five of the non-contractual payments exceeded £5k individually and these were for £27k, £13k, £8k, £7k and £6k.

(c) Staff numbers

The average number of FTE persons (including senior leadership team) employed by the Academy Trust during the year was as follows:

	2014 No	2013 No
Teachers	161	126
Administration and support	115	125
Management	13	14
	<u>289</u>	<u>265</u>

The 2014 staff numbers include staff at Nelson and Eastgate who were transferred in January and April 2014 respectively.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

STAFF COSTS (CONTINUED)

The number of employees whose emoluments fell within the following bands was:

	2014	2013
	No	No
£60,001 - £70,000	5	5
£100,001 – £110,000	<u>2</u>	<u>2</u>

Included above are 2 members of staff at Nelson Academy who joined the Trust upon conversion on 1st January 2014 and 1 member of staff at Eastgate Academy who joined the Trust on 1st April 2014.

Sixteen employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £89k (2013 - £69k).

8 DIRECTORS REMUNERATION AND EXPENSES

The Principals only receive remuneration in respect of services they provide undertaking the roles of Principal and not in respect of their services as Directors.

The value of the King's Lynn Academy Principal's remuneration was £107k in the 2013 / 2014 financial year, excluding £15k employer's pension contribution. The value of the Downham Market Academy Principal's remuneration was £105k in the 2013 / 2014 financial year, excluding £15k employer's pension contributions. The value of the Nelson Academy Principal's remuneration was £57k for the eight month period to 31st August 2014, excluding £6k employer's pension contribution.

Other Directors did not receive any payments for their services as Directors. The directors received no expenses during the year. Related party transactions are set out in note 25.

9 CENTRAL SERVICES

The multi-academy trust was formed on 1st July 2013 following Downham Market Academy joining the Trust. No central services have been provided in the year to 31st August 2014.

During the year, support services were reviewed in detail. As a consequence some financial services, HR support and educational support services amongst others will be delivered centrally in 14/15 and it is likely that this range of services will extend during the year.

10 DIRECTORS AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,252 (2013 - £626).

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

CWA Academy Trust

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

11 TANGIBLE FIXED ASSETS

	<i>Freehold and long leasehold land and buildings £'000</i>	<i>Fixtures fittings and equipment £'000</i>	<i>Total £'000</i>
Cost:			
At 1 September 2013	31,284	1,221	32,505
Transfer in from Local Authority on conversion	5,557	-	5,557
Disposal	(5,489)	-	(5,489)
Additions	-	207	207
Donations	12,938	-	12,938
	<hr/>	<hr/>	<hr/>
31 August 2014	44,280	1,428	45,708
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 September 2013	5,586	369	5,955
Disposal	(5,489)	-	(5,489)
Charged in the year	1,062	350	1,412
	<hr/>	<hr/>	<hr/>
31 August 2014	1,159	719	1,878
	<hr/>	<hr/>	<hr/>
Net book value			
31 August 2014	43,121	709	43,830
	<hr/>	<hr/>	<hr/>
31 August 2013	25,698	852	26,550
	<hr/>	<hr/>	<hr/>

Upon conversion to an Academy Trust, King's Lynn Academy long leasehold land and buildings were transferred initially on a shorthold tenancy by the local authority Norfolk County Council, whilst the capital investment project was undertaken. The land and buildings at King's Lynn Academy were revalued on 1 September 2013 at £17,253,000, following completion of the capital project.

Land and buildings in relation to Nelson Academy were transferred from the Local Authority in January 2014. They were valued at £4,186,000. Land and Buildings in relation to Eastgate Academy were transferred from the Local Authority in April 2014. They were valued at £1,371,000

Included with Long Leasehold land and buildings is freehold land and buildings with a cost of £21,470,000.

CWA Academy Trust

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

12 STOCK

	2014 £'000	2013 £'000
Uniforms	31	26

13 DEBTORS

	2014 £'000	2013 £'000
Trade debtors	69	5
Prepayments	343	170
Other debtors	405	1,273
	817	1,448

14 CREDITORS: Amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	1,104	1,914
Other creditors and deferred income	72	65
GAG abatement	-	381
Accruals	307	276
	1,483	2,636

Deferred Income

	2014 £'000	2013 £'000
Deferred Income as at 1 st September	65	-
Resources deferred in the year	69	65
Amounts released from previous periods	(65)	-
Deferred Income as at 31 st August	69	65

Deferred Income is grant income received which relates to the next accounting period

CWA Academy Trust

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

15	Funds	At 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2014 £'000
	RESTRICTED GENERAL FUNDS					
	General Annual Grant (excluding Pension Reserve)	279	11,849	(11,450)	-	678
	Pension Reserve	(1,297)	(375)	(158)	(708)	(2,538)
		<u>(1,018)</u>	<u>11,474</u>	<u>(11,608)</u>	<u>(708)</u>	<u>(1,860)</u>
	Start Up Grants	167	189	(356)	-	-
	Pupil Premium	30	633	(663)	-	-
	SEN	-	139	(139)	-	-
	Other Income	-	192	(192)	-	-
	Trust Grants received	147	402	(296)	-	253
		<u>(674)</u>	<u>13,029</u>	<u>(13,254)</u>	<u>(708)</u>	<u>(1,607)</u>
	RESTRICTED FIXED ASSET FUNDS					
	Assets transferred on conversion	25,698	18,504	(1,062)	-	43,140
	Other assets acquired	1,064	76	(350)	-	790
		<u>26,762</u>	<u>18,580</u>	<u>(1,412)</u>	<u>-</u>	<u>43,930</u>
	TOTAL RESTRICTED FUNDS	<u>26,088</u>	<u>13,609</u>	<u>(14,666)</u>	<u>(708)</u>	<u>42,323</u>
	UNRESTRICTED FUNDS					
	Unrestricted Funds	523	916	(598)	-	841
	TOTAL UNRESTRICTED FUNDS	<u>523</u>	<u>916</u>	<u>(598)</u>	<u>-</u>	<u>841</u>
	TOTAL FUNDS	<u>26,611</u>	<u>32,525</u>	<u>(15,264)</u>	<u>(708)</u>	<u>43,164</u>

CWA Academy Trust

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

15 FUNDS (continued)

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

Revenue fund

- the General Annual Grant (GAG) must be used for the normal running costs of the Academies and the Trust. Costs incurred for this purpose have been offset against this income. Under the Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit on GAG that it could carry forward as at 31st August 2014
- the Pension reserve represents the Academy Trust's net liability in respect of the Local Government Pension Scheme
- the Start Up grants must be used to meet the start-up costs of the Academy. Costs incurred for this purpose have been set off against this income.
- Pupil Premium - The additional funding received through the Pupil Premium helps to ensure that that processes are in place that consistently tracks student performance, identifies under-performance and provides support to those most in need of it. Additional support includes increased provision in Numeracy and Literacy.
- SEN Funding – this funding, received from the Local Authority, was used to provide additional support to those students identified as having additional needs.
- other restricted income, unrestricted income, additional educational grants and sundry smaller amounts have been received during the year. The costs associated with these activities have been set off against the income.
- DfE Sponsor Grant – funding received to meet the costs of setting up the multi-academy trust

Fixed Asset fund

This fund represents the carrying value of the fixed assets that have been funded by donations from the local authority, grants from the EFA plus the amounts of unspent capital grant received.

ANALYSIS OF ACADEMIES BY FUND BALANCE

	Total £'000
Kings Lynn Academy	852
Downham Market Academy	453
Eastgate Academy	94
Nelson Academy	120
Corporate funds	253
Total before fixed assets and pension service	1,772
Restricted fixed asset fund	43,930
Pension reserve	(2,538)
Total	43,164

CWA Academy Trust

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

15 FUNDS (continued)

EXPENDITURE OF ACADEMIES BY COST

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Kings Lynn Academy	2,426	630	236	548	3,840
Downham Market Academy	5,486	917	499	1,120	8,022
Nelson Academy	798	158	40	213	1,160
Eastgate Academy	328	85	20	53	535
Central costs	88	35	6	166	295
	<u>9,126</u>	<u>1,825</u>	<u>801</u>	<u>2,100</u>	<u>13,852</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	43,830	43,830
Current assets	841	2,414	100	3,355
Current liabilities	-	(1,483)	-	(1,483)
Pension scheme liability	-	(2,538)	-	(2,538)
	<u>841</u>	<u>(1,607)</u>	<u>43,930</u>	<u>43,164</u>

16 CAPITAL COMMITMENTS

	2014 £'000	2013 £'000
Contracted for, but not provided in the financial statements	-	-

CWA Academy Trust

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

17 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2014 £'000	2013 £'000
Other:		
Expiring within one year	6	9
Expiring within two and five years inclusive	15	21
	<u>21</u>	<u>30</u>

18 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £'000	2013 £'000
Net income	17,261	20,788
Depreciation (note 11)	1,412	867
Cash impact of transfer on conversion	(167)	-
Assets transferred on conversion (excluding cash)	(5,182)	(21,152)
Donated fixed assets	(12,938)	-
Capital grants from DfE and others	(76)	(100)
Interest receivable	(5)	(10)
FRS 17 pension cost less contributions payable (note 23)	140	32
FRS 17 pension finance costs (note 23)	18	13
Decrease/(Increase) in stocks	5	(19)
Decrease/(Increase) in debtors	631	(836)
(decrease)/Increase in creditors	(1,153)	1,899
	<u>(54)</u>	<u>1,482</u>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		

19 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014 £'000	2013 £'000
Interest received	5	10

CWA Academy Trust

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

20 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014 £'000	2013 £'000
Purchase of tangible fixed assets	(207)	(891)
Capital grants from DfE/EFA	76	100
NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(131)	(791)

21 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2013 £'000	Cash flows £'000	At 31 August 2014 £'000
Cash in hand and at bank	2,520	(13)	2,507
	2,520	(13)	2,507

22 MEMBERS' LIABILITY

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

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS

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

As described in note 23, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended.

CWA Academy Trust

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

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013/14 and 2014/15.

The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

The total employer's contribution to the Teachers' Pension Scheme was £707k (2013: £305k).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and 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 and the implications for the Academy Trust in terms of the anticipated rates.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The results below include a full year for King's Lynn Academy and Downham Market Academy and eight months and five months ending August 2014 for Nelson Academy and Eastgate Academy respectively.

The total contribution made for the year ended 31 August 2014 was £555k, of which employer's contributions totalled £416k and employees' contribution totalled £139,000. The agreed rates for future years are 17.9% for employers and for employees this varied between 5.5% and 7.5% based on earnings.

Principal actuarial assumptions

	2014	2013
Rate of increase in salaries	3.4% - 3.5%	5.1%
Rate of increase for pensions in payment	2.6% - 2.7%	2.8%
Discount rate	3.7%	4.6%
Inflation (CPI)	2.6%	2.8%

Salary increases are assumed to be 1% per annum until 31st March 2015, reverting to the long term assumptions shown thereafter.

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

	2014	2013
Retiring today:		
Males	22.1	21.2
Females	24.3	23.4
Retiring in 20 years:		
Males	24.5	23.6
Females	26.9	25.8

	2014 £'000	2013 £'000
Amounts recognised in the statement of financial activities		
Current service cost (net of employee contributions)	556	212
	<hr/>	<hr/>
Analysis of pension finance income/(costs)		
	2014 £'000	2013 £'000
Expected return on pension scheme assets	253	94
Interest on pension liabilities	(271)	(107)
	<hr/>	<hr/>
Pension finance costs	(18)	(13)
	<hr/>	<hr/>

CWA Academy Trust

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

23 PENSION AND SIMILAR OBLIGATIONS (continued)

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013	Fair value at 31 August 2013 £'000
Equities	6.3%	3,450	6.6%	2,399
Bonds	3.4%	1,115	4.1%	717
Property	4.5%	585	4.7%	395
Cash	3.3%	159	3.6%	72
TOTAL MARKET VALUE OF ASSETS		5,309		3,583
Present value of scheme liabilities				
- Funded		7,847		4,880
(DEFICIT) IN THE SCHEME		(2,538)		(1,297)

The actual return on scheme assets was £488,000 (2013: £244,000).

The expected return on assets is based on long-term future expected investment return for each asset class as at the beginning of the period.

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £1,056k loss (2013: £348k loss).

Movements in the present value of defined benefit obligations were as follows:	2014 £'000	2013 £'000
At 1 September	4,880	2,055
Transfer from Local Authority on conversion	1,284	2,225
Current service cost	556	212
Interest cost	271	107
Employee contributions	139	58
Actuarial loss	765	223
Losses on curtailment	(48)	-
At 31 August	7,847	4,880

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Movements in the fair value of Academy Trust's share of scheme assets:	2014	2013
	£'000	£'000
At 1 September	3,583	1,559
Transfer from Local Authority on conversion	909	1,542
Expected return on assets	253	94
Actuarial gain	57	150
Employer contributions	416	180
Employee contributions	139	58
Benefits paid	(48)	-
At 31 August	<u>5,309</u>	<u>3,583</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £508,000.

The history of experience adjustments is as follows:

	2014	2013	2012	2011
	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(7,847)	(4,880)	(2,055)	(1,489)
Fair value of share of scheme assets	5,309	3,583	1,559	1,256
Deficit in the scheme	<u>(2,538)</u>	<u>(1,297)</u>	<u>(496)</u>	<u>(233)</u>
Experience adjustments on share of scheme assets £'000	<u>57</u>	<u>150</u>	<u>23</u>	<u>4</u>
Experience adjustments on scheme liabilities: £'000	<u>765</u>	<u>223</u>	<u>295</u>	<u>170</u>

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

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

24 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners 16-19 Bursary Funds, on behalf of the EFA.

In the year for King's Lynn Academy it received £3k (2013: £3k) and disbursed £1k, with therefore an amount of £2k repayable by the Academy Trust at the 31 August 2014 is included in other creditors.

Downham Market Academy has disbursed its bursary funding of £22k in full.

25 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The College of West Anglia is the Sponsor of the CWA Academy Trust. During the year the Academy purchased educational services amounting to £66k (2013 - £18k) from the College. The balance owing at the 31 August 2014 was £3k (2013 - £18k).

The College paid certain expenses on behalf of the Trust. These have been recharged to the Trust at cost £30k. In addition the Trust paid £8k for the services of the College Marketing Manager and this has been charged at cost based on the hours work involved.

CWA Academy Trust

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

26 CONVERSION TO AN ACADEMY TRUST

On 1 January 2014 and 1 April 2014 the Clackclose Primary School and Eastgate Community Primary School transferred to the Trust, becoming known as Nelson Academy and Eastgate Academy respectively. They converted to an academy under the Academies Act 2010 and all the operations and assets and liabilities were transferred to CWA Academy Trust from Norfolk County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

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

	TOTAL £000	Unrestricted fund £000	Restricted general fund £000	Restricted fixed asset funds £000
Tangible fixed assets:				
Leasehold land and buildings	5,557	-	-	5,557
School budget surplus from Norfolk County Council	167	157	-	10
LGPS pension deficit	(375)	-	(375)	-
	<u>5,349</u>	<u>157</u>	<u>(375)</u>	<u>5,567</u>
Net assets/(liabilities)	<u>5,349</u>	<u>157</u>	<u>(375)</u>	<u>5,567</u>

The above net assets include £167k that were transferred as cash.

CWA Academy Trust

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

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by CWA Academy Trust during the period 1 September 2013 to 31 August 2014 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 CWA Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the CWA Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the CWA Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of CWA Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2010, subsequently modified, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

CWA Academy Trust

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

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

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk, IP32 7FA

6 January 2015