



CWA Academy Trust Limited

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2012

Company Registration No. 7338780

CWA Academy Trust Limited

GOVERNORS' REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

Legal Status

Company Limited by Guarantee

incorporated on 6th August 2010,

Company Registration Number 7338780

Members

David Pomfret (Chair)

Richard Williamson

Sharon Cambridge

Derek Stringer

College of West Anglia

Governors (Trustees and Directors)

David Pomfret (Chair of Governors) (B&F)

Arlene Clark (C&S)

Jill Francis (C&S) (resigned 7.1.12)

Richard Bradley (C&S)

Thomas Harrison (B&F)

Deborah Gates (B&F)

Melanie Wellard (C&S)

Janet Murphy (B&F)

David Pollock (C&S)

Julia Cripps (staff governor)

Suzanne McMahon (parent governor) (B&F)

Wendy Fisher (co-opted governor) (C&S)

Craig Morrison (Principal and Accounting Officer) (B&F, C&S)

Lisa Cook (appointed 17.4.12) (C&S)

Key

B&F Business and Finance Committee

C&S Curriculum and Standards Committee

CWA Academy Trust Limited

GOVERNORS' REPORT

Senior Management Team:

Principal	Craig Morrison
Vice Principal – Learning & Raising Achievement	Alan Fletcher
Vice Principal – Community and Wellbeing	Robert Ogden
Vice Principal – Teaching Development	Terri Broughton
Assistant Principal – Curriculum Development	Barbara Backham
Assistant Principal – Partnership Development	Lesley Short
Director of Finance & Operations	Alan Evans

Principal and Registered Office

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

Company Registration Number

7338780 (England and Wales)

Auditor

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

Bankers

Lloyds TSB Bank plc
King's Lynn Business Centre
1 Tuesday Market Place
King's Lynn, Norfolk
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 Limited

GOVERNORS' REPORT

Governors Report

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2012.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The 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 Principal Sponsor
2. Up to three persons appointed by the Principal Sponsor
3. One person appointed by the Co-Sponsor
4. One person appointed by the Secretary of State for Education, in the event that the Secretary of State appoints a person for this purpose
5. The Chairman of the Governors
6. The Members may agree unanimously in writing to appoint such additional members as they see fit.

The Governors are the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as King's Lynn Academy.

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.

Governors

The Governors are directors of the charitable company for the purposes of the Companies Act 2006.

Governors are appointed as follows:

1. Up to seven Governors appointed by the lead sponsor College of West Anglia

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GOVERNORS' REPORT

2. One Governor appointed by the co-sponsor Norfolk County Council
3. One further Local Authority appointed Governor with Children's Services expertise
4. Up to one parent governor
5. Up to one staff governor
6. The Principal
7. Any directors appointed by the Secretary of State
8. Up to three co-opted governors

The Trust provides the Governors with insurance provision of £1 million.

The terms of office for all Governors shall be four years, except the Principal whose term of office runs in parallel with his term of office. The Governors who were in office at the 31 August 2012 and served throughout the year, except where shown, are listed in the previous section.

The changes in the composition of the Governing Body are shown on Page 2.

The Business & Finance Committee is a sub-committee of the main governing body. Its purpose is to:

- Review on an ongoing basis the financial position of the Academy
- Agree the annual budget for ratification by the Governing Body
- Undertake the responsibilities of an Audit Committee in relation to external and internal audit

There were no changes in the composition of the Business & Finance Committee during the year.

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 is required to:

- offer a broad curriculum with a strong emphasis on, in no way limited to, Mathematics and Business & Enterprise which are the Academy's specialisms.
- provide education for pupils of different abilities and who are wholly or mainly drawn from the area in which the Academy is situated.
- be at the heart of its community, sharing facilities with other educational institutions and with the wider community.

The Funding Agreement which the Academy 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 Academy, in common with all academies, receives its funding based on projected pupil numbers in Years 7 – 11 as well as in the sixth form. The total pupil capacity of the Academy is 1,100, made up of 180 in years 7 – 11 and 100 each in years 12 and 13.

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GOVERNORS' REPORT

Organisational structure

The Academy is governed by a governing body who are the Directors. The Governing Body retains the responsibility for:

- Determining the educational character and mission of the Academy
- Approving strategic plans and annual operational / development, monitoring progress against these
- Approving the annual budget before the start of each year
- Ensuring the solvency of the Academy
- Appointing the Principal and Company Secretary (or company secretarial services) and the determining of an appeal in connection with their dismissal
- Removing Governors for any reason other than expiry of their term

The Governing Body has established two Committees. The responsibility of the Curriculum and Standards Committee is to monitor and review all educational and pastoral activities. It also considers strategies in relation to Quality Assurance, Safeguarding, Equalities & Diversity and Self-assessment and makes appropriate recommendations to the Governing Body. The Business and Finance Committee monitors and reviews all the financial and business affairs of the Academy.

As a principle, the Governing Body are clear that their involvement revolves around setting the strategic direction of the Academy and ensuring that systems are in place for this to be delivered. Further details of the governance arrangements, including those powers delegated to the Principal, are included in the Governance and Financial Management Regulations. The Academy Leadership Team is responsible for the day to day operations of the Academy.

The Principal is the appointed Accounting Officer.

Risk Management

The risks facing any academy are varied and complex and the Governing Body are very aware of these risks.

The Governors confirm that the major risks facing the Academy have been identified and addressed. This has been undertaken through the work of the Governing Body, the Curriculum & Standards Committee, the Business & Finance Committee, the work of the Academy Leadership Team. This is reflected in the current Academy Improvement Plan. The Principal has led a number of workshops with Trustees, Governors and Academy staff in order to develop these plans. In particular a risk management workshop was organised by our auditors Baker Tilly jointly with Governors and the Academy Leadership Team, which resulted in an updated risk register.

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GOVERNORS' REPORT

Connected organisations, including related party transactions

The major sponsor of the Academy is the College of West Anglia. The College is highly regarded and has been consistently graded as 'excellent' in Ofsted inspections. The College has therefore been able to bring a great deal of expertise to the Governing Body. During the course of the year, the Academy has also traded commercially 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.

Norfolk County Council is the co-sponsor and nominates one representative on the Governing Body as well as one further representative with particular expertise in the provision of services to children. The Council provide a range of services to the Academy on a commercial basis. The Academy also recognises the support and advice provided by Norfolk County Council on an on-going basis.

One of the Academy's two specialisms is Business & Enterprise and the Governing Body would like to thank the Norfolk Charitable Trust for its on-going support 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 is also a member of the Governing Body of the Academy.

Objectives and 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 is required to:

- offer a broad curriculum with a strong emphasis on, in no way limited to, Mathematics and Business & Enterprise which are the Academy's specialisms.
- provide education for pupils of different abilities and who are wholly or mainly drawn from the area in which the Academy is situated.
- be at the heart of its community, sharing facilities with other educational institutions and with the wider community.

ACHIEVEMENT AND PERFORMANCE OF THE ACADEMY IN ITS SECOND YEAR

The Academy began its second year in September 2011 on a highly positive note given the record results of the summer which were double those recorded in August 2010.

The academic achievements of the first year were largely based upon highly effective intervention and a focus upon Year 11 and the work of the second year was to effectively restructure the academy so that more sustainable practices and therefore higher outcomes could be secured.

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GOVERNORS' REPORT

A thorough consultation process was run, with proposals for revising the structure of the academy into four houses, each reporting to a senior leader, with the academy leadership team reduced from ten to seven members.

Each senior leader would be responsible for academic and welfare outcomes and line manage two new faculties, sharpening lines of accountability.

Allied to this would be a much stronger partnership approach to sixth form with the College of West Anglia, a new academy day with split lunchtimes and extended learning opportunities.

These proposals were successfully delivered by the end of the academic year, also resulting in vital savings of £350,000.

The restructuring of the academy was a key development point from the monitoring visit carried out by two HMI in November 2011. This visit aimed to judge the progress made since opening and it was found that the academy had made satisfactory progress, with very positive comments throughout the report.

Notable areas for development were the skills of teachers to engage all students and the need to raise achievement in English. Inspectors were pleased with the academy's internal monitoring systems and the security of estimates for summer 2012.

Results though in August 2012 were a disappointment and indeed a shock, with a reduction in the 'gold standard' from 42% to 35%, whereas estimates were a further increase to 50%.

	<u>2012</u>	<u>2011</u>
5 A*-C passes including English and Mathematics	35% (49%)	42%
5 A*-C passes	91%	80%

In brackets above can be seen the academy result for the 'gold standard' had the grade boundaries for our GCSE English specification not been changed at a very late stage. Had the students' controlled assessment work been entered in the January window then the 49% result would have stood. The governing body have supported the legal challenge to this late change to the boundaries.

The academy has been particularly affected by the change to the C/D grade borderline for this specification due to the very high number of students admitted with low level 4 scores in English at Key Stage 2. Improvements in Key Stage 3 teaching are now even more important to guard against this large group of students still being at the C/D grade boundary in the higher years.

Despite the disappointment of this key result, it masks many exceptional achievements from the second year, including the very high numbers achieving 5 or more A*-C grades, the superb performance of the Maths faculty where 64% of students achieved A*-C grades and the rapid

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GOVERNORS' REPORT

'closing of the gap' between those receiving free school meals and not, and those with Special Educational Needs and those without. All of these scores are close to or in excess of national averages, which is indicative of our progress to being graded as a 'good' academy.

The drive for further improvement will be helped enormously by the on-going development of our estates. We received the first phase, the south hub, in September 2012 and we have been very pleased with the translation of our original concept to the final results.

FINANCIAL REVIEW

Financial Report for the Year

The Academy accounting period is from 1 September 2011 to 31 August 2012 and these are the Academy's second set of financial statements.

The majority of the Academy's income is obtained from the Education Funding Agency (EFA) (the predecessor body being the YPLA (the Department for Education's funding distribution agency) in the form of recurrent grants based primarily on student numbers. The use of this funding is restricted to educational purposes. In this year the Academy has also received start up grants to cover the additional costs incurred in the early years; these amounts reduce on a pre-agreed basis. A small amount of funding of income is derived from the letting of premises although the primary purpose of this is to encourage community involvement with the Academy. The grants received as well as associated expenditure are shown as restricted funds in the financial statements.

The majority of expenditure is on payroll costs. As a consequence of this, a detailed review of staffing needs has been undertaken during the financial year. As a consequence the number of senior leaders has been reduced, the structure of faculty teams reorganised and the utilisation of teaching staff improved.

The Academy has been working closely with its major sponsor to review the nature of teaching in the sixth form. The low pupil numbers in the sixth form is a major financial inefficiency and plans have developed to share teaching with the College in many subjects from September 2012. Greater collaboration is anticipated for the future.

The Academy also 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.

The Academy is in the middle of a major refurbishment / new build project. As a consequence, various parts of the site are being taken out of use and refurbished at different times. The Balance Sheet and associated depreciation / valuation adjustments reflect the stage the project had reached in August 2012. The project is due for completion in September 2013 and the intention will be for the site to be revalued at this time.

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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 whilst the capital project is on-going.

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 £496k. It should be noted that this does not present the Academy 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.

In summary, the financial statements show a much improved financial position compared to the previous year. 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 Governing Body have monitored the financial position and recognise that whilst the financial performance for 11/12 is good, there is increasing concern about the impact of low pupil numbers and the viability of the sixth form as a stand-alone unit.

Principal risks and uncertainties

The financial risks are significant and many are outside the control of the Academy. 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.

Low pupil numbers are going to be a difficult issue for the Academy for several years to come. In response to low sixth form numbers, the Governors are seeking to strengthen the arrangement with the College of West Anglia for the delivery of post 16 education.

Financial and cash flow management therefore remains a considerable concern. There are clear plans being put in place which reduce operating costs and equally importantly ensure that there is a clear focus on the priorities of the Academy. The Academy has a far better understanding of its cost base in 11 / 12 and costs have been managed effectively as can be seen from these Financial Statements.

Reserves policy

The Business & Finance Committee has adopted a policy that there will be available reserves of £100k by the end of the second year of operation, building up at 3% of annual income thereafter.

This has been achieved in the second year and the surplus generated will be fundamental in delivering the next phase of the Academy's development as outlined above.

As previously mentioned, the pension fund liability has a major negative effect on overall levels of reserves. It is not expected that there will be an adverse cash flow impact in the coming year.

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Investment policy

There are periods during the year when the Academy holds significant cash balances. The Academy 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.

Going concern

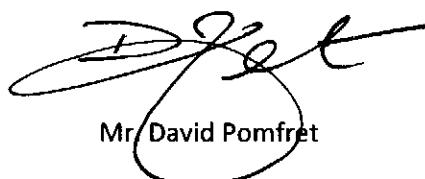
The Governing Body has reviewed and considered budgets and forecasts alongside the Academy Trust's ongoing development plan and the robust measures being considered.

The Governing Body has 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. In addition the Governing Body has taken robust decisions to review sixth form provision in the Academy.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

Approved by order of the members of the Governing Body at its meeting on 14 December 2012 and signed on its behalf by:



Name:

Mr David Pomfret

Chair of Governors

Dated:

18/12/12

CWA Academy Trust Limited

GOVERNANCE STATEMENT

Scope of responsibility

As governors, 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 Governing Body has delegated the day-to-day responsibility to the Principal, 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 Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

The Governing Body met 6 times during the year and there were also meetings of Curriculum and Standards Committee and the Business and Finance Committee. Governors are generally members of one or other of the two committees. The Business and Finance Committee have set up a sub-committees dealing specifically with HR matters.

All Governors, other than the Principal and Staff Governor, give up their time freely and no remuneration or expenses were paid during the year. Attendance during the year at meetings of the Full Governing Body and the Business & Finance Committee was as follows:

Name	Committees	Attendance		Absences (number)
R. Bradley	FGB	5/6		1
A. Clark	FGB	5/6		1
L. Cook	FGB	2/2		0
J. Cripps	FGB	6/6		0
W. Fisher	FGB	5/6		1
J Francis	FGB	2/2		0
D. Gates	FGB Finance	3/6 4/6		3 2
T. Harrison	FGB Finance	5/6 4/6		1 2

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S. McMahon	FGB Finance	6/6 4/6		0 2
C. Morrison	FGB Finance	6/6 6/6		0 0
J. Murphy	FGB Finance	3/6 3/6		3 3
D. Pollock	FGB	6/6		0
D. Pomfret	FGB Finance	6/6 6/6		0 0
M. Wellard	FGB	5/6		1

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 2012 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body 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 Governing Body 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 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body

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- regular reviews by the Business and Finance 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

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Baker Tilly to undertake the Responsible Officer role. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The RO reported to the Governing Body in November 2012, undertaking all the tests required by the EFA, on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The finding of the RO were positive and indicated that internal controls would appear to be working effectively based upon the testing undertaken. There were some low risk and advisory points raised and these have been debated and actions agreed.

Review of effectiveness

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

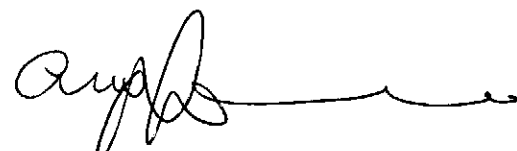
- The work of the Responsible Officer
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Academy Trust (in particular the Director of Finance and Operations) who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business and Finance Committee and a plan to address weaknesses (based on the Financial Management and Governance Questionnaire) and ensure continuous improvement is in place.

Approved by order of the members of the Governing Body on 14 December 2012 and signed on its behalf by:



Mr. D. Pomfret
Chair



Mr. C. Morrison
Accounting Officer


CWA Academy Trust Limited

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of the CWA Academy Trust I have considered my responsibility to notify the academy trust governing body 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 governing body 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.

A handwritten signature in black ink, appearing to read 'Craig Morrison', followed by a long horizontal flourish.

Craig Morrison
Accounting Officer

CWA Academy Trust Limited

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (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 Governors' Report and the Financial Statements in accordance with the Academies Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 Governors 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the 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 governors 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 YPLA/EFA/DfE have been applied for the purposes intended.

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

www.kingslynnacademy.co.uk

The governors 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 Governing Body on 14 December 2012 and signed on its behalf by:



Mr. D. Pomfret, Chair of Governors

CWA Academy Trust Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CWA ACADEMY TRUST LIMITED YEAR ENDING ON 31 AUGUST 2012

We have audited the financial statements of CWA Academy Trust Limited for the year ended 31 August 2012 on pages 19 to 44. 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 2011/12 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 governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 16, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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 2011/12 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

CWA Academy Trust Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CWA ACADEMY TRUST LIMITED
YEAR ENDING ON 31 AUGUST 2012

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.



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 24 December 2012

CWA Academy Trust Limited

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

For the year ended 31 August 2012

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2012 £'000	Total 2011 £'000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	50	-	896	946	317
Voluntary income – transfer from local authority on conversion	2	-	-	-	-	9,239
Activities for generating funds	2	116	-	-	116	74
Investment income	19	3	-	-	3	1
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	3	40	4,778	-	4,818	5,357
Total incoming resources		209	4,778	896	5,883	14,988
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary Income	4	50	-	-	50	50
Activities for generating funds	4	89	-	-	89	57
Charitable activities:						
Academy's educational operations	5	24	4,361	3,780	8,165	6,406
Governance costs	6	-	35	-	35	25
Total resources expended	4	163	4,396	3,780	8,339	6,538
NET INCOME / (EXPENDITURE) FOR THE YEAR		46	382	(2,884)	(2,456)	8,450
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial (losses)/gains on defined benefit schemes	23	-	(272)	-	(272)	174
NET MOVEMENT IN FUNDS		46	110	(2,884)	(2,728)	8,624
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 September 2011		24	(247)	8,847	8,624	-
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2012	14/15	70	(137)	5,963	5,896	8,624

All of the Academy Trust's activities derive from continuing operations during the financial period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

CWA Academy Trust Limited

BALANCE SHEET

31 August 2012

Company Registration No. 7338780

	Notes	2012 £'000	2012 £'000	2011 £'000	2011 £'000
FIXED ASSETS					
Tangible assets	10		5,191		8,847
CURRENT ASSETS					
Stock	11	7		7	
Debtors	12	112		208	
Cash at bank and in hand		1,819		290	
		<u>1,938</u>		<u>505</u>	
CREDITORS: Amounts falling due within one year	13	<u>737</u>		<u>495</u>	
NET CURRENT ASSETS			<u>1,201</u>		<u>10</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,392</u>		<u>8,857</u>
Pension scheme liability	23		(496)		(233)
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>5,896</u></u>		<u><u>8,624</u></u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	14		5,963		8,847
General fund	14		359		52
Restricted funds excluding pension reserve			<u>6,322</u>		<u>8,899</u>
Pension reserve	14		(496)		(299)
TOTAL RESTRICTED FUNDS			<u>5,826</u>		<u>8,600</u>
TOTAL UNRESTRICTED FUNDS	14		<u>70</u>		<u>24</u>
TOTAL FUNDS			<u><u>5,896</u></u>		<u><u>8,624</u></u>

The financial statements on pages 19 to 44 were approved by the Governors and authorised for issue on 14 December 2012, and are signed on their behalf by:

Mr David Pomfret
Chair of Governors

CWA Academy Trust Limited

CASH FLOW STATEMENT

For the year ended 31 August 2012

	Notes	2012 £'000	2011 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	18	661	545
Returns on investment and servicing of finance	19	3	1
Capital expenditure	20	865	(525)
Cash transferred on conversion to an Academy Trust		-	269
		<hr/>	<hr/>
INCREASE IN CASH IN THE YEAR	21	1,529	290
		<hr/>	<hr/>

CWA Academy Trust Limited

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 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 governors 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 governors 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

Fixed asset grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. 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. 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.

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.

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

CWA Academy Trust Limited

ACCOUNTING POLICIES

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 Governors' 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 Governors.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Young People's Learning Agency, 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 Young People's Learning Agency, Education Funding Agency and the Department for Education and the Local Authority where the asset acquired or created is held for a specific purpose.

Tangible fixed assets

Fixed Assets 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

CWA Academy Trust Limited

ACCOUNTING POLICIES

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.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Second Pension (S2P) and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is

CWA Academy Trust Limited

ACCOUNTING POLICIES

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.

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2012

1	GENERAL ANNUAL GRANT (GAG)	2012 £'000	2011 £'000
a)	Results and carry forward for the year		
	GAG b/f previous year	4	-
	GAG allocation for current year	3,902	4,066
		<hr/>	<hr/>
	TOTAL GAG AVAILABLE TO SPEND	3,906	4,066
	Recurrent expenditure from GAG	(3,472)	(3,806)
	Fixed assets purchased from GAG	-	(256)
		<hr/>	<hr/>
	GAG CARRIED FORWARD TO NEXT YEAR	434	4
		<hr/>	<hr/>
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	468	488
		<hr/>	<hr/>
	GAG TO SURRENDER TO DfE (12% rule breached if result is positive)	(34)	(484)
		<hr/>	<hr/>
		No breach	No breach
b)	Use of GAG brought forward from previous year for recurrent purposes (of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
	Recurrent expenditure from GAG in current year	3,472	3,806
	GAG allocation for current year	(3,902)	(4,066)
	GAG allocation for previous year x 2%	(81)	-
		<hr/>	<hr/>
	GAG brought forward from previous year in excess of 2%, used on recurrent expenditure in current year (2% rule breached if result is positive)	(511)	(260)
		<hr/>	<hr/>
		No breach	No breach

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2012

2 VOLUNTARY INCOME & ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2012 Total £'000	2011 Total £'000
<u>VOLUNTARY INCOME</u>					
Transfer from Local Authority on conversion to an Academy Trust:					
Fixed assets					
-land and buildings	-	-	-	-	9,369
Funds transferred from the predecessor school	-	-	-	-	269
LGPS pension deficit as at 1.9.2010.	-	-	-	-	(399)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,239</u>
Other donations	50	-	-	50	56
Capital grants	-	-	896	896	261
	<u>50</u>	<u>-</u>	<u>896</u>	<u>946</u>	<u>317</u>

ACTIVITIES FOR GENERATING FUNDS

Catering income	71	-	-	71	63
Hire of facilities	14	-	-	14	11
Consultancy services	11	-	-	11	-
Sundry items	20	-	-	20	-
	<u>116</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>74</u>

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
DfE/EFA/YPLA REVENUE GRANTS (note 1)				
General annual grant (GAG)	-	3,902	3,902	4,066
Start-up grants	-	537	537	771
Pupil Premium Grant	-	67	67	29
Other DfE/YPLA grants	-	23	23	217
	-	4,529	4,529	5,083
OTHER GOVERNMENT GRANTS				
Special educational projects	-	173	173	274
	-	4,702	4,702	5,357
OTHER INCOME				
Other Income	40	76	116	-
	40	4,778	4,818	5,357

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

4 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2012 £'000	Total 2011 £'000
Costs of generating voluntary income	50	-	-	50	50
Costs of activities for generating funds	15	6	68	89	57
Academy's educational operations					
Direct costs	2,979	202	4,146	7,327	5,358
Allocated support costs	638	55	145	838	1,048
	3,617	257	4,291	8,165	6,406
Governance costs including allocated support costs	15	-	20	35	25
	3,697	263	4,379	8,339	6,538

Net incoming/(outgoing) resources for the year	2012 £'000	2011 £'000
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Fees payable to Baker Tilly UK Audit LLP and its associates for:

Audit	15	15
Other services	15	4

Amounts payable under operating leases:

Other	22	22
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Depreciation	3,780	1,308
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3,832	1,349
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CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

5 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS COSTS

	2012 £'000	2011 £'000
DIRECT COSTS		
Teaching and educational support staff costs	2,979	3,101
Educational supplies and services	196	383
Examination fees	82	89
Staff development	49	36
Employment expenses	17	63
Energy	84	95
Other utilities	64	34
Ground maintenance	32	59
Building maintenance	22	164
Other direct costs	22	26
Depreciation	3,780	1,308
	<hr/>	<hr/>
	7,327	5,358
	<hr/>	<hr/>
ALLOCATED SUPPORT COSTS		
Support staff costs	638	683
Cleaning	5	24
Rent and rates	14	13
Insurance	41	39
Admin supplies	27	70
IT	60	-
Professional charges	38	167
Other support costs	15	52
	<hr/>	<hr/>
	838	1,048
	<hr/>	<hr/>
	8,165	6,406
	<hr/>	<hr/>

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

6 GOVERNANCE COSTS

	Restricted General Fund	
	2012 £'000	2011 £'000
Auditors' remuneration		
Audit of financial statements	15	15
Responsible officer audit	5	4
Support costs	15	6
	<u>35</u>	<u>25</u>

7 STAFF COSTS

	2012 £'000	2011 £'000
Staff costs during the period were:		
Wages and salaries	2,904	3,004
Social security costs	216	221
Pension costs	389	387
	<u>3,509</u>	<u>3,612</u>
Supply teacher costs	108	165
Agency support staff	16	-
Compensation payments	14	7
Value of donated services	50	50
	<u>3,697</u>	<u>3,834</u>

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

	2012 No	2011 No
Teachers	42	42
Administration and support	50	54
Management	10	10
	<u>102</u>	<u>106</u>

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

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

	2012	2011
	No	No
£60,001 - £70,000	4	2
£70,000 - £80,000	1	-
£80,001 - £90,000	3	-
£130,001 – £140,000	1	-

Eight employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £69k (2011 - £18k).

8 GOVERNORS' REMUNERATION AND EXPENSES

The Principal and staff governor only receive remuneration in respect of services they provide undertaking the roles of Principal and teacher respectively and not in respect of their services as governors.

The value of the Principal's remuneration was £132k in the 2011 / 2012 financial year, which included £15k employer's pension contribution.

The remuneration of the staff governor was £50k, which included £6k employer's pension contribution.

Other Governors did not receive any payments for their services as Governors.

Related party transactions are set out in note 25.

9 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2012 was £626 (2011 - £626).

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

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

10 TANGIBLE FIXED ASSETS

	<i>Long leasehold land and buildings £'000</i>	<i>Fixtures fittings and equipment £'000</i>	<i>Total £'000</i>
Cost:			
At 1 September 2011	9,814	341	10,155
Additions	-	124	124
31 August 2012	9,814	465	10,279
Depreciation			
At 1 September 2011	1,236	72	1,308
Charged in the year	3,695	85	3,780
31 August 2012	4,931	157	5,088
Net book value			
31 August 2012	4,883	308	5,191
31 August 2011	8,578	269	8,847

Upon conversion to an Academy Trust, long leasehold land and buildings were transferred initially on a shorthold tenancy by the local authority Norfolk County Council. The land and buildings were valued on 1 September 2010 by Mr Grant Brewer at £9,814,000. Mr Brewer is a RICS registered valuer, membership number 88138.

A major capital investment project commenced in April 2012. The total investment will total £10.5m., comprises of a combination of refurbishment and new build and takes place over three phases ending in September 2013. As a consequence, estimates are included to recognise the impairment of the existing assets.

The building element of the capital project is being managed by Norfolk Property Services and the financial responsibility accordingly managed by Norfolk County Council. The IT procurement is managed by the Academy.

A 125 year lease will be put in place when the ongoing capital project is finalised

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

11	STOCK	2012 £'000	2011 £'000
	Uniforms	7	7
		<u>7</u>	<u>7</u>
12	DEBTORS	2012 £'000	2011 £'000
	Trade debtors	4	4
	Prepayments	19	43
	Other debtors	89	161
		<u>112</u>	<u>208</u>
		<u>112</u>	<u>208</u>
13	CREDITORS: Amounts falling due within one year	2012 £'000	2011 £'000
	Trade creditors	478	273
	Other creditors	156	116
	Accruals	103	106
		<u>737</u>	<u>495</u>
		<u>737</u>	<u>495</u>

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

14 FUNDS	At 1 September 2011 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2012 £'000
RESTRICTED GENERAL FUNDS					
General Annual Grant excluding Pension Reserve	4	3,902	(3,482)	(65)	359
Pension Reserve	(299)	-	10	(207)	(496)
	<u>(295)</u>	<u>3,902</u>	<u>(3,472)</u>	<u>(272)</u>	<u>(137)</u>
General Annual Grant	(295)	3,902	(3,472)	(272)	(137)
Start Up Grant A	-	248	(248)	-	-
Start Up Grant B	-	289	(289)	-	-
Pupil Premium	-	67	(67)	-	-
SEN	-	119	(119)	-	-
One on One	19	-	(19)	-	-
Others	29	153	(182)	-	-
	<u>(247)</u>	<u>4,778</u>	<u>(4,396)</u>	<u>(272)</u>	<u>(137)</u>
	<u><u>(247)</u></u>	<u><u>4,778</u></u>	<u><u>(4,396)</u></u>	<u><u>(272)</u></u>	<u><u>(137)</u></u>
RESTRICTED FIXED ASSET FUNDS					
DfE capital grants	261	896	-	-	1,157
Revaluation of fixed assets	9,369	-	-	-	9,369
Fixed assets purchase from GAG	256	-	-	-	256
Other funding for fixed assets	269	-	-	-	269
Depreciation	(1,308)	-	(3,780)	-	(5,088)
	<u>8,847</u>	<u>896</u>	<u>(3,780)</u>	<u>-</u>	<u>5,963</u>
	<u><u>8,847</u></u>	<u><u>896</u></u>	<u><u>(3,780)</u></u>	<u><u>-</u></u>	<u><u>5,963</u></u>
TOTAL RESTRICTED FUNDS	<u>8,600</u>	<u>5,674</u>	<u>(8,176)</u>	<u>(272)</u>	<u>5,826</u>
	<u><u>8,600</u></u>	<u><u>5,674</u></u>	<u><u>(8,176)</u></u>	<u><u>(272)</u></u>	<u><u>5,826</u></u>
UNRESTRICTED FUNDS					
Unrestricted Funds	24	209	(163)	-	70
	<u>24</u>	<u>209</u>	<u>(163)</u>	<u>-</u>	<u>70</u>
TOTAL UNRESTRICTED FUNDS	<u>24</u>	<u>209</u>	<u>(163)</u>	<u>-</u>	<u>70</u>
	<u><u>24</u></u>	<u><u>209</u></u>	<u><u>(163)</u></u>	<u><u>-</u></u>	<u><u>70</u></u>
TOTAL FUNDS	<u>8,624</u>	<u>5,883</u>	<u>(8,339)</u>	<u>(272)</u>	<u>5,896</u>
	<u><u>8,624</u></u>	<u><u>5,883</u></u>	<u><u>(8,339)</u></u>	<u><u>(272)</u></u>	<u><u>5,896</u></u>

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

14 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 Academy. The Academy is allowed to carry forward up to 12% of the current GAG amounting to £580k at 31 August 2012. Of the carried forward amount, up to 2% amounting to £88k of the GAG, can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes. At 31 August 2012, the carried forward amount was £374k.
- 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
- One-to-One funding – this funding was carried forward from the previous financial and was used to support the agreed literacy project
- Other restricted income and unrestricted income additional educational grants and sundry smaller amounts which have been received during the year. The costs associated with these activities have been set off against the income.

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 YPLA / EFA plus the amounts of unspent capital grant received

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

15	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
	Tangible fixed assets	-	-	5,191	5,191
	Current assets	70	1,003	865	1,938
	Current liabilities	-	(644)	(93)	(737)
	Pension scheme liability	-	(496)	-	(496)
		<u>70</u>	<u>(137)</u>	<u>5,963</u>	<u>5,896</u>
	TOTAL NET ASSETS	<u>70</u>	<u>(137)</u>	<u>5,963</u>	<u>5,896</u>

16	CAPITAL COMMITMENTS	2012 £'000	2011 £'000
	Contracted for, but not provided in the financial statements	671	-
		<u>671</u>	<u>-</u>

The Academy has awarded a contract of £820k for IT equipment, deliverable over the period to August 2013. At 31 August 2012 payments totalling £31k (excluding VAT) had been made against this contract.

17 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2012 £'000	2011 £'000
Other:		
Expiring within one year	-	2
Expiring within two and five years inclusive	23	38
	<u>23</u>	<u>40</u>

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

18	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2012 £'000	2011 £'000
	Net income	(2,456)	8,450
	Depreciation (note 10)	3,780	1,308
	Assets transferred on conversion (excluding cash)	-	(8,970)
	Capital grants from DfE and others	(896)	(261)
	Interest receivable	(3)	(1)
	FRS 17 pension cost less contributions payable (note 23)	(13)	1
	FRS 17 pension finance costs (note 23)	4	7
	(Increase)/decrease in stocks	-	(7)
	(Increase)/decrease in debtors	96	(208)
	Increase/(decrease) in creditors	149	495
	Cash transferred on conversion	-	(269)
		<u>661</u>	<u>545</u>
	NET CASH INFLOW FROM OPERATING ACTIVITIES		
19	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
	Interest received	<u>3</u>	<u>1</u>

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

		2012 £'000	2011 £'000
20	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
	Purchase of tangible fixed assets	(31)	(786)
	Capital grants from DfE/EFA/YPLA	896	261
	NET CASH INFLOW / (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	865	(525)

21	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2011 £'000	Cash flows £'000	At 31 August 2012 £'000
	Cash in hand and at bank	290	1,529	1,819
		290	1,529	1,819

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 Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS

The academy'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.

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 2010.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their 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' Pension 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. The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

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%

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (continued)

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 2012 to 31 March 2013, 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.

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 and scheme valuations are, therefore, currently suspended. 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.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August was £199,000, of which employer's contributions totalled £150,000 and employees' contribution totalled £49,000. The agreed rates for future years are 17.9 per cent for employers and for employees this varied between 5.5% and 7.5% based on earnings.

Principal actuarial assumptions

	2012	2011
Rate of increase in salaries	4.5%	4.9%
Rate of increase for pensions in payment	2.2%	2.6%
Discount rate	4.1%	5.4%
Inflation (CPI)	2.2%	2.6%

Salary increases are assumed to be 1% per annum until 31.3.2015, reverting to the long term assumptions shown thereafter.

CWA Academy Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2012	2011
Retiring today:		
Males	21.2	21.2
Females	23.4	23.4
Retiring in 20 years:		
Males	23.6	23.6
Females	25.8	25.8

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 2012	Fair value at 31 August 2012 £'000	Expected return at 31 August 2011	Fair value at 31 August 2011 £'000
Equities	5.5%	998	6.8%	804
Bonds	3.6%	327	4.6%	251
Property	3.7%	187	4.8%	163
Cash	2.8%	47	3.9%	38
TOTAL MARKET VALUE OF ASSETS		1,559		1,256
Present value of scheme liabilities				
- Funded		2,055		1,489
(DEFICIT) IN THE SCHEME		(496)		(233)

The actual return on scheme assets was £105,000 (2011: £71,000).

	2012 £'000	2011 £'000
Amounts recognised in the statement of financial activities		
Current service cost (net of employee contributions)	136	134

CWA Academy Trust Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	81	66
Interest on pension liabilities	(85)	(73)
	<hr/>	<hr/>
Pension finance income/(costs)	(4)	(7)
	<hr/>	<hr/>

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 £102k loss

Movements in the present value of defined benefit obligations were as follows:	2012	2011
	£'000	£'000
At 1 September	1,489	1,406
Current service cost	136	134
Interest cost	85	73
Employee contributions	49	46
Actuarial loss / (gain)	295	(170)
Losses on Curtailment	1	-
	<hr/>	<hr/>
At 31 August	2,055	1,489
	<hr/>	<hr/>
Movements in the fair value of Academy Trust's share of scheme assets:		
At 1 September	1,256	1,007
Expected return on assets	81	66
Actuarial gain	23	4
Employer contributions	150	133
Employee contributions	49	46
	<hr/>	<hr/>
At 31 August	1,559	1,256
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2013 is £159K.

CWA Academy Trust Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The history of experience adjustments is as follows:

	2012 £'000	2011 £'000	2010 £'000
Present value of defined benefit obligations	(2055)	(1,489)	(1,406)
Fair value of share of scheme assets	1,559	1,256	1,007
	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(496)	(233)	(399)
	<hr/>	<hr/>	<hr/>
Experience adjustments on share of scheme assets £'000	23	4	
	<hr/>	<hr/>	
Experience adjustments on scheme liabilities: £'000	-	-	
	<hr/>	<hr/>	

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 it received £4k (2011: £4k) and disbursed £0, with therefore an amount of £4k repayable by the Academy Trust at the 31 August 2012 is included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £0 has been recognised in income and expenditure in the statement of financial activities.

25 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of governors 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 governors 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 major sponsor of the Academy. During the year the Academy purchased educational services amounting to £64,534 (2011 - £54,375) from the College of West Anglia. The balance owing at the 31 August 2012 was £231 (2011 - £229).

CWA Academy Trust Limited

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CWA ACADEMY TRUST LIMITED 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 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by CWA Academy Trust Limited during the period 1 September 2011 to 31 August 2012 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 Limited 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 Limited 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 Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of CWA Academy Trust Limited's funding agreement with the Secretary of State for Education dated 31 August 2010 and the Academies Financial Handbook as published by DfES in 2006, 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 2011/12. 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 2011 to 31 August 2012 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 2011/12 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.

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

CWA Academy Trust Limited

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

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 2011 to 31 August 2012 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

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24 December 2012