

CWA Academy Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2013

Company Registration No. 7338780



Business &
Enterprise



Maths &
Computing



The College
of West Anglia

CWA Academy Trust

DIRECTORS' REPORT

The Trust became a Multi-Academy Trust on 1st July 2013. As a consequence there has been a significant change in many of its governance arrangements which are detailed in the following sections

REFERENCE AND ADMINISTRATIVE DETAILS

Legal Status

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

Members

David Pomfret
Sharon Cambridge
Derek Stringer
College of West Anglia

Trustees and Directors

New structure with effect from July 2013

Derek Stringer – Chair of the Board of Directors – appointed July 2013
David Pomfret (Chair of Governors until July 2013
Appointed Chief Executive Officer and Accounting Officer in July 2013. Member of F&R and Audit Committees)
Sharon Cambridge – appointed July 2013
Arlene Clark
Mark Reavell – appointed July 2013 (Member of F&R Com)
Stephen Jones – appointed July 2013 (Member of F&R and Audit Committees)
Craig Morrison (Accounting Officer until July 2013) (member of Audit Committee)
Jon Ford – appointed July 2013 (Member of Audit Com)
Paul Dunning – appointed July 2013 (Member of F&R and Audit Committees)
Deborah Gates (Member of F&R Committee)

The following directors resigned their positions in July 2013 or earlier as indicated.

Richard Bradley
Thomas Harrison
Melanie Wellard
Janet Murphy - resigned February 2013
David Pollock
Lisa Cook
Julia Cripps (staff governor) – resigned December 2012
Peter Coote (staff governor) – appointed January 2013
Suzanne McMahon (parent governor)
Wendy Fisher (co-opted governor)
Simon Mace (co-opted governor) – appointed March 2013

CWA Academy Trust

DIRECTORS' REPORT

Local Governing Bodies were created in July for all academies. The composition of the Local Governing Bodies for both academies are listed below

King's Lynn Academy

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

Downham Market Academy

David Pomfret – Chair
Jon Ford – Principal
Jeanette Reading
Richard Bradley
Melanie Wellard
Michael Perillo
Hilary Auld
Richard Davidson
David Pollock
Andrew Gedge
Rebecca Nicholson – parent governor appointed Nov 2013
Rachel Mills – parent governor appointed Nov 2013
Rachel Hayward – staff governor appointed Nov 2013

Senior Leadership Teams:

CWA Academy Trust

Chief Executive Officer
Director of Achievement
Director of Finance and Company
Secretary

David Pomfret
Alan Fletcher
Alan Evans

King's Lynn Academy

Principal
Vice Principal – Learning
Assistant Principal – Outcomes
Assistant Principal – Provision
Business Manager

Craig Morrison
Terri Broughton
Barbara Backham
Lesley Short
Cathy Hase

Downham Market Academy

Principal
Vice Principal – Teaching and Learning
Vice Principal – Standards and Achievement
Assistant Principal – KS3
Assistant Principal – KS4 and SENDCO
Assistant Principal – Day to Day Operations
Business Manager

Jon Ford
Peter Salt
Hefin Matthews

Martin Moss
Matt Ridley
Hywel Bye
Jackie Appleby

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)

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

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 2013.

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 July 2013 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 Directors
4. The Members may agree unanimously 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

Directors are appointed as follows:

1. Up to six Directors appointed by the sponsor The College of West Anglia
2. The Chief Executive Officer
3. Up to three Principals
4. Co-opted directors

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

CWA Academy Trust

DIRECTORS' REPORT

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 term of office as Principal. The Directors who were in office at the 31st August 2013 are listed on page 2.

The changes in the composition of the Board of Directors are shown 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

These revised arrangements took effect in July 2013. Until that time the governance arrangements as were in place in the previous year were still in place.

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 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;

CWA Academy Trust

DIRECTORS' REPORT

- 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

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 are clear that their 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 management 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.

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 and addressed. For the year ended 31st August 2013 this has been undertaken through the work of the Board of Directors, the Curriculum & Standards Committee, the Business & Finance Committee and the work of the Academy Senior Leadership Teams.

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 also transacted at arm's length with the College for the provision of practical

CWA Academy Trust

DIRECTORS' REPORT

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 was the co-sponsor and nominated one representative on the Governing Body. This arrangement came to an end in July 2013 when the multi-academy trust was created and the College of West Anglia became the only sponsor. The Council provide a range of services to the Academy on a commercial basis. The Trust also recognises the support and advice provided by Norfolk County Council on an on-going basis.

One of King's Lynn Academy's two specialisms is Business & Enterprise and the Academy Trust 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 Local Governing Body of the Academy.

OBJECTIVES AND ACTIVITIES

ACHIEVEMENT AND PERFORMANCE OF THE TRUST

This year has seen major developments within the Academy Trust. Its ambition to become a multi-academy trust was achieved when Downham Market Academy became part of the Trust in July 2013. In addition negotiations are well developed to further expand the Trust and the first primary school Nelson Academy (formerly Clackclose Primary School) is planned to join in January 2014.

The performance of King's Lynn Academy improved significantly this year, the key areas of improvement being:

King's Lynn Academy GCSE Outcomes & Progress Analysis for 2013

Following an initially steep improvement in both outcomes and progress data for the academy in 2011, results in 2012 were very disappointing following poor results in English. In 2013 the English team responded impressively and were able to improve GCSE results significantly from 38 to 53% at grades C and above. Maths results in 2013 dipped slightly from 63% to 57% - much of this dip was anticipated and performance at grades C and above in Maths is still higher than benchmark.

- The proportion of students achieving 5 or more grade C or above passes including English and Maths was 44%, compared to 35% the previous year.
- Students achieving grades C and above in English overall was 53%, compared to 38% in 2012, beating the 50% target set by the Board of Directors
- students achieving grades C and above in Maths overall was 57%, compared to 63% in 2012
- The performance and progress of Special Educational Needs and Disability students was lower this year, as had been expected.
- Performance at School Action + and Statement level was in line with Fischer Family Trust expectations.
- The performance and progress of Pupil Premium students improved slightly overall, and was in line with expected performance. Progress of these students in Maths was disappointing.

CWA Academy Trust

DIRECTORS' REPORT

- Boys attained less highly than girls, although their achievement is likely to be similar in value added terms. Boys attainment overall improved for the third year in a row.
- Improvement monitoring visits concluded that the Academy was making satisfactory progress.
- The strong partnership approach to sixth form with the College of West Anglia continues to develop.

Downham Market Academy GCSE Outcomes & Progress Analysis for 2013

Following an exceptional rise in both outcomes and progress data for DMA in 2012, results in 2013 consolidated those initial gains.

- The proportion of students achieving 5 or more grade C passes and above including English and Maths was 55%, compared to 57% the previous year.
- Students achieving grade C and above in English overall was 61%, compared to 67% in 2012
- Students achieving grade C and above in Maths overall was 66%, compared to 67% in 2012
- The performance and progress of Special Educational Needs and Disability students was exceptionally high and well in excess of national comparators, following strong improvement for the second successive year
- The performance and progress of Pupil Premium students fell slightly overall, but this was more pronounced in Maths than in English
- Performance at Post 16 was broadly in line with expectation, with 36 students achieving negative residuals for progress in 2013, 26 achieving significantly better results than progress measures would have expected and 58 students achieving in line with expectation
- Post 16 performance in Level 3 BTEC subjects was significantly strong in 2013 (Highly rated compared to other providers)

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 has been appointed whose role is to provide challenge and support to individual academies within the Academy Trust to achieve this improvement. Educational consultants are also being recruited at a senior level to strengthen the support that can be given to primary and secondary schools.

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 be at least five.

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

CWA Academy Trust

DIRECTORS' REPORT

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.

FINANCIAL REVIEW

Financial Report for the Year

The Academy Trust's accounting period is from 1st September 2012 to 31st August 2013 and these are the Academy Trust's third set of financial statements.

The multi-academy trust was formed on 1st July 2013 and the governance changes detailed in the previous sections. These financial statements include a full year for King's Lynn Academy and 2 months (July / August) for Downham Market Academy. Incoming resources in a full year (including the consolidation of the Nelson Academy) will be in the region of £15m. The impact of the introduction of Downham Market Academy is fully reflected in the financial statements, the largest impact being the transfer of fixed assets, pension fund deficit and High School balances.

A new Funding Agreement was signed in July 2013 and all academies are on lagged funding agreements.

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 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 income is derived from the letting of premises although the primary purpose of this is to encourage community involvement. 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 at King's Lynn Academy 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.

King's Lynn Academy has been working closely with its 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 been developed to close the sixth form in July 2014 with students having the option to transfer to the College of West Anglia for post-16 education.

The Academy Trust 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.

King's Lynn Academy is nearing completion of a major refurbishment / new build project. As a consequence, various parts of the site have been taken out of use and refurbished at different times.

CWA Academy Trust

DIRECTORS' REPORT

The Balance Sheet and associated depreciation / valuation adjustments reflect the stage the project had reached in August 2013. The project is due for completion in September / October 2013 and the intention will be for the site to be revalued at this time.

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 £1,297k, the increase resulting from the introduction of Downham Market Academy's pension deficit. 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.

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 12/13 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.

Principal risks and uncertainties

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.

Low pupil numbers are going to be a difficult issue for King's Lynn Academy for several years to come. In response to low sixth form numbers, the Governors have taken the decision to close the sixth form.

The expansion of the Trust is recognised as a risk especially in relation to staff capacity. In response to this, the Trust have 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.

Financial and cash flow management therefore continues to be an area for considerable monitoring. 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 Academies and Trust.

Reserves policy

The Trust has adopted a policy that there will be available reserves of £100k, building up at 3% of annual income thereafter. This was based on a single academy only and the reserves policy will be

CWA Academy Trust

DIRECTORS' REPORT

reviewed to reflect the multi-academy status and how these reserves can be most effectively used to enhance the provision of education.

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.

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.

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

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

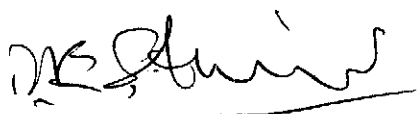
Baker Tilly UK Audit LLP has indicated its willingness to continue in office

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.

Approved by order of the Board of Directors at its meeting on 12/12/13 and signed on its behalf by:

Name:



Derek Stringer

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 Trust Body 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 Trust Board 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.

As outlined previously, governance arrangements changed significantly in July 2013. The first meeting of new Trust Board was held on the 23rd July when all directors were present. The attendance information below substantially refers to Governors Meetings held prior to July 2013 with the exception of the meeting referred to above.

The Directors met 6 times during the year and there were also meetings of Curriculum and Standards Committee and the Business & Finance Committee. The Business & Finance Committee, as well as having responsibility for the Trust resources, undertook the responsibilities of an Audit Committee. Directors were generally members of one or other of the two committees. These arrangements were in place until the multi-academy trust was formed on 1st July 2013, at which point the committee structure referred to in page 6 was created. During the two month period to the 31st August 2013, one meeting of the Board of Directors was held and there were no committee meetings. There were no meetings of the Audit Committee in the period from 1 July 2013 – 31 August 2013.

All Directors, 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 Board of Directors and the Business & Finance Committee was as follows:

Name	Committees	Attendance	Attendance %	Absences (number)
R. Bradley (resigned July 2013)	Board of Directors	4/5	80	1
A. Clark	Board of Directors	6/6	100	1
L. Cook (resigned Sept.13)	Board of Directors	0/2	0	2

CWA Academy Trust

GOVERNANCE STATEMENT

J. Cripps (resigned Dec 2012)	Board of Directors	2/2	100	0
P Coote (appointed as Governor Jan 2013) (resigned July 2013)	Board of Directors	2/3	67	1
W. Fisher (resigned July 2013)	Board of Directors	3/5	60	2
D. Gates	Board of Directors Finance	6/6 4/5	100 80	0 1
T. Harrison (resigned July 2013)	Board of Directors Finance	5/5 5/5	100 100	0 0
S Mace (appointed as Governor April 13) (resigned July 2013)	Board of Directors Finance	2/3 1/1	67 100	1 0
S. McMahon (resigned July 2013)	Board of Directors Finance	4/5 4/5	80 80	1 1
C. Morrison	Board of Directors Finance	6/6 4/5	100 80	0 1
J. Murphy (resigned Feb 2013)	Board of Directors Finance	0/3 1/2	0 50	3 1
D. Pollock (resigned July 2013)	Board of Directors	4/5	80	1
D. Pomfret	Board of Directors Finance	6/6 4/5	100 80	0 1
M. Wellard (resigned July 2013)	Board of Directors	3/5	60	2
D Stringer (appointed July 2013)	Board of Directors	1/1	100	0
S Cambridge (appointed July 2013)	Board of Directors	1/1	100	0
Jon Ford (appointed July 2013)	Board of Directors	1/1	100	0
S Jones (appointed July 2013)	Board of Directors	1/1	100	0

CWA Academy Trust

GOVERNANCE STATEMENT

M Reavell (appointed July 2013)	Board of Directors	1/1	100	0
P Dunning (appointed July 2013)	Board of Directors	1/1	100	0

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 2013 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 2013 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 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

CWA Academy Trust

GOVERNANCE STATEMENT

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 2013, presenting a positive 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 a second academy was introduced to the Academy Trust. The procedures previously in place within the Academy Trust were introduced in the new academy, and the programme of work performed by Baker Tilly included review of systems at both 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 Business and Finance 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 12/12/13 and signed on its behalf by:



Derek Stringer
Chair CWA Academy Trust

19/12/13



David Pomfret
Accounting Officer

19/12/13

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.



David Pomfret
Accounting Officer

Date

19/12/13

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 and the Financial Statements in accordance with the Academies Accounts Direction 2013 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:

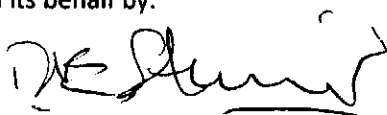
www.cwaacademytrust.co.uk

The 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 Board of Directors on
on its behalf by:

12/12/13

and signed



Derek Stringer
Chair of CWA Academy Trust

19/12/13

CWA Academy Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWA ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2013

We have audited the financial statements of CWA Academy Trust for the year ended 31 August 2013 on pages 21 to 46. 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 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 18, 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 APB's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

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 2013 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 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 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 2013

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 30 December 2013

CWA Academy Trust

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

For the year ended 31 August 2013

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	95	7	100	202	946
Voluntary income – transfer from local authority on conversion	2	380	(683)	21,455	21,152	-
Activities for generating funds	2	110	43	-	153	116
Investment income	19	10	-	-	10	3
Incoming resources from charitable activities:						
Funding for the Academy Trust's educational operations	3	-	6,013	-	6,013	4,818
Total incoming resources		595	5,380	21,555	27,530	5,883
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	4	40	-	-	40	50
Costs of activities for generating funds	4	96	53	-	149	89
Charitable activities:						
Academy Trust's educational operations	5	6	5,577	867	6,450	8,165
Governance costs	6	-	103	-	103	35
Total resources expended	4	142	5,733	867	6,742	8,339
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		453	(353)	20,688	20,788	(2456)
GROSS TRANSFERS BETWEEN FUNDS		-	(111)	111	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		453	(464)	20,799	20,788	(2456)
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial (losses)/gains on defined benefit schemes	24	-	(73)	-	(73)	(272)
NET MOVEMENT IN FUNDS		453	(537)	20,799	20,715	(2,728)
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 September 2012		70	(137)	5,963	5,896	8,624
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2013	15/16	523	(674)	26,762	26,611	5,896

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

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

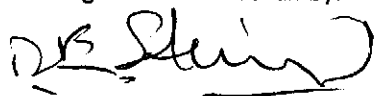
BALANCE SHEET

31 August 2013

Company Registration No. 7338780

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
FIXED ASSETS					
Tangible assets	11		26,550		5,191
CURRENT ASSETS					
Stock	12	26		7	
Debtors	13	1,448		112	
Cash at bank and in hand		2,520		1,819	
		<u>3,994</u>		<u>1,938</u>	
CREDITORS: Amounts falling due within one year	14	<u>(2,636)</u>		<u>(737)</u>	
NET CURRENT ASSETS			<u>1,358</u>		<u>1,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,908</u>		<u>6,392</u>
Pension scheme liability	24		(1,297)		(496)
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>26,611</u></u>		<u><u>5,896</u></u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15		26,762		5,963
General fund	15		623		359
Restricted funds excluding pension reserve			<u>27,385</u>		<u>6,322</u>
Pension reserve	15		(1,297)		(496)
TOTAL RESTRICTED FUNDS			<u>26,088</u>		<u>5,826</u>
TOTAL UNRESTRICTED FUNDS	15		<u>523</u>		<u>70</u>
TOTAL FUNDS			<u><u>26,611</u></u>		<u><u>5,896</u></u>

The financial statements on pages 21 to 46 were approved by the Directors and authorised for issue on 12/12/13 and are signed on their behalf by:



Mr Derek Stringer
Chair of CWA Academy Trust

19/12/13

CWA Academy Trust

CASH FLOW STATEMENT

For the year ended 31 August 2013

	Notes	2013 £'000	2012 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	19	1,482	661
Returns on investment and servicing of finance	20	10	3
Capital expenditure	21	(791)	865
		<hr/>	<hr/>
INCREASE IN CASH IN THE YEAR	22	701	1,529
Net funds at 1 st September 2012		1,819	290
		<hr/>	<hr/>
Net funds at 31 st August 2013	22	2,520	1,819
		<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 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 - Capitalisation policy

Tangible Fixed Assets costing £1,000 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) 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 24, the TPS is a multi-employer scheme and the Academy Trust is

CWA Academy Trust

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.

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 school Downham Market High 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.

Land and buildings transferred on conversion were valued at £21,335,000.

The LGPS balance transferred on conversion was a deficit of £683,000, as valued by the pension scheme actuary. Further details of the transaction are set out in note 27.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

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 2013.

2 VOLUNTARY INCOME & ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2013 Total £'000	2012 Total £'000
<u>VOLUNTARY INCOME</u>					
Transfer from Local Authority on conversion to an Academy Trust:					
Fixed Assets	-	-	21,335	21,335	-
Restricted capital grant	-	-	120	120	-
Funds transferred from the predecessor school	380	-	-	380	-
LGPS pension deficit	-	(683)	-	(683)	-
	<u>380</u>	<u>(683)</u>	<u>21,455</u>	<u>21,152</u>	<u>-</u>
Other donations	95	7	100	202	50
Capital grants	-	-	-	-	896
	<u>475</u>	<u>(676)</u>	<u>21,555</u>	<u>21,354</u>	<u>946</u>

ACTIVITIES FOR GENERATING FUNDS

Catering income	88	-	-	88	71
Hire of facilities	11	-	-	11	14
Consultancy services	1	-	-	1	11
Activities income	-	1	-	1	-
Uniform sales	-	33	-	33	-
Sale of assets	8	-	-	8	-
Sundry items	2	9	-	11	20
	<u>110</u>	<u>43</u>	<u>-</u>	<u>153</u>	<u>116</u>

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
DfE/EFA REVENUE GRANTS				
General annual grant (GAG)	-	4,809	4,809	3,902
Start-up grants	-	484	484	537
Pupil Premium Grant	-	214	214	67
Other DfE / EFA grants	-	293	293	23
	<hr/>	<hr/>	<hr/>	<hr/>
	-	5,800	5,800	4,529
OTHER GOVERNMENT GRANTS				
Special educational projects	-	150	150	173
	<hr/>	<hr/>	<hr/>	<hr/>
	-	5,950	5,950	4,702
OTHER INCOME				
Other Income	-	63	63	116
	<hr/>	<hr/>	<hr/>	<hr/>
	-	6,013	6,013	4,818
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

4 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2013 £'000	Total 2012 £'000
Costs of generating voluntary income	40	-	-	40	50
Costs of activities for generating funds	10	-	139	149	89
Academy's educational operations					
Direct costs	3,755	347	1,250	5,352	7,327
Allocated support costs	732	-	366	1,098	838
	4,487	347	1,616	6,450	8,165
Governance costs including allocated support costs	30	-	73	103	35
	4,567	347	1,828	6,742	8,339

Net incoming/(outgoing) resources for the year	2013 £'000	2012 £'000
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Fees payable to Baker Tilly UK Audit LLP and its associates for:

Audit	18	15
Other services	10	15

Amounts payable under operating leases:

Other	15	22
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Depreciation	867	3,780
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CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

5 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS COSTS

	2013 £'000	2012 £'000
DIRECT COSTS		
Teaching and educational support staff costs	3,755	2,979
Educational supplies and services	259	196
Examination fees	67	82
Staff development	26	49
Employment expenses	31	17
Energy	106	84
Other utilities	54	64
Ground maintenance	31	32
Building maintenance	155	22
Other direct costs	1	22
Depreciation	867	3,780
	<u>5,352</u>	<u>7,327</u>
ALLOCATED SUPPORT COSTS		
Support staff costs	732	638
Cleaning	16	5
Rent and rates	24	14
Insurance	60	41
Admin supplies	26	27
IT	68	60
Professional charges	69	38
Other support costs	103	15
	<u>1,098</u>	<u>838</u>
	<u>6,450</u>	<u>8,165</u>

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

6 GOVERNANCE COSTS

	2013 £'000	2012 £'000
Auditors' remuneration		
Audit of financial statements	15	15
Other services	5	5
Support costs	30	15
Academy set up costs	53	-
	<u>103</u>	<u>35</u>

7 STAFF COSTS

	2013 £'000	2012 £'000
Staff costs during the period were:		
Wages and salaries	3,525	2,904
Social security costs	259	216
Pension costs	519	389
	<u>4,303</u>	<u>3,509</u>
Supply teacher costs	169	108
Agency support staff	-	16
Compensation payments	55	14
Value of donated services	40	50
	<u>4,567</u>	<u>3,697</u>

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

	2013 No	2012 No
Teachers	126	42
Administration and support	125	50
Management	14	10
	<u>265</u>	<u>102</u>

The 2013 staff numbers include staff at Downham Market Academy who were transferred to the Trust in July 2013

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

STAFF COSTS (CONTINUED)

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

	2013	2012
	No	No
£60,001 - £70,000	10	4
£70,001 - £80,000	1	1
£80,001 - £90,000	4	3
£130,001 – £140,000	2	1

Included above are seven staff at Downham Market Academy who joined the Trust upon conversion on 1st July 2013.

Sixteen employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £89k (2012 - £69k).

8 DIRECTORS REMUNERATION AND EXPENSES

The Principals 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 directors.

The value of the King's Lynn Academy Principal's remuneration was £133k in the 2012 / 2013 financial year, which included £15k employer's pension contribution. The value of the Downham Market Academy Principal's remuneration was £22k for the 2 month period ending 31st August 2013, which included £2k employer's pension contributions.

The remuneration of the staff director (from Sept 12 – Dec 12) was £17k, which included £2k employer's pension contribution. The remuneration of the staff director for the six months to June 2013 was £23k, which included employer's pension contribution of £3k. Under the new constitution for the multi-academy trust, staff governors served on the Local Governing Bodies with effect from 1st July 2013 rather than as Directors.

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

Related party transactions are set out in note 26.

The directors received no expenses during the year.

9 CENTRAL SERVICES

The multi-academy trust was formed on 1st July 2013. No central services have been provided in the period to 31st August 2013.

The Trust will be providing central services starting in this financial year 13/14. This will increasingly include the provision of financial services, HR support and educational support services amongst others.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

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 2013 was £626 (2012 - £626).

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

11 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 2012	9,814	465	10,279
Transfer in from authority on conversion	21,335	-	21,335
Additions	135	756	891
	<hr/>	<hr/>	<hr/>
31 August 2013	31,284	1,221	32,505
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 September 2012	4,931	157	5,088
Charged in the year	655	212	867
	<hr/>	<hr/>	<hr/>
31 August 2013	5,586	369	5,955
	<hr/>	<hr/>	<hr/>
Net book value			
31 August 2013	25,698	852	26,550
	<hr/>	<hr/>	<hr/>
31 August 2012	4,883	308	5,191
	<hr/>	<hr/>	<hr/>

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 at King's Lynn Academy on 1 September 2010 at £9,814,000.

A major capital investment project commenced at King's Lynn Academy April 2012. The investment in land buildings will total £10.5m, comprising of a combination of refurbishment and new build. This takes place over three phases and will be substantially completed by November 2013. Estimates are included to recognise the impairment of the existing assets. The value of the capital investment will be recognised in the 2014 financial statements, by which time a 125 year long lease will be in place.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

11 TANGIBLE FIXED ASSETS (continued)

Land and buildings in relation to Downham Market Academy were transferred from the local authority in July 2013. They were valued by Deborah O'Shea MRICS at £21,335,000

12 STOCK

	2013 £'000	2012 £'000
Uniforms	26	7

13 DEBTORS

	2013 £'000	2012 £'000
Trade debtors	5	4
Prepayments	170	19
Other debtors	1,273	89
	<u>1,448</u>	<u>112</u>

14 CREDITORS: Amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	1,914	478
Other creditors and deferred income	65	28
GAG abatement	381	128
Accruals	276	103
	<u>2,636</u>	<u>737</u>

Deferred Income	2013 £'000	2012 £'000
Deferred Income as at 1 st September 2012	-	-
Resources deferred in the year	65	-
Deferred Income as at 31 st August 2013	<u>65</u>	<u>-</u>

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 2013

15 FUNDS

	At 1 September 2012 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2013 £'000
RESTRICTED GENERAL FUNDS					
General Annual Grant (excluding Pension Reserve)	359	4,809	(4,778)	(111)	279
Pension Reserve	(496)	(683)	(45)	(73)	(1,297)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General Annual Grant	(137)	4,126	(4,823)	(184)	(1,018)
Start Up Grant A	-	249	(82)	-	167
Start Up Grant B	-	235	(235)	-	-
Pupil Premium	-	214	(184)	-	30
SEN	-	150	(150)	-	-
Other Grants	-	93	(93)	-	-
Other Income	-	113	(113)	-	-
DfE Sponsor Grant	-	200	(53)	-	147
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(137)	5,380	(5,733)	(184)	(674)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
RESTRICTED FIXED ASSET FUNDS					
DfE capital grants	1,157	-	-	-	1,157
Revaluation of fixed assets	9,369	-	-	-	9,369
Fixed assets purchased from GAG	256	-	-	111	367
Other funding for fixed assets	269	100	-	-	369
Transfer in from Local Authority	-	21,455	-	-	21,455
Depreciation	(5,088)	-	(867)	-	(5,955)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,963	21,555	(867)	111	26,762
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL RESTRICTED FUNDS	<u>5,826</u>	<u>26,935</u>	<u>(6,600)</u>	<u>(73)</u>	<u>26,088</u>
UNRESTRICTED FUNDS					
Unrestricted Funds	70	595	(142)	-	523
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL UNRESTRICTED FUNDS	<u>70</u>	<u>595</u>	<u>(142)</u>	<u>-</u>	<u>523</u>
TOTAL FUNDS	<u>5,896</u>	<u>27,530</u>	<u>(6,742)</u>	<u>(73)</u>	<u>26,611</u>

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

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 2013
- 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
- The transfer to restricted fixed asset fund represents assets purchased from restricted general funds.

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	574
Downham Market Academy	425
Central services	147
Total before fixed assets and pension service	1,146
Restricted fixed asset fund	26,762
Pension reserve	(1,297)
Total	26,611

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

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	2,841	588	206	643	4,278
Downham Market Academy	914	225	173	285	1,597
	<u>3,755</u>	<u>813</u>	<u>379</u>	<u>928</u>	<u>5,875</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	26,550	26,550
Current assets	523	3,259	212	3,994
Current liabilities	-	(2,636)	-	(2,636)
Pension scheme liability	-	(1,297)	-	(1,297)
	<u>523</u>	<u>(674)</u>	<u>26,762</u>	<u>26,611</u>
TOTAL NET ASSETS	523	(674)	26,762	26,611

17 CAPITAL COMMITMENTS

	2013 £'000	2012 £'000
Contracted for, but not provided in the financial statements	-	671

King's Lynn Academy awarded a contract of £820k in the year ended 31 August 2012 for IT equipment, deliverable over the period to August 2013. At 31 August 2013 the contract was substantially complete.

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

18 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2013 £'000	2012 £'000
Other:		
Expiring within one year	9	-
Expiring within two and five years inclusive	21	23
	<hr/>	<hr/>
	30	23
	<hr/>	<hr/>

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

	2013 £'000	2012 £'000
Net income/(expenditure)	20,788	(2,456)
Depreciation (note 11)	867	3,780
Assets transferred on conversion (excluding cash)	(21,152)	-
Capital grants from DfE and others	(100)	(896)
Interest receivable	(10)	(3)
FRS 17 pension cost less contributions payable (note 24)	32	(13)
FRS 17 pension finance costs (note 24)	13	4
(Increase) in stocks	(19)	-
(Increase) in debtors	(836)	96
Increase in creditors	1,899	149
	<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,482	661
	<hr/>	<hr/>

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

20 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Interest received	10	3
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21 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013 £'000	2012 £'000
Purchase of tangible fixed assets	(891)	(31)
Capital grants from DfE/EFA	100	896
NET CASH (OUTFLOW) / INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(791)	865

22 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2012 £'000	Cash flows £'000	At 31 August 2013 £'000
Cash in hand and at bank	1,819	701	2,520
	1,819	701	2,520

23 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 2013

24 PENSION AND SIMILAR OBLIGATIONS

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

As described in note 24, 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 2010.

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 2013

24 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 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.

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 £305k (2012: £253k).

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 2013

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The results below include a full year for King's Lynn Academy and two months ending August 2013 for Downham Market Academy.

The total contribution made for the year ended 31 August was £238,000, of which employer's contributions totalled £180,000 and employees' contribution totalled £58,000. 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

	2013	2012
Rate of increase in salaries	5.1%	4.5%
Rate of increase for pensions in payment	2.8%	2.2%
Discount rate	4.6%	4.1%
Inflation (CPI)	2.8%	2.2%

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:

	2013	2012
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

	2013 £'000	2012 £'000
Amounts recognised in the statement of financial activities		
Current service cost (net of employee contributions)	212	136
	<hr/>	<hr/>
Analysis of pension finance income/(costs)		
	2013 £'000	2012 £'000
Expected return on pension scheme assets	94	81
Interest on pension liabilities	(107)	(85)
	<hr/>	<hr/>
Pension finance costs	(13)	(4)
	<hr/>	<hr/>

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

24 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 2013	Fair value at 31 August 2013 £'000	Expected return at 31 August 2012	Fair value at 31 August 2012 £'000
Equities	6.6%	2,399	5.5%	998
Bonds	4.1%	717	3.6%	327
Property	4.7%	395	3.7%	187
Cash	3.6%	72	2.8%	47
TOTAL MARKET VALUE OF ASSETS		3,583		1,559
Present value of scheme liabilities				
- Funded		4,880		2,055
(DEFICIT) IN THE SCHEME		(1,297)		(496)

The actual return on scheme assets was £244,000 (2012: £104,000).

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 £348k loss

Movements in the present value of defined benefit obligations were as follows:	2013 £'000	2012 £'000
At 1 September	2,055	1,489
Transfer from LA on conversion	2,225	-
Current service cost	212	136
Interest cost	107	85
Employee contributions	58	49
Actuarial loss	223	295
Losses on curtailment	-	1
At 31 August	4,880	2,055

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

24 PENSION AND SIMILAR OBLIGATIONS (continued)

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

At 1 September	1,559	1,256
Transfer from LA on conversion	1,542	-
Expected return on assets	94	81
Actuarial gain	150	23
Employer contributions	180	150
Employee contributions	58	49
At 31 August	3,583	1,559

The estimated value of employer contributions for the year ended 31 August 2014 is £354K.

The history of experience adjustments is as follows:

	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(4,880)	(2,055)	(1,489)
Fair value of share of scheme assets	3583	1,559	1,256
Deficit in the scheme	(1,297)	(496)	(233)
Experience adjustments on share of scheme assets £'000	150	23	4
Experience adjustments on scheme liabilities: £'000	223	295	170

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.

25 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 (2012: £4k) and disbursed £1k, with therefore an amount of £2k repayable by the Academy Trust at the 31 August 2013 is included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £nil has been recognised in income and expenditure in the statement of financial activities.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

26 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 £18k (2012 - £65k) from the College of West Anglia. The balance owing at the 31 August 2013 was £18k (2012 - £231).

The College of West Anglia also received, on behalf of the Academy Trust, a start-up grant of £200k in respect of Downham Market Academy. During the year the College incurred £53k of costs in respect of setting up Downham Market Academy. At the year end the College owed the Academy Trust £147k in respect of the unspent grant.

27 CONVERSION TO AN ACADEMY TRUST

On 1 July 2013 the Downham Market High School converted to an academy under the Academies Act 2010 and all the operations and assets and liabilities were transferred to CWA Academy Trust from the 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	Unrestricted	Restricted	Restricted
	£000	Funds	general fund	fixed asset
		£000	£000	funds
				£000
Tangible fixed assets:				
Leasehold land and buildings	21,335	-	-	21,335
School budget surplus from Norfolk				
County Council	380	380	-	-
Restricted capital funding	120	-	-	120
LGPS pension deficit	(683)	-	(683)	-
Net assets/(liabilities)	21,152	380	(683)	21,455

The above net assets include £Nil that were transferred as cash. As at the year end the School budget surplus had not been physically paid over to the Academy Trust and has been included as a debtor in the financial statements.

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, 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 2012 to 31 August 2013 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 and the Academies Financial Handbook extant from 1 September 2012, 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. 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 2012 to 31 August 2013 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 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 2012 to 31 August 2013 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

30 December 2013