



CWA Academy Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2015

Company Registration No. 07338780

CWA Academy Trust
DIRECTORS' REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

Legal Status

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

Members

*Sharon Cambridge
Derek Stringer
Debbie Gates (resigned March 2014)
David Pomfret (resigned December 2014)
College of West Anglia*

Trustees and Directors

*Derek Stringer – Chair of the Board of Directors
David Pomfret - Chief Executive Officer
and Accounting Officer. (Chair of F&R and
member of Audit Committees) (resigned
as a member of the Audit Committee Sept
2014)
Sharon Cambridge (resigned Oct 2015)
Arlene Clark
Mark Reavell – (Member of Finance & Resources F&R
Committee and Audit Committee) (resigned as a
member of Audit Committee Oct 2015)
Stephen Jones – (Member of F&R and Chair of Audit
Committee) (resigned as a member of F&R Committee
Sept 2015)
Craig Morrison - (resigned as a member of the Audit
Committee Sept 2014)
Jon Ford – (resigned as a member of the Audit
Committee Sept 2014)
Paul Dunning – (resigned as a Trustee Sept 2014)
Debbie Gates – Vice Chair (Member of F&R Committee)
(Member of the Audit Committee Dec 2014)
Louise Ward
Michael Moore – (co-opted member of the Audit
Committee (Nov 2014) and a Trustee with effect from
Dec 2014)
Paul Harrison – appointed as a Trustee Oct 2015
(Member of the F&R Committee and Audit Committee)
Julie Perry - appointed as a Trustee Oct 2015 (Member
of the Audit Committee)*

CWA Academy Trust

DIRECTORS' REPORT

Local Governing Bodies

King's Lynn Academy

Arlene Clark (appointed Chair with effect from Sept 2014)
Craig Morrison – Executive Principal
Richard Bradley (resigned July 2015)
Tom Harrison (resigned Oct 2014)
Debbie Gates
David Pollock (resigned Sept 2014)
Melanie Wellard
Wendy Fisher
Peter Coote – staff governor (resigned Aug 2015)
Rebecca Green – staff governor (appointed Sept 2015)
Suzanne McMahon – parent governor
Elaine Cornwall (appointed Sept 2015)
Andrea Craig (appointed Oct 2015)
Lynda Newell – parent governor (appointed March 2015)

Nelson Academy

Melanie Wellard - Chair
Louise Ward – Principal
Andrew Gedge – resigned Dec 2014
Stephen Lowery
Michael Leggott
Matthew Warr – Ceased office July 2015
Rosemary Godbold - parent governor
Janet Day – parent governor - resigned Mar 2015
Karla Short - staff governor
Lynn Knox – appointed Dec 2014
Ben Chinery – parent governor appointed July 2015

Downham Market Academy

Richard Bradley (appointed Chair with effect from Sept 2014)
Jon Ford – Principal
Jeanette Redding
Melanie Wellard
Hilary Auld (resigned July 2015)
Richard Davidson
David Pollock (resigned June 2015)
Andrew Gedge
Rebecca Nicholson – parent governor
Tim Read – staff governor
Andrew Rayner – parent governor (appointed Oct 2014)

Eastgate Academy

Melanie Wellard – Chair
Linda Hothersall – Principal
Jeremy McManus
Ann Higgins
Guy Pyle
Louise Gayton
Brian Elflett – parent governor
Danielle Flores- Yallop – parent governor
Wendy Darrell – staff governor

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DIRECTORS' REPORT

King Edward VII Academy

(all appointments with effect from 1 September 2014 unless otherwise stated)

David Pomfret – Chair
Craig Morrison – Executive Principal
Arlene Clark (resigned July 2015)
Mark Reavell
Kathryn Littlewood (resigned July 2015)
Anton Modica (resigned July 2015)
David Pollock (resigned June 2015)
Linda Beales – parent governor
Ann Compton (appointed Sept 2015)
Suzanne Walker
Catherine Watson – parent governor
Nadine Widdowson
Keith Willey

Trust Senior Leadership Team

Trust Corporate Team

Chief Executive Officer and Accounting Officer	David Pomfret
Director of Achievement	Alan Fletcher
Principal Consultant	Duncan Ramsey
Director of Finance and Operations	Alan Evans
HR Manager	Rosy Lord
Clerk to the Board of Directors	Deborah Hinks

Academy Principals

King's Lynn Academy and King Edward VII Academy

Executive Principal	Craig Morrison
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Downham Market Academy

Principal	Jon Ford
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Nelson Academy

Principal	Louise Ward
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Eastgate Academy

Principal	Linda Hothersall
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CWA Academy Trust
DIRECTORS' REPORT

Principal and Registered Office

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

Company Registration Number

07338780 (England and Wales)

Independent Auditor

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

Bankers

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

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 2015.

The trust operates 5 academies in West Norfolk, Eastern England.

The five academies are:

1. King's Lynn Academy (KLA)
2. Downham Market Academy (DMA)
3. Nelson Academy (NA)
4. Eastgate Academy (EA)
5. King Edward VII Academy (KESA)

Its five academies have a combined pupil capacity of 4,706 and had a roll of 3,914 in the school census in October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The directors of CWA Academy Trust act as trustees for charitable activities. Details of the directors who served throughout the year are included in the Reference and Administrative details on page 2.

Members

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

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

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

CWA Academy Trust

DIRECTORS' REPORT

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

Method of recruitment and appointment of directors

Directors are appointed as follows:

1. Up to six Directors elected by the Members of the Trust
2. The Chief Executive Officer
3. Up to three Principals
4. Co-opted directors

A skills assessment is undertaken prior to appointment and the process includes an opportunity to meet the Chair of the Board, the Clerk and Chief Executive.

Directors are appointed in accordance with the provisions detailed within the Articles of Association. New directors will receive induction training to detail their legal obligations under charity and company law and the content of the Memorandum and Articles of Association, Funding Agreements and the Board's Constitution. New directors are invited to visit schools and encouraged to ask for additional information prior to their appointment. The Local Authority training programme is available for all Directors.

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

The terms of office for all Directors shall be four years, except the Principals whose term of office as Directors runs in parallel with his / her term of office as Principal. The Directors who were in office at the 17th December 2015 are listed on page 2.

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

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

Public Benefit

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

CWA Academy Trust

DIRECTORS' REPORT

Bodies further strengthens 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
- agreeing constitutional matters, including procedures where the Board has discretion
- recruiting new members as vacancies arise and to appoint new Directors where appropriate
- establishing Local Governing Bodies and relevant committees and determine their constitution and terms of reference
- appointing or removing the Principals and other senior post-holders
- deciding which functions will be delegated to committees and individuals
- making 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 is clear that its involvement revolves around setting the strategic direction of the Academy Trust and ensuring that systems are in place for this to be delivered. The Academy Trust carries out a skills audit to ensure that the Board of Directors has the broad base of skills that are needed. In addition, seminars are held with the senior leadership teams to ensure that there is an understanding of risks facing the Academy Trust. Additional training to explain the funding regime was organised during the year.

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

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

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

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DIRECTORS' REPORT

Connected organisations, including related party transactions

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

During the course of the year, the Academy Trust has transacted, in accordance with the Academies Financial Handbook and the Trust's financial regulations, with the College for the provision of practical learning opportunities for pupils in years 9 – 11.

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

Risk Management

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

The Directors confirm that the major risks facing the Academy Trust have been identified. For the year ended 31st August 2015 this has been undertaken through the work of the Board of Directors, the Finance & Resources Committee and the Audit Committee. A risk management workshop was run in March 2015 which has helped to identify key risks and determine the mitigating actions to be taken. The Risk Register has been updated regularly since then.

Objectives and Principal Activities

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

In particular the Academy Trust is required to:

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

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

The objectives for the year and future years are outlined in each Academy's development plan. In particular each academy is focussed on providing a good quality education to each of its students, working in partnership with others and reflecting the needs of its local community.

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DIRECTORS' REPORT

Employee Involvement

The Trust encourages the involvement of its employees through the regular dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the Trust). The Trust aims to establish equal opportunities in all areas of its activities and values the relationship with Trade Unions.

Disabled Employees

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. The Trust does this by adapting the physical environment, by making resources available and through training and career development. The trust would endeavour to find ways so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

During employment the Trust seeks to work with all employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

STRATEGIC REPORT

This year the Trust has taken the opportunity to consolidate its activities following the rapid growth in 2014. A further secondary school King Edward VII School, King's Lynn, joined the Trust in September 2014.

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

Further growth is envisaged in this coming year and it has been agreed by the Department for Education that an additional primary academy will join the Trust in March 2016.

ACHIEVEMENT AND PERFORMANCE OF THE TRUST

Each school which has previously joined the Trust has had poor historic academic performance and all predecessor schools were in Special Measures as a result. The Trust has therefore had to place significant focus on improving achievement for all pupils, and with most of our academies having higher than average proportions of disadvantaged pupils, narrowing and eliminating the attainment gap between disadvantaged pupils is a particular focus. Headline performance across the trust continues the rapid improvement trajectory already established at most of our academies, although there is some variability in outcomes at some centres

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DIRECTORS' REPORT

Primary Academies

Early Years Foundation Stage

Outcomes at Nelson in the Early Years Foundation Stage EYFS (Good Level of Development) are broadly in line with national comparisons. The proportion of pupils at Eastgate achieving a Good Level of Development increased sharply in 2015 to 50%, but is still some way short of national average.

Phonics Screening Scores at Nelson improved to 71%, closing the gap to national average, while these results at Eastgate improved very sharply to 83%, ahead of the current national figure.

Key Stage 1

Eastgate Academy improved outcomes in all KS1 measures very significantly from 2014, and returned performance higher than national attainment figures in all disciplines.

Nelson Academy also improved performance in all 4 KPI from 2014 to 2015, and although these remain quite considerably below national attainment averages improvement is significantly closing this gap each year.

Key Stage 2

Attainment

Attainment at Eastgate Academy in most indicators remains well above national average (slightly below in Writing). At Nelson Academy attainment remains below national figures and still needs to improve significantly if it is to meet national averages.

Progress

Pupils consistently made strong progress at both academies. The improvement in the proportion of pupils making expected progress in both Reading and Writing at Nelson Academy is an important indicator for the school. The proportion of pupils making expected progress in Maths also improved significantly in 2015, although not yet to national averages. The proportions of pupils making better than expected progress also improved in all three skills in 2015, very significantly so for Writing and Maths.

Progress for pupils at Eastgate Academy continues to be an indicator of very high quality provision; 100% of pupils made expected progress in Reading and in Maths, and 95% in Writing, the proportions making better than expected progress in Reading and Maths are also very high compared to national comparators.

CWA MAT Primary (conflated data from Nelson & Eastgate Academies)

Attainment

Attainment is higher in every indicator at EYFS and KS1 than it was in 2014, and is rapidly closing on national averages. Writing at KS1 is the area where standards are currently furthest away from national.

KS2 attainment however declined slightly from results in 2014 at both Level 4B+ and Level 5+, with Writing again the area where primary Trust performance is furthest away from national benchmarks.

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DIRECTORS' REPORT

Progress

Despite attainment falling at KS2, pupil progress from KS1 to KS2 across the Trust accelerated strongly in almost every indicator and is now better than national in every single area, with almost every primary pupil making at least expected progress in all three key skills, and just under half making better than expected progress in all three disciplines.

Disadvantaged Pupils Progress

The progress made by disadvantaged primary learners across the Trust in 2015 was excellent, showing strong improvement from 2014. 2015 progress for disadvantaged learners was 95% in Reading and Writing, and 91% in Maths. These are higher than the current national average for disadvantaged learners and in line with averages for all learners. The attainment of disadvantaged primary learners is improving and the gap in performance between them and their peers is closing rapidly.

Secondary Academies

King's Lynn Academy

Headline performance (5 A* - C including English and Maths) improved substantially from 34% in 2014 to 43% in 2015.

The rates of pupils making expected progress and better than expected progress in English improved slightly in 2015, although both remain below national comparators.

Maths performance when measured by rates of pupils making expected progress improved from 47% in 2014 to 54% in 2015. This 7 point improvement was also evident in the proportion of pupils making better than expected progress. This rectifies the issue from 2014 where Maths performance was significantly lower than English; both are now similar in all KPI, but both still need to improve by 10-15 percentage points to the national average.

The Academy's Attainment 8 score rose very slightly from 37 points to 39 points

Downham Market Academy

Headline performance (5 A* - C including English and Maths) is identical to the 46% returned in 2014.

The rates of pupils making expected progress in both English and Maths dropped in 2015, in English very substantially so, falling well below national average from a position in 2014 of being significantly above it.

The rates of pupils making better than expected progress increased very marginally from 2015 in both English and Maths; both however remain double digits below the national figure.

The Academy's Attainment 8 score rose from 43 points to 44.4 points.

King Edward VII Academy

Headline performance (5 A* - C including English and Maths) improved dramatically from 33% in 2014 to 48% in 2015, making KES one of Norfolk's most improved schools in 2015.

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DIRECTORS' REPORT

The rates of pupils making expected progress and better than expected progress in English improved strongly in 2015, and both are now close to 2014 national averages (but not quite meeting them) Maths performance when measured by rates of pupils making expected progress improved from 50% in 2014 to 58% in 2015. This rate of improvement was also evident in the proportion of pupils making better than expected progress (from 15% to 26%).

The Academy's Attainment 8 score rose from 41.2 points to 42.6 points.

CWA MAT Secondary (Conflated data from KLA, DMA & KESA)

Attainment

Attainment in the key headline measure of 5 or more GCSE grades at C+ to include English and Maths rose by 5 percentage points to 44% in 2015 for the secondary Trust as a whole, placing performance in line with the current national average for sponsored academies.

The attainment of disadvantaged pupils improved more sharply (12 points) than for non PP pupils (4%) closing the attainment gap in the process by a quarter (8 points).

Attainment when expressed by the new 2016 measure of Attainment 8 (the sum of a pupil's best 8 results in specified subjects) is below average however, at 41.9 points.

Progress

Student progress improved Trust-wide in 11 out of 12 indicators, and was the same in the twelfth.

Maths improvement was slightly higher than that of English, although Maths attainment remains a distance behind that recorded in English. Maths improvement was especially clear in the proportion making better than expected progress (7 point improvement, almost halving the gap to national benchmarks).

The disadvantage gap for pupil progress in English and Maths was identical at 25 points in each. This remains far too high, and remains a key improvement focus for the Trust in 2016.

FINANCIAL REVIEW

Financial Report for the Year

The Academy Trust's accounting period is from 1st September 2014 to 31st August 2015 and these are the Academy Trust's fourth set of financial statements.

These financial statements include a full year for all five academies. King Edward VII Academy joined the Trust on the 1st September 2014 and the financial statements also include the opening transactions relating to the transfer of fixed assets, pension fund deficit and school balances.

Overall there has been a further strengthening of the Balance Sheet by £8.115m. The net current assets and cash position of the Trust has also strengthened. Assets transferred in totalled £10.635m. after allowing for a reduction in the LGPS pension reserve of £390k and depreciation of £2,478k, the trust generated a surplus of £348k on its operating activities.

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DIRECTORS' REPORT

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. A small amount of income is derived from the letting of premises although the primary purpose of lettings is to encourage community involvement.

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

Payroll continues to be the highest individual costs in all Academies within the Trust. Control of financial performance rests ultimately with the Trust, with day to day management delegated to the Academy Principals and the Trust leadership team. The Trust Board has indicated that it regards staff cost as a percentage of income as a key financial indicator and sets performance targets. The clear rationale behind this decision is that funding is then able to be released to be more specifically targeted to priority areas. In its budget setting process, each Academy is expected to achieve an in-year surplus excluding contingency funding.

The Academy Trust receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), such grants are shown in the Financial Statements as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. These grants included the Devolved Capital Funding for each academy as well as the formulaic Condition Improvement Fund which was available to the Trust.

During 2014/15, the Trust has allowed the use of reserves to improve the poor inherited IT network at Downham Market Academy. King Edward VII Academy was allowed to use some of its reserves to improve the general condition of its buildings.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, open to support staff, to the restricted fund. The current deficit has been calculated at £3,568k, after taking into account of the King Edward VII Academy pension deficit and the actuarial losses incurred during the year. It should be noted that this does not present the Academy Trust with any current liquidity problems.

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 14/15 is good, there is a need for a continued robust approach to financial management in view of declining funding that will be available, the increases in payroll costs (increased employer NI and pension contributions) and low pupil numbers in King's Lynn Academy which will continue for a few years.

Financial and risk management objectives and policies

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

The expansion of the Trust is recognised as a risk especially in relation to staff capacity. In response the Trust has increased its central capacity to provide educational and operational support to academies.

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DIRECTORS' REPORT

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

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

Reserves policy

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

The pension fund deficit currently stands at £3,568k. This liability does not represent an immediate cash flow impact for the Trust.

The Academy Trust has £1,580k of unrestricted reserves available for general purposes as at 31 August 2015. The GAG funding carried forward is £592k and this is available for the general educational use of the Academy Trust.

Investment policy

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

Key performance indicators

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

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

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

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

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DIRECTORS' REPORT

Key Performance Indicators

Indicator	King's Lynn Academy	Downham Market Academy	King Edward VII Academy	Nelson Academy	Eastgate Academy
Pupil numbers as a %age of capacity	57%	88%	95%	87%	100%
Payroll costs as a %age of turnover Target 75%	78.7%	76.9%	77.9%	73.2%	74.3%
Academy reserves £k Target 2 months expenditure	697 639	436 1,280	603 1,257	102 314	100 225
Academic performance	See previous section				

FUTURE PLANS FOR THE ACADEMY TRUST

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

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

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

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

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

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DIRECTORS' REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

The Trust Board regularly review the Risk Register and the process of managing risk is outlined in greater detail in the Governance section on page 21.

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.

AUDITORS

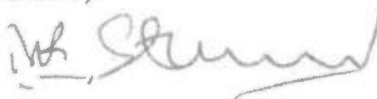
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

The Directors' Annual Report is approved by order of the Board of Directors and the Strategic Report (included therein) is approved by the Board of Directors in their capacity as the directors at a meeting on 17 December 2015 and signed on its behalf by:

Name:



Derek Stringer

Chair of CWA Academy Trust

17/12/15

CWA Academy Trust

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between CWA Academy Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

Attendance during the year at meetings of the Board of Directors, the Finance & Resources Committee and Audit Committee was as follows:

Name	Committees	Attendance	Attendance %	Absences (number)
A. Clark	Board of Directors	5	100	-
D. Gates	Board of Directors	4	80	1
	Finance	3	60	2
	Audit	1	100	-
C. Morrison	Board of Directors	4	80	1
D. Pomfret	Board of Directors	5	100	-
	Finance	5	100	-
D Stringer	Board of Directors	5	100	-
S Cambridge	Board of Directors	2	40	3
Jon Ford	Board of Directors	5	100	-
S Jones	Board of Directors	4	80	1
	Finance	4	80	1
	Audit	4	100	-

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GOVERNANCE STATEMENT

M Reavell	Board of Directors	5	100	-
	Finance	4	80	1
	Audit	3	75	1
P Dunning	Board of Directors	1	100	-
	Finance	1	100	-
Louise Ward	Board of Directors	4	80	-
Michael Moore	Board of Directors	2	50	2
	Finance	5	100	-
	Audit	4	100	-

The Finance & Resources Committee is a sub-committee of the main board of trustees and met five times during the year. Its purpose is to:

1. be responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academy finances and resources, including proper planning, monitoring and probity.
2. to receive reports from members of Academy staff about matters relating to any of the issues listed in their terms of reference.
3. to scrutinise the Trust and Academy budgets and finance, most particularly by:
 - i. assisting to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds.
 - ii. promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement.

The Audit Committee is a sub-committee of the main board of trustees and met 4 times during the last year. Its purpose is to scrutinise the Trust internal controls systems and risk management arrangements, most particularly by:

1. assisting to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds
2. improving the quality of financial reporting by reviewing internal and external financial statements on behalf of the Board
3. promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement
4. promoting the development of internal controls and risk management systems which will help satisfy the Board that the Trust and its Academies will achieve their objectives and targets and are operating:
 - in accordance with any statutory requirements for the use of public funds
 - within delegated authorities laid down by the sponsor department and the public body's own rules on what matters should be referred to the board
 - in a manner which will make most economic and effective use of resources available.

CWA Academy Trust

GOVERNANCE STATEMENT

Governance Review

During the year a Governance review was undertaken by RSM Risk Assurance Services LLP. The conclusion of the report was the standard of governance was generally high. The recommendations arising from the report are being actioned.

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received and the examples quoted below demonstrate this.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

1. Undertaking a review of HR services. It was recognised that the currently outsourced provision was expensive and inefficient. Following a review of options, it was decided to bring the HR function in-house and appoint a HR manager and support team. Following investment in a HR system, the HR function is more economical and more efficient
2. Ensuring that every opportunity was taken to establish joint working across two separate but adjacent academies (KLA and KESA). This has included:
 - shared governance arrangements
 - shared academy leadership teams
 - teachers working across both sites giving better use of key skills and experience
 - support staff rationalisation
3. Recognising the inconsistent application of IT across the Trust, commissioned a review of IT Strategy. This has led to a change of IT support provider at one academy at a lower cost. As a further change, one secondary academy is now providing the IT support to a local primary academy
4. Two secondary academies are providing school meals to local schools not in the Trust. This is helping to provide local pupils with good quality meals and also making a significant contribution to the fixed costs involved in a catering function

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

CWA Academy Trust

GOVERNANCE STATEMENT

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 2015 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 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Academy Trust Board.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Academy Trust Board
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing guidelines
- delegation of authority and segregation of duties
- agreed Governance and Financial Regulations
- identification and management of risks

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 RSM Risk Assurance Services LLP (formerly Baker Tilly Risk Assurance Services LLP) to carry out an agreed audit programme. The scope of work was discussed and agreed by the Audit Committee and included performing a range of checks on the Academy Trust's financial systems.

RSM Risk Assurance Services LLP reported to the Audit Committee in December 2014, presenting a report which indicated that internal controls appeared to be working effectively, based upon the testing undertaken. There were some risks and advisory points raised and these have been discussed and actions agreed. A further programme of reviews of financial controls was undertaken in March 2015 and reported to the Audit Committee.

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

CWA Academy Trust

GOVERNANCE STATEMENT


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 work of RSM Risk Assurance Services LLP

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 Audit Committee and plan to address weaknesses and ensure continuous improvements of the systems is in place.

Approved by order of the members of the Board of Directors on 17 December 2015 and signed on its behalf by:



Derek Stringer
Chair CWA Academy Trust



David Pomfret
Accounting Officer

17/12/15

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 material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook.

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



David Pomfret
Accounting Officer

Date

17 / 12 / 15

CWA Academy Trust

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

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

www.cwaacademytrust.co.uk

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

Approved by order of the members of the Board of Directors on 17 December 2015 and signed on its behalf by:



Derek Stringer
Chair of CWA Academy Trust

17/12/15

CWA Academy Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWA ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2015

We have audited the financial statements of CWA Academy Trust for the year ended 31 August 2015 on pages 27 to 53. 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 2014 to 2015 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 24, the directors (who act as trustees for the charitable activities of the charitable company) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

CWA Academy Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWA ACADEMY TRUST YEAR
ENDING ON 31 AUGUST 2015

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RSM UK Audit LLP

Claire Sutherland (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk, IP32 7FA

Date *24 December 2015*

CWA Academy Trust

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

31 August 2015

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000 (restated)
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	74	-	512	586	111
Voluntary income – donation from local authority	2	-	-	-	-	12,938
Voluntary income – assets transferred from local authority on conversion	2	812	(640)	10,463	10,635	5,349
Activities for generating funds	2	469	-	-	469	181
Investment income	19	3	-	-	3	5
Incoming resources from charitable activities:						
Funding for the Academy Trust's educational operations	3	892	19,959	-	20,851	13,941
Total incoming resources		2,250	19,319	10,975	32,544	32,525
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	4	40	-	-	40	40
Costs of activities for generating funds	4	279	-	-	279	58
Charitable activities:						
Academy Trust's educational operations	5	1,192	20,317	2,478	23,987	15,059
Governance costs	6	-	110	-	110	107
Total resources expended	4	1,511	20,427	2,478	24,416	15,264
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		739	(1,108)	8,497	8,128	17,261
Gross transfers between Funds		-	(248)	248	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		739	(1,356)	8,745	8,128	17,261
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial (losses) on defined benefit schemes	23	-	(13)	-	(13)	(708)
NET MOVEMENT IN FUNDS		739	(1,369)	8,745	8,115	16,553
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 September		841	(1607)	43,930	43,164	26,611
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST	15	1,580	(2,976)	52,675	51,279	43,164

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

CWA Academy Trust

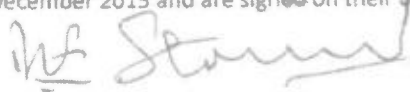
BALANCE SHEET

31 August 2015

Company Registration Number: 07338780

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
FIXED ASSETS					
Tangible assets	11		52,402		43,830
CURRENT ASSETS					
Stock	12	1		31	
Debtors	13	787		817	
Cash at bank and in hand	21	3,435		2,507	
		<u>4,223</u>		<u>3,355</u>	
CREDITORS:					
Amounts falling due within one year	14	(1,778)		(1,483)	
NET CURRENT ASSETS			<u>2,445</u>		<u>1,872</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>54,847</u>		<u>45,702</u>
Pension scheme liability	23		(3,568)		(2,538)
NET ASSETS INCLUDING PENSION LIABILITY			<u>51,279</u>		<u>43,164</u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15		52,675		43,930
General fund	15		592		931
Restricted funds excluding pension reserve			<u>53,267</u>		<u>44,861</u>
Pension reserve	15		(3,568)		(2,538)
TOTAL RESTRICTED FUNDS			<u>49,699</u>		<u>42,323</u>
TOTAL UNRESTRICTED FUNDS	15		<u>1,580</u>		<u>841</u>
TOTAL FUNDS			<u>51,279</u>		<u>43,164</u>

The financial statements on pages 27 to 53 were approved by the Trustees and authorised for issue on 17 December 2015 and are signed on their behalf by:



Mr Derek Stringer
Chair of CWA Academy Trust

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CWA Academy Trust

CASH FLOW STATEMENT

For the year ended 31 August 2015

	Notes	2015 £'000	2014 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	18	361	(54)
Returns on investment and servicing of finance	19	3	5
Capital expenditure	20	(248)	(131)
Cash transferred on conversion to academy trust		812	167
		<hr/>	<hr/>
INCREASE / (DECREASE) IN CASH IN THE YEAR	21	928	(13)
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS			
		2,507	2,520
Net funds at 1 September		<hr/>	<hr/>
		3,435	2,507
Net funds at 31 August		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 30 to 53 form part of these financial statements

CWA Academy Trust

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historic 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 2014 – 2015 (SORP 2005) 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 conclude that the Trust is a going concern and 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. Where the donation relates to land and buildings, it is included in the financial statements at depreciated replacement cost.

Interest receivable

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

Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

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

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

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

CWA Academy Trust

ACCOUNTING POLICIES

Tangible fixed assets

Tangible Fixed Assets costing £2,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost with this amount being reduced over the useful economic life of the related asset by charging depreciation of the relevant asset directly against the restricted fixed asset fund.

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:

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Taxation

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

Leased assets

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

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Second Pension (S2P) until April 2016 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is

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 within Other Creditors.

Conversion to an Academy Trust

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

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

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

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 2015.

2 VOLUNTARY INCOME & ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2015 Total £'000	2014 Total £'000 (restated)
<u>VOLUNTARY INCOME</u>					
Transfer from Local Authority On conversion to the Academy Trust	812	(640)	10,463	10,635	5,349
Donation from Local Authority	-	-	-	-	12,938
Other Grants	74	-	512	586	111
	<u>886</u>	<u>(640)</u>	<u>10,975</u>	<u>11,221</u>	<u>18,398</u>

The Donation from Local Authority (reflecting the revaluation of Land, Buildings and Equipment at King's Lynn Academy) has been restated and shown separately on the Statement of Financial Activities, previously included under Voluntary Income.

ACTIVITIES FOR GENERATING FUNDS

Hire of facilities	49	-	-	49	24
Consultancy services	23	-	-	23	-
Sale of assets	23	-	-	23	5
School Games / Swimming	164	-	-	164	-
Sports centre	46	-	-	46	-
Sundry items	84	-	-	84	94
Nursery income	80	-	-	80	58
	<u>469</u>	<u>-</u>	<u>-</u>	<u>469</u>	<u>181</u>

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
DfE/EFA REVENUE GRANTS					
General annual grant (GAG)	-	18,459	-	18,459	11,849
Start-up grants	-	21	-	21	189
Pupil Premium Grant	-	1,101	-	1,101	633
Other DfE / EFA grants	-	121	-	121	431
	-	19,702	-	19,702	13,102
OTHER GOVERNMENT GRANTS					
Local authority grants					
SEN income	-	200	-	200	139
Other income	-	27	-	27	59
	-	19,929	-	19,929	13,300
OTHER INCOME					
Catering income	530	-	-	530	394
Other income	362	30	-	392	247
	892	19,959	-	20,851	13,941

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

4 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2015 £'000	Total 2014 £'000
Costs of generating voluntary income	-	-	40	40	40
Costs of activities for generating funds	256	-	23	279	58
Academy's educational operations					
Direct costs	13,519	-	2,070	15,589	9,950
Allocated support costs	2,790	1,047	4,561	8,398	5,109
	16,309	1,047	6,631	23,987	15,059
Governance costs including allocated support costs	54	-	56	110	107
	16,619	1,047	6,750	24,416	15,264
Net incoming/(outgoing) resources for the year include:				2015 £'000	2014 £'000
Fees payable to RSM UK Audit LLP and its associates for:					
External Audit				27	25
Other services				44	16
Amounts payable under operating leases:					
Other				56	21
Depreciation				2,478	1,412
				=====	=====

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

5 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS COSTS

	2015 £'000	2014 £'000 (restated)
DIRECT COSTS		
Teaching and educational support staff costs	13,519	9,079
Educational supplies and services	1,481	589
Examination fees	351	213
Staff development	101	8
Employment expenses	123	58
Other direct costs	14	3
	<u>15,589</u>	<u>9,950</u>
ALLOCATED SUPPORT COSTS		
Support staff costs	2,790	1,766
Energy	349	222
Other utilities	66	87
Grounds maintenance	112	63
Building maintenance	286	170
Cleaning	160	66
Rent and rates	74	77
Depreciation	2,478	1,412
Insurance	170	159
Admin supplies	44	94
IT	409	212
Professional charges	666	200
Other support costs	794	581
	<u>8,398</u>	<u>5,109</u>
Total direct and support costs	<u>23,987</u>	<u>15,059</u>

Premises Costs (Grounds maintenance, Building maintenance, Energy, Other utilities, Depreciation) have been included within Support Costs and 2014 costs restated to reflect this change

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

6 GOVERNANCE COSTS

	2015 £'000	2014 £'000
Auditors' remuneration		
Audit of financial statements	30	25
Other services	41	16
Support costs	39	17
Academy set up costs	-	49
	<u>110</u>	<u>107</u>

7 STAFF COSTS

	2015 £'000	2014 £'000
(a) Staff costs during the year were:		
Wages and salaries	13,435	8,458
Social security costs	933	585
Pension costs	2,251	1,291
	<u>16,619</u>	<u>10,334</u>
Supply teacher costs	640	476
Staff restructuring costs	-	101
Value of donated services	40	40
	<u>17,299</u>	<u>10,951</u>

(b) Staff numbers

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

	Headcount 2015	Headcount 2014	FTE 2015	FTE 2014
Teachers	234	138	213	133
Administrative and Support Management	312	252	225	178
	34	19	33	19
TOTAL	580	409	471	330

The 2015 staff numbers include staff at King Edward VII Academy who transferred in September 2014

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

7 STAFF COSTS (continued)

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

	2015	2014
	No	No
£60,001 - £70,000	5	5
£70,001 - £80,000	3	-
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-

Nine employees above participated in the Teachers' Pension Scheme and one employee participated in the Local Government Pension Scheme.

8 DIRECTORS' REMUNERATION AND EXPENSES

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

The value of the remuneration of the Executive Principal of King's Lynn Academy / King Edward VII Academy was £120k in the 2014 / 2015 financial year (£107k in 13/14), excluding £17k employers' pension contribution (£15k in 13/14). The value of the Downham Market Academy Principal's remuneration was £106k in the 2014 / 2015 financial year (£105k in 13/14), excluding £15k employers' pension contributions (£15k in 13/14). The value of the Nelson Academy Principal's remuneration was £71k for the 2014 / 2015 financial year (£57k in 13/14), excluding £10k employers' pension contribution (£6k in 13/14). All three Principals are members of the Teachers' Pension Scheme.

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

The Trust paid the College of West Anglia £50k for the services of David Pomfret, the Chief Executive / Accounting Officer in 14/15 (£nil in 13/14).

9 CENTRAL SERVICES

During the 2014 / 2015 financial year, the Trust has provided a range of services under a new arrangement to the Academies funded primarily from a 3% central recharge amounting to £548k. (2014 £nil). These services included:

1. Educational support and challenge by the Director of Achievement and Consultant Principal
2. The services of a HR Manager which will lead to a full in-house HR service in 2015
3. A range of financial and audit services

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 2015 was £2,087 (2014 - £1,252).

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

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

11 TANGIBLE FIXED ASSETS

	<i>Freehold and Long leasehold land and buildings £'000</i>	<i>Fixtures fittings and equipment £'000</i>	<i>Total £'000</i>
Cost:			
At 1 September 2014	44,280	1,428	45,708
Transfer in from Local Authority on conversion	10,463	-	10,463
Additions	128	459	587
	<hr/>	<hr/>	<hr/>
At 31 August 2015	54,871	1,887	56,758
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 September 2014	1,159	719	1,878
Charged in the year	2,006	472	2,478
	<hr/>	<hr/>	<hr/>
At 31 August 2015	3,165	1,191	4,356
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2015	51,706	696	52,402
	<hr/>	<hr/>	<hr/>
At 31 August 2014	43,121	709	43,830
	<hr/>	<hr/>	<hr/>

Upon conversion to an Academy Trust, King's Lynn Academy's long leasehold land and buildings were transferred initially on a shorthold tenancy by Norfolk County Council, whilst a capital investment project was undertaken. The final stages of the project are not yet finalised and, as a result, a long term lease not yet put in place.

Land and buildings in relation to King Edward VII Academy are substantially owned by the King Edward VII Trust and have been transferred to CWA Academy Trust via a supplemental agreement and has been treated for accounting purposes as a long lease. They were valued at £10,463,000.

Included in Freehold and Long Leasehold Land is freehold land not depreciated valued at £6,966,000 (2014: £6,966,000).

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

12	STOCK	2015 £'000	2014 £'000
	Uniforms	1	31

13	DEBTORS	2015 £'000	2014 £'000
	Trade debtors	70	69
	Prepayments	383	343
	VAT recoverable	286	-
	Other debtors	48	405
		787	817

14	CREDITORS: Amounts falling due within one year	2015 £'000	2014 £'000
	Trade creditors	691	1,104
	Taxation and social security	516	-
	Other creditors and deferred income	244	72
	GAG clawback of funding	132	-
	Accruals	195	307
		1,778	1,483

Deferred Income	2015 £'000	2014 £'000
Deferred Income as at 1 st September	69	65
Resources deferred in the year	244	69
Amounts released from previous periods	(69)	(65)
Deferred Income as at 31 st August	244	69

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 2015

15	FUNDS	At 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2015 £'000
	RESTRICTED GENERAL FUNDS					
	General Annual Grant (excluding Pension Reserve)	678	18,459	(18,297)	(248)	592
	Pension Reserve	(2,538)	(640)	(377)	(13)	(3,568)
		<u>(1,860)</u>	<u>17,819</u>	<u>(18,674)</u>	<u>(261)</u>	<u>(2,976)</u>
	Start Up Grants	-	21	(21)	-	-
	Pupil Premium	-	1,101	(1,101)	-	-
	SEN	-	200	(200)	-	-
	Other Income	-	30	(30)	-	-
	Trust Grants received	253	148	(401)	-	-
		<u>(1,607)</u>	<u>19,319</u>	<u>(20,427)</u>	<u>(261)</u>	<u>(2,976)</u>
	RESTRICTED FIXED ASSET FUNDS					
	Assets transferred on conversion and other assets acquired	43,930	10,802	(2,478)	248	52,502
	Condition Improvement Fund	-	173	-	-	173
		<u>43,930</u>	<u>10,975</u>	<u>(2,478)</u>	<u>248</u>	<u>52,675</u>
	TOTAL RESTRICTED FUNDS	<u>42,323</u>	<u>30,294</u>	<u>(22,905)</u>	<u>(13)</u>	<u>49,699</u>
	UNRESTRICTED FUNDS					
	Unrestricted Funds	841	2,250	(1,511)	-	1,580
	TOTAL UNRESTRICTED FUNDS	<u>841</u>	<u>2,250</u>	<u>(1,511)</u>	<u>-</u>	<u>1,580</u>
	TOTAL FUNDS	<u>43,164</u>	<u>32,544</u>	<u>(24,416)</u>	<u>(13)</u>	<u>51,279</u>

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

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 2015.
- 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.

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
King's Lynn Academy	697
Downham Market Academy	436
Eastgate Academy	100
Nelson Academy	102
King Edward VII Academy	603
Corporate funds	234
Total before fixed assets and pension service	2,172
Restricted fixed asset fund	52,675
Pension reserve	(3,568)
Total	51,279

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

15 FUNDS (continued)

EXPENDITURE OF ACADEMIES BY COST

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

	Teaching & Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
King's Lynn Academy	2,174	592	264	665	3,695
Downham Market Academy	4,970	885	409	1,077	7,341
Nelson Academy	1,208	278	61	279	1,826
Eastgate Academy	799	238	41	226	1,304
King Edward VII Academy	4,668	683	524	1,307	7,182
Corporate costs	161	136	-	293	590
	<u>13,980</u>	<u>2,812</u>	<u>1,299</u>	<u>3,847</u>	<u>21,938</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	52,402	52,402
Current assets	1,580	2,370	273	4,223
Current liabilities	-	(1,778)	-	(1,778)
Pension scheme liability	-	(3,568)	-	(3,568)
	<u>1,580</u>	<u>(2,976)</u>	<u>52,675</u>	<u>51,279</u>

16 CAPITAL COMMITMENTS

	2015 £'000	2014 £'000
Contracted for, but not provided in the financial statements	-	-

As at 31 August 2015 projects to the value of £393k were in progress. All these projects were financed by the Condition Improvement Grant

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

17 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2015 £'000	2014 £'000
Other:		
Expiring within one year	3	6
Expiring within two and five years inclusive	53	15
	<hr/>	<hr/>
	56	21
	<hr/>	<hr/>

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

	2015 £'000	2014 £'000
Net income	8,128	17,261
Depreciation (note 11)	2,478	1,412
Cash impact of transfer on conversion	(812)	(167)
Assets transferred on conversion (excluding cash)	(9,823)	(5,182)
Donated fixed assets	-	(12,938)
Capital grants from DfE and others	(339)	(76)
Interest receivable	(3)	(5)
FRS 17 pension cost less contributions payable (note 23)	367	140
FRS 17 pension finance costs (note 23)	10	18
Decrease/(Increase) in stocks	30	5
Decrease/(Increase) in debtors	30	631
(decrease)/Increase in creditors	295	(1,153)
	<hr/>	<hr/>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	361	(54)
	<hr/>	<hr/>

19 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015 £'000	2014 £'000
Interest received	3	5
	<hr/>	<hr/>

CWA Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

20 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015 £'000	2014 £'000
Purchase of tangible fixed assets	(587)	(207)
Capital grants from DfE/EFA	339	76
NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(248)	(131)

21 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2014 £'000	Cash flows £'000	At 31 August 2015 £'000
Cash in hand and at bank	2,507	928	3,435
	2,507	928	3,435

22 MEMBERS' LIABILITY

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

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £241k were payable to the schemes at 31 August 2015 (£164k: 31 August 2014) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme governed by the Teachers' Pensions Regulations 2010 and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis, and along with employers' contributions, are credited to the Exchequer.

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.

The last actuarial valuation was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%, the employer contribution rate will be payable until the next valuation as at March 2016 whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the Teachers' Pension Scheme was £1,194k (2014: £707k).

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.

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 all 5 academies in the Trust.

The total contribution made for the year ended 31 August 2015 was £907k, of which employers' contributions totalled £683k and employees' contribution totalled £224k. The agreed rates for future years are 18.3% for employers and for employees this varied between 5.5% and 7.5% based on earnings.

Principal actuarial assumptions

	2015	2014
Rate of increase in salaries	3.5%-3.6%	3.4%-3.5%
Rate of increase for pensions in payment	2.6%-2.7%	2.6%-2.7%
Discount rate	3.8%	3.7%
Inflation (CPI)	2.7%	2.6%

Salary increases are assumed to be in line with RPI until 31st March 2016, reverting to the long term assumptions in the 2013 Actuarial Valuation thereafter.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

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:

	2015	2014
Retiring today:		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years:		
Males	24.5	24.5
Females	26.9	26.9

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
Current service cost (net of employee contributions)	1,046	556

Analysis of pension finance income/(costs)

	2015 £'000	2014 £'000
Expected return on pension scheme assets	368	253
Interest on pension liabilities	(378)	(271)
Pension finance costs	(10)	(18)

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 2015	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities		4,380	6.3%	3,450
Bonds		1,964	3.4%	1,115
Property		982	4.5%	585
Cash		228	3.3%	159
TOTAL MARKET VALUE OF ASSETS	3.8%	7,554		5,309
Present value of scheme liabilities - Funded		(11,122)		(7,847)
(DEFICIT) IN THE SCHEME		(3,568)		(2,538)

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The actual return on scheme assets was £368,000 (2014: £253,000).

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 a £892k loss (2014: £879k loss).

Movements in the present value of defined benefit obligations were as follows:

	2015 £'000	2014 £'000
At 1 September	7,847	4,880
Transfer from Local Authority on conversion	1,774	1,284
Current service cost	1,046	556
Interest cost	378	271
Employee contributions	224	139
Actuarial (gain) / loss	(71)	765
Benefits paid	(80)	(48)
Losses on curtailment	4	-
At 31 August	11,122	7,847

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

	2015 £'000	2014 £'000
At 1 September	5,309	3,583
Transfer from Local Authority on conversion	1,134	909
Expected return on assets	368	253
Actuarial gain / (loss)	(84)	57
Employer contributions	683	416
Employee contributions	224	139
Benefits paid	(80)	(48)
At 31 August	7,554	5,309

The estimated value of employer contributions for the year ended 31 August 2016 is £715,000.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The five year history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(11,122)	(7,847)	(4,880)	(2,055)	(1,489)
Fair value of share of scheme assets	7,554	5,309	3,583	1,559	1,256
Deficit in the scheme	(3,568)	(2,538)	(1,297)	(496)	(233)
Experience adjustments on share of scheme assets £'000	(84)	57	150	23	4
Experience Adjustments on Scheme liabilities: £'000	(71)	765	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.

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.

At Downham Market Academy, Bursary Funding received was £15k, of which £14k was disbursed and £1k retained to cover administrative costs. At King Edward VII Academy £6k was received and disbursed in full.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

25 RELATED PARTIES

Transactions with the College of West Anglia

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

The College of West Anglia is the Sponsor of the CWA Academy Trust. During the year the Academy purchased educational services amounting to £97k (2014 - £66k) from the College. The balance owing at the 31 August 2015 was £0k (2014 - £3k).

The Trust also purchases the services of its Chief Executive from the College as well as the services of a HR Manager for a period of 7 months. In addition, the Trust has entered into a formal 2 year contract with the College of West Anglia Marketing Team for the provision of marketing services for all its academies. The total value of these transactions for 14/15 amounted to £93k, of which £16k was outstanding at 31 August 2015.

The College paid certain expenses on behalf of the Trust. These have been recharged to the Trust at cost.

Transactions with Uptech Ltd

Uptech Ltd is an IT company and one of its directors is also a Governor of Eastgate Academy. During the year the Academy's transactions with Uptech Ltd amounted to £41k, of which none was outstanding at 31 August 2015.

CWA Academy Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

26 CONVERSION TO AN ACADEMY TRUST

On 1 September 2014 King Edward VII School transferred to the Trust, becoming known as King Edward VII Academy. The school converted to an academy under the Academies Act 2010 and all the operations and assets and liabilities were transferred to CWA Academy Trust either from the King Edward VII Trust or from Norfolk County Council for £nil consideration.

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

During the year the Academy Trust also received a further £48k cash transfer in relation to Nelson Academy, which should have been received in the prior year when the academy joined the Trust.

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

	TOTAL £000	Unrestricted fund £000	Restricted general fund £000	Restricted fixed asset funds £000
Tangible fixed assets:				
Leasehold land and buildings	10,463	-	-	10,463
School budget surplus from Norfolk County Council	812	812	-	-
LGPS pension deficit	(640)	-	(640)	-
Net assets/(liabilities)	10,635	812	(640)	10,463

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 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by CWA Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of CWA Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2010, subsequently modified, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

RSM UK Audit LLP (formerly BAKER TILLY UK AUDIT LLP)

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24 December 2015