



**CWA ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**CWA ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Members**

Sharon Cambridge  
Derek Stringer  
College of West Anglia

**Trustees**

David Pomfret, Chief Executive Officer and Accounting Officer  
Derek Stringer, Chair of the Board of Directors  
Arlene Clark  
Deborah Gates, Vice Chair  
Paul Harrison (appointed 25 October 2015)  
Michael Moore  
Craig Morrison, Staff Trustee  
Julie Perry (appointed 25 October 2015)  
Mark Reavell  
Jonathan Ford, Staff Trustee (resigned 31 October 2016)  
Stephen Jones (resigned 31 August 2016)  
Louise Ward, Staff Trustee (resigned 31 August 2016)  
Sharon Cambridge (resigned 27 October 2015)

**Company registered number**

07338780

**Company name**

CWA Academy Trust

**Principal and registered office**

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

**Chief executive officer**

David Pomfret

**Senior management team**

David Pomfret, Chief Executive Officer and Accounting Officer  
Alan Fletcher, Director of Achievement  
Duncan Ramsey, Director of Education  
Alan Evans, Director of Finance and Operations  
Rosy Lord, HR Manager  
Craig Morrison, Executive Principal  
Jonathan Ford, Principal  
Louise Ward, Principal  
Linda Hothersall, Principal  
Julian Goodrum, Principal

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
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**Advisers (continued)**

**Independent Auditor**

MA Partners LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

**Bankers**

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

**Solicitors**

Stone King LLP, Thirty Station Road, Cambridge, CB1 2RE

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Academy Trust operates 6 academies in West Norfolk, Eastern England.

The six 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)
6. Southery Academy (SA) which joined in March 2016

Its six academies have a combined pupil capacity of 4,804 and had a roll of 3,914 in the school census in October 2015. Southery Academy joined the Trust in March 2016, increasing pupil numbers to 3,992.

A further three primary academies will join in the first four months of the calendar year 2017.

### **Structure, governance and management**

#### **a. CONSTITUTION**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of CWA Academy Trust are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

#### **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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**b. 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 ceased to be a member.

**DIRECTORS / TRUSTEES**

The revised constitution creates a Board of Directors (also called Trustees) as well as separate Local Governing Bodies for each academy which forms part of the Trust.

The full constitution can be viewed on the Trust website [www.cwaacademytrust.co.uk](http://www.cwaacademytrust.co.uk)

**c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

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.

The Trust Board has determined to change its governance arrangements so that Principals are no longer Directors. The legal process to achieve this is currently ongoing.

The terms of office for all Directors shall be four years, except the Chief Executive Officer who shall be a Director for as long as he / she remains in office as such. The Directors who were in office at the 17 December 2016 are listed on page 1.

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

1. Finance and Resources Committee
2. Audit Committee
3. HR and Performance Management Committee

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**d. PUBLIC BENEFIT**

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

**e. 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 emphasise the financial governance structure and financial regulations was held during the year.

Further details of the governance arrangement are included in the Constitution. The Scheme of Delegation for the Academy Trust is also documented on the Academy Trust website.

The Senior Leadership Teams of each academy 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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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The Academy Trust sponsor is the College of West Anglia (The College). 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 Academy Trust's financial regulations, with the College for the provision of practical learning opportunities for pupils in years 9 – 11. The services of the Chief Executive Officer are procured through the College as are the Marketing Services provided to the Academy Trust and its academies.

**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 31 August 2016 this has been undertaken through the work of the Board of Directors, the Finance and Resources Committee and the Audit Committee. The Trust Risk Register is reviewed regularly by the Audit Committee and Academy Trust Board. Each academy also maintains its own Risk Register.

**g. TRUSTEES' INDEMNITIES**

In accordance with normal commercial practice, the Academy Trust purchased 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. In July 2016, the Academy Trust became members of the Education Funding Agency RPA scheme which also provides this cover.

**Strategic report**

**Objectives and Activities**

**a. OBJECTS AND AIMS**

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 Academy Trust website.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

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

**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

**Employee Involvement**

The Academy 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 Academy Trust aims to establish equal opportunities in all areas of its activities and values the relationship with Trade Unions.

**Disabled Employees**

The Academy 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 Academy Trust does this by adapting the physical environment, by making resources available and through training and career development. The Academy 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 Academy Trust.

During employment the Academy 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.

**Achievements and performance**

**a. REVIEW OF ACTIVITIES**

This year the Academy Trust has taken the opportunity to further consolidate its activities. The Academy 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 three further primary academies will join the Trust by April 2017.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**b. SECONDARY ACADEMIES**

2016 sees the implementation of a new school accountability regime that places student progress at the centre of performance measuring ahead of attainment.

***GCSE Outcomes report for King Edward VII Academy:***

KESA predecessor school returned results of 33% in the final year before its conversion to academy status. This improved significantly to 47% in 2015 and that level of performance has been sustained into 2016, despite the cohort being weaker-attaining at KS2.

The Attainment 8 score has improved considerably since last year, and this is driving higher progress scores. English attainment at C+ improved by 6 points from 2015, and the English Attainment Score climbed slightly. The clearest improvements in attainment are to be found in the Ebacc subject element of Attainment 8 – this has increased from 9.81 to 12.31 – almost a grade per subject per student on average, driven by improved attainment in Science subjects, French and History.

The one disappointment in an otherwise solid performance is that a hoped-for improvement in Maths threshold attainment (C+) failed to materialise and in fact fell marginally. The Maths Attainment Score also improved overall this year, but remains lower than it is in English – on average students attain roughly half a grade lower in Maths than they do currently in English.

- The improvement in attainment in all key subjects has been sustained for the second year of the academy's operation. Outcomes remain well above those achieved in the predecessor school and are closing in on national levels.
- C+ Attainment in Maths declined by 2 percentage points, English improved by 6 percentage points. The proportion of pupils attaining both English and Maths was identical to 2015 at 49%.
- Attainment across all grades (the Attainment Score) improved slightly in both Maths and English, and more substantially when measured by Attainment 8 – by 4 points.
- Progress has improved significantly when compared to 2015 rates of progress – slight improvements in attainment with a weaker cohort have led to this improvement.
- The disadvantage gap, has remained static from 2015 to 2016. Disadvantaged attainment and progress remain weaker than for other groups, although progress has improved substantially.
- Science outcomes have improved, both in attainment and in progress terms and there have been good outcomes for DT RM, PE, RS and French.
- Very poor outcomes are noted in Geography, Music, Child Development and Business Studies.

***GCSE Outcomes report for King's Lynn Academy:***

King's Lynn Academy was inspected in September 2014, and outcomes for learners were judged to require improvement, mainly as a result of a dip in exam performance in 2014.

Since then attainment has improved steadily year on year, both when measured in terms of the key threshold KPI (proportion of students attaining 5 or more 'good' GCSE passes including English and Maths) and when judged by the new 'Attainment 8' measure.

5+ A\*-C including English and Maths has improved by 11 percentage points over this period, while A8 scores are now 6 points higher (average grade improved from E to D+).

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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While improvement in attainment indices is clear from 2014-2016, the gap to national attainment, while narrowing, remains wide. Although attaining national average remains a key ambition the trust holds for KLA, the nature of the significantly below-average starting points of the cohort makes this a challenging target.

- Attainment in all key subjects is well below national averages and although slightly improved remains frustratingly some 12-14 percentage points below the likely national figure.
- C+ Attainment in English improved by 5 percentage points, Maths declined by 2 percentage points, although Maths attainment remains ahead of English. The proportion of pupils attaining both English and Maths improved by 2 percentage points to from 43% 45%.
- Attainment across all grades improved in both English and Maths.
- Progress has improved substantially in all elements at KLA – slight improvements in attainment with a weaker cohort have led to this improvement.
- The disadvantage gap has been halved from 2015 to 2016. Disadvantaged attainment and progress remain weaker than for other groups but are significantly improved from the very low levels seen last year.
- The gender gap at C+ in English and Maths increased substantially in 2016, although gender gaps in overall attainment are similar overall to 2015. Boys made better progress than girls overall and boys progress rates have improved significantly more than girls over the past year.
- Overall performance will result in the academy being deemed a 'coasting school'.

***GCSE Outcomes report for Downham Market Academy:***

DMA was inspected in March 2015, and outcomes for learners were judged to require improvement, following of a fall in exam performance in 2014. Attainment did not improve in 2015, and 2016 outcomes see headline threshold attainment indicators remain at the same level as before.

5+ A\*-C including English and Maths remains at 46% for the third year in a row, while the A\*-C in both English and Maths indicator has declined since inspection from 54% in 2014 to 47% in 2016. When measured as an Attainment 8 Score there has been a slight improvement from 44.1 to 45.5. The proportion of students achieving the full English Baccalaureate in 2016 was 13%, down from 17% the previous year.

Maths attainment at DMA improved slightly in 2016 – up by 0.45 in terms of Attainment Score, and up from 55% to 61% in C+ attainment terms. English unfortunately experienced a second year of low outcomes from 61% to 54%, and the subject, which was highly-performing and a clearly good strength of the school at last inspection could now be seen as being vulnerable to being described as inadequate. The cohorts in 2015 and 2016 were slightly below national averages on entry to KS4, but should still have attained significantly more highly than they did to meet close to national expectations for progress; FFT estimates place the expected outcome at 55% to meet this benchmark.

- Attainment in all key subjects is disappointing for the third year in succession. Outcomes remain well below national averages.
- C+ Attainment in Maths improved by 6 percentage points, English declined by 7 percentage points. The proportion of pupils attaining both English and Maths fell from 49% to 47%.
- Attainment across all grades (the Attainment Score) improved in Maths but declined slightly in English.
- Progress has remained broadly in line with 2015 rates of progress and are only just above the floor standard.
- The disadvantage gap, which has hitherto been closing at DMA, increased from 2015 to 2016. Disadvantaged attainment and progress remain weaker than for other groups.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**c. PRIMARY ACADEMIES**

This report outlines the progress made towards targets in the Primary Phase.

- All three primary academies meet the current national average for GLD at EYFS. Southery significantly exceeds it.
- Phonics results are in line with or higher than national figures at all three primary academies, and have improved significantly over the past two years at Eastgate and Nelson.
- KS1 outcomes are consistently significantly higher than national comparators at Eastgate in all indicators.
- KS1 outcomes at Nelson are below target and national figures for the proportion of students working at age-related expectations (ARE) but well above national averages for pupils working at depth.
- KS1 outcomes at Southery are currently below our expectations and provide a baseline from which sustained improvement ought to be possible.
- Major reform has been made to KS2 statutory assessment for 2016 by the DfE, which has led to the replacement of the previous system of 'levelled' grades being replaced by 'Scaled Scores.'
- Under this new system there has been dramatic fall in the national proportion of pupils attaining the 'expected standard' in Reading, Writing and Maths, which declined from 80% in 2015 to 53% in 2016. As a result it is impossible to compare school performance from 2015 data to 2016 data.
- In the key indicator of the proportion of pupils working at expected standard in all of Reading, Writing and Maths, both Eastgate and Nelson achieved results in 2016 in excess of the national average. This is the first time Nelson Academy has achieved this key indicator for a 'good school.' Southery's KS2 results were well below national average in 2016, again providing a baseline for future improvement.
- There will be no indication of progress scores until early September, although we expect progress scores to be at least in line with national averages, and in all probability more positive than this.
- Nelson's outcomes at KS1 are significantly higher than national figures and similar to Eastgate's when only those pupils who took the tests are included in the calculation (given the academy's inclusion of a special resource base for students with learning disabilities / difficulties which prevents some children from being able to access such tests).
- Reading outcomes at all three primary academies at KS2 require further improvement, especially for boys.
- Disadvantage gaps are clearly discernible in all indicators at both Southery and Nelson academies, although these are generally within the '3 pupil' threshold used by Ofsted. There is no disadvantage gap at Eastgate, other than a very small one in Maths.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Financial review**

**a. FINANCIAL REPORT FOR THE YEAR**

The Academy Trust's accounting period is from 1 September 2015 to 31 August 2016 and these are the Academy Trust's fifth set of financial statements.

These financial statements include a full year for all six academies. Southery Academy joined the Academy Trust on the 1 March 2016 and the financial statements also include the opening transactions relating to the transfer of fixed assets, pension fund deficit and school balances.

The net current assets and cash position of the Academy Trust strengthened in the year. Net assets fell primarily as a result of a significant increase in the Local Government Pension Scheme (LGPS) deficit.

The majority of the Academy 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 Academy Trust. Control of financial performance rests ultimately with the Academy Trust, with day to day management delegated to the Academy Principals and the Academy Trust leadership team. The Academy 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, Charities SORP (FRS 102), 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.

Under Financial Reporting Standard 102 (FRS 102), it is necessary to charge projected deficits on the LGPS, open to support staff, to the restricted fund. The current deficit has been calculated at £7,303k, after taking into account of 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 LGPS, both of which are large scale non-cash items, tends to distract from operational financial management. The Academy Trust Board have monitored the financial position and recognise that 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).

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The financial risks are significant and many are outside the control of the Academy Trust. It is widely expected that there will be very little increase in pupil funding rates in coming years.

The expansion of the Academy Trust is recognised as a risk especially in relation to staff capacity. In response, the Academy Trust has increased its central capacity to provide educational and operational support to academies. The increase in the size of the Academy Trust does also add financial stability.

Financial and cash flow management 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 the Academy Trust.

**c. RESERVES POLICY**

The Academy Trust has adopted a policy that each academy should have available reserves equivalent to two month's expenditure. 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 £7,303k. This liability does not represent an immediate cash flow impact for the Academy Trust.

The Academy Trust has **£1,505k** of unrestricted reserves available for general purposes as at 31 August 2016. The GAG funding carried forward is **£971k** and this is available for the general educational use of the Academy Trust.

**d. INVESTMENT POLICY**

There are periods during the year when the Academy Trust holds significant cash balances. The Academy Trust has no bank overdraft provision and, as a consequence, the treasury management policy has been risk averse. Current arrangements are documented in the Investment Strategy which allows cautious investment in fixed term deposit accounts for short term periods.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**e. KEY PERFORMANCE INDICATORS**

The academic performance of the academies within the Academy 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 financial statements. 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 Academy Trust remains strong with adequate cash levels. The balance sheet position of each academy is also closely monitored.

Indicator	King's Lynn Academy	Downham Market Academy	King Edward VII Academy	Nelson Academy	Eastgate Academy	Southery Academy
Pupil numbers as a %age of capacity	57%	88%	95%	87%	100%	86%
Payroll costs as a %age of turnover Target 75%	75.05%	78.61%	74.59%	81.39%	72.75%	68.68%
Academy reserves £k	678	514	781	85	207	11
Target 2 months expenditure	596	1,229	1,186	321	228	40
Academic performance	See previous section					

**f. GOING CONCERN**

The Academy 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**g. 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 Academy Trust
- the introduction of new academies into the Academy Trust
- ensuring Data Security procedures are robust

The Audit Committee and the Academy Trust Board regularly review the Risk Register.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Plans for future periods**

**a. 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, the central and academy teams are continually reviewed and strengthened. The latest addition is a specialist Director of English and this will be followed by the appointment of a Director of Maths.

The performance of two secondary academies, detailed earlier, is causing concern. The Academy Trust has recognised this and has introduced additional measures at these academies. Rapid Improvement Steering Groups have been set up at Downham Market Academy and King's Lynn Academy in order to oversee the process of improving the academic standards at both academies. This has been supported by the release of additional funding for 16/17 which the Academy Trust considers to be affordable.

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.

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 Academy Trust will continue to grow beyond the current six academies, although the current focus has to be on improving the performance of the academies that form part of the Academy Trust. Some additional growth will however help to strengthen the Central Leadership Team.

Performance Management procedures for all is in place, with targets which reflect the priorities of the Academy Trust.

**AUDITORS**

There has been a change of auditors during the year. RSM UK Audit LLP have been replaced by MA Partners LLP.

This report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors, on 15 December 2016 and signed on its behalf by:



**Derek Stringer**  
Chair of Trustees

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**CWA ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, 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 Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between CWA Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
David Pomfret	5	5
Derek Stringer	5	5
Arlene Clark	3	5
Deborah Gates	4	5
Paul Harrison	5	5
Michael Moore	0	5
Craig Morrison	5	5
Julie Perry	5	5
Mark Reavell	4	5
Jonathan Ford	5	5
Stephen Jones	2	5
Louise Ward	5	5

The Finance and Resources Committee is a sub-committee of the main Board of Trustees and met six times during the year. Its purpose is to:

1. be responsible for the detailed consideration as to the best means of fulfilling the Academy Trust's responsibility to ensure sound management of the Academy 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 Academy 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.

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**CWA ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Pomfret	6	6
Deborah Gates	5	6
Paul Harrison	4	4
Michael Moore	4	6
Mark Reavell	5	6

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 Academy 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 Academy 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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Paul Harrison	4	4
Stephen Jones	3	4
Michael Moore	4	4
Julie Perry	3	4

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

1. Finalised the review of HR services which resulted in bringing the HR function in-house and appoint a HR manager and support team. Further phases of the reorganisation have been implemented including online recruitment and staff self-help as well the Single Central Record being managed centrally
2. Ensuring that every opportunity was taken to establish joint working across the Academy Trust. This has included:
  - shared academy leadership teams;
  - development of common curriculums and use of common examination boards in secondary academies;
  - teachers in the primary academies regularly meeting to share good practice and agree common approaches;
  - support staff rationalisation.
3. Undertaking a review of cleaning services across the Academy Trust which historically consisted of a mix of in-house and outsourced provision. Plans have been developed, for implementation in early 2017, which will result in an improved service at reduced cost.

**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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in CWA Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and 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 (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint RSM Risk Assurance Services LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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.

A programme of reviews was undertaken in the year and reported to the Audit Committee which indicated that internal controls appeared to be working effectively, based upon the testing undertaken.

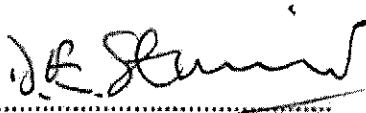
**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15 December 2016 and signed on their behalf, by:

  
Derek Stringer  
Chair of Trustees

  
David Pomfret  
Accounting Officer

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**CWA ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of CWA Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust Board of Trustees 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 2015.

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



.....  
**David Pomfret**  
Accounting Officer

Date: 15 December 2016

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**CWA ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who act as governors of CWA Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

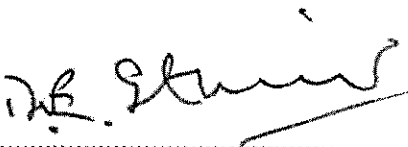
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom 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 Trustees on 15 December 2016 and signed on its behalf by:



**Derek Stringer**  
Chair of Trustees

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**CWA ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CWA  
ACADEMY TRUST**

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We have audited the financial statements of CWA Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.



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**CWA ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CWA  
ACADEMY TRUST**

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**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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:

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

*MA Partners LLP*

**MA Partners LLP**

Chartered Accountants and Statutory Auditors

7 The Close

Norwich

Norfolk

NR1 4DJ

Date: *20 DECEMBER 2016*

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**CWA ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 8 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by CWA Academy Trust during the year 1 September 2015 to 31 August 2016 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 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 CWA Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CWA ACADEMY TRUST'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of CWA Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2010 and subsequently modified, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 year 1 September 2015 to 31 August 2016 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 2015 to 2016 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's income and expenditure.

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**CWA ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CWA  
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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Our work included:

- a review of minutes of committees and board meetings which may be relevant to regularity;
- a review of the work performed by the internal auditor;
- a review of the design and operational effectiveness of policies and procedures relating to areas assessed as presenting a higher risk of impropriety;
- substantive testing of individual transactions.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MA Partners LLP*

**MA Partners LLP**

Chartered Accountants and Statutory Auditors

7 The Close  
Norwich  
Norfolk  
NR1 4DJ

Date: *20 DECEMBER 2016*

**CWA ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
<b>INCOME FROM:</b>						
Donations & capital grants:						
Donations - Transfer from						
Local Authority on conversion	2	8	(82)	818	744	10,635
Other donations and capital						
grants	2	-	90	1,106	1,196	1,138
Charitable activities	3	823	20,391	-	21,214	20,851
Other trading activities	4	400	27	-	427	469
Investments	5	3	-	-	3	3
<b>TOTAL INCOME</b>		<b>1,234</b>	<b>20,426</b>	<b>1,924</b>	<b>23,584</b>	<b>33,096</b>
<b>EXPENDITURE ON:</b>						
Raising funds:						
Voluntary income		-	40	-	40	40
Fundraising trading		265	-	-	265	279
Charitable activities		1,044	20,457	2,233	23,734	24,213
<b>TOTAL EXPENDITURE</b>	8	<b>1,309</b>	<b>20,497</b>	<b>2,233</b>	<b>24,039</b>	<b>24,532</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(75)</b>	<b>(71)</b>	<b>(309)</b>	<b>(455)</b>	<b>8,564</b>
Transfers between Funds	21	-	(39)	39	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(75)</b>	<b>(110)</b>	<b>(270)</b>	<b>(455)</b>	<b>8,564</b>
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(3,195)	-	(3,195)	103
<b>NET MOVEMENT IN FUNDS</b>		<b>(75)</b>	<b>(3,305)</b>	<b>(270)</b>	<b>(3,650)</b>	<b>8,667</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		1,580	(2,976)	52,675	51,279	43,164
Prior year adjustment (Note 20)		-	-	552	552	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,505</b>	<b>(6,281)</b>	<b>52,957</b>	<b>48,181</b>	<b>51,831</b>

**CWA ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07338780**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£000	2016 £000	As restated 2015 £000
<b>FIXED ASSETS</b>				
Tangible assets	16		52,228	52,402
<b>CURRENT ASSETS</b>				
Stocks	17	1		1
Debtors	18	1,343		1,339
Cash at bank and in hand		3,634		3,435
		<u>4,978</u>		<u>4,775</u>
<b>CREDITORS: amounts falling due within one year</b>	19	<u>(1,722)</u>		<u>(1,778)</u>
<b>NET CURRENT ASSETS</b>			<u>3,256</u>	<u>2,997</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>55,484</u>	<u>55,399</u>
Defined benefit pension scheme liability	27		<u>(7,303)</u>	<u>(3,568)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>48,181</u></u>	<u><u>51,831</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	21	1,022		592
Restricted fixed asset funds	21	52,957		53,227
Restricted income funds excluding pension liability		<u>53,979</u>		<u>53,819</u>
Pension reserve		<u>(7,303)</u>		<u>(3,568)</u>
Total restricted income funds			<u>46,676</u>	<u>50,251</u>
Unrestricted income funds	21		<u>1,505</u>	<u>1,580</u>
<b>TOTAL FUNDS</b>			<u><u>48,181</u></u>	<u><u>51,831</u></u>

The Trustees consider that the academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the academy to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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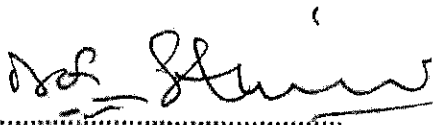
**CWA ACADEMY TRUST**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2016**

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The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2016 and are signed on their behalf, by:

  
.....  
**Derek Stringer**  
**Chair of Trustees**

The notes on pages 30 to 58 form part of these financial statements.

**CWA ACADEMY TRUST**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<u>331</u>	<u>361</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		3	3
Purchase of tangible fixed assets		(1,289)	(587)
Capital grants from DfE/EFA		1,098	339
Cash transferred on conversion to an academy trust		<u>56</u>	<u>812</u>
<b>Net cash (used in)/provided by investing activities</b>		<u>(132)</u>	<u>567</u>
<b>Change in cash and cash equivalents in the year</b>		<b>199</b>	<b>928</b>
Cash and cash equivalents brought forward		<u>3,435</u>	<u>2,507</u>
<b>Cash and cash equivalents carried forward</b>	24	<u><u>3,634</u></u>	<u><u>3,435</u></u>

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**CWA ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

CWA Academy Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of CWA Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of CWA Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 32.

**1.2 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 Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.



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**CWA ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Charitable activities and Governance costs are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	based on the estimated remaining economic life
Long-term leasehold property	-	based on the estimated remaining economic life
Mechanical and engineering	-	based on the estimated remaining economic life
Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line
Assets under course of construction	-	not depreciated

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**1. ACCOUNTING POLICIES (continued)**

As previously reported, upon conversion to an academy, King's Lynn Academy's long leasehold land and buildings were transferred initially on a tenancy at will, at a peppercorn rent, by Norfolk County Council, whilst capital investment project was undertaken. The final stages of the project are not yet finalised and, as a result, a long term lease is not yet put in place and the property is not included in fixed assets.

Land and buildings in relation to King Edward VII Academy have been made available to the Academy Trust under a supplemental agreement between the King Edward VII Trust, the Secretary of State for Education and the Academy Trust. The property is treated as a long-term leasehold property.

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.9 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Taxation**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 Pensions**

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 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 unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses

**1.13 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involves the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Southery Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

**1.15 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Donations - Transfer from Local Authority on conversion	8	(82)	818	744	10,635
Donations	-	90	-	90	74
Capital Grants	-	-	1,106	1,106	1,064
Subtotal	-	90	1,106	1,196	1,138
Total donations and capital grants	8	8	1,924	1,940	11,773

In 2015, of the total income from donations and capital grants, £ 886k was to unrestricted funds and £10,887k was to restricted funds

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
<b>DfE/EFA grants</b>				
General annual grant (GAG)	-	18,695	18,695	18,408
Pupil Premium	-	1,121	1,121	1,126
16-19 Bursary	-	33	33	21
Universal Infant Free School Meals	-	57	57	37
Insurance income	-	67	67	15
Start-up grants	-	90	90	21
Other EFA grants	-	84	84	75
	-	20,147	20,147	19,703
<b>Other government grants</b>				
SEN funding	-	124	124	200
Other LA funding	-	95	95	58
	-	219	219	258
<b>Other income from the Academy Trust's educational operations</b>				
Catering income	608	-	608	530
Educational visits	197	-	197	257
Other income	18	25	43	103
	823	25	848	890
	823	20,391	21,214	20,851

In 2015, of the total income from charitable activities, £ 892k was to unrestricted funds and £19,959k was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**4. OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<b>Total funds 2015 £000</b>
Hire of facilities	57	-	57	49
Consultancy services	18	-	18	23
Sale of assets	-	-	-	23
Miscellaneous income	91	27	118	84
Nursery income	76	-	76	80
School Swimming	116	-	116	164
Sports centre	42	-	42	46
	<b>400</b>	<b>27</b>	<b>427</b>	<b>469</b>

In 2015, all of the total income from other trading activities was to unrestricted funds.

**5. INVESTMENT INCOME**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<b>Total funds 2015 £000</b>
Investment income	3	-	3	3

In 2015, all of the total investment income was to unrestricted funds.

**6. DIRECT COSTS**

	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Educational supplies	617	608
Examination fees	338	351
Staff development	106	101
Other direct costs	6	14
Agency staff	769	640
Educational visits	218	271
Employment expenses	70	123
Wages and salaries	11,025	11,139
National insurance	918	830
Pension cost	1,714	1,550
	<b>15,781</b>	<b>15,627</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**7. SUPPORT COSTS**

	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
FRS 102 Pension interest	142	126
Technology costs	409	444
Grounds maintenance	113	112
Building maintenance	183	339
Cleaning	171	160
Rent and rates	129	74
Energy costs	322	375
Insurance	181	170
Security and transport	20	21
Catering	472	456
Bank interest and charges	1	1
Other support costs	211	136
Other utilities	72	66
Uniform costs	9	72
Auditor's remuneration - audit	20	27
Auditors remuneration - other services	17	29
Professional fees	483	666
Wages and salaries	1,992	2,040
National insurance	118	104
Pension cost	655	690
Depreciation	2,233	2,478
	<b>7,953</b>	<b>8,586</b>

During the year ended 31 August 2016, the Academy Trust incurred governance costs of **£51k** (2015 - **£110k**).

**8. EXPENDITURE**

	<b>Staff costs 2016 £000</b>	<b>Premises 2016 £000</b>	<b>Other costs 2016 £000</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Expenditure on raising voluntary income	40	-	-	40	40
Expenditure on fundraising trading	210	-	55	265	279
Educational activities:					
Direct costs	13,657	-	2,124	15,781	15,627
Support costs	2,765	1,830	3,358	7,953	8,586
	<b>16,672</b>	<b>1,830</b>	<b>5,537</b>	<b>24,039</b>	<b>24,532</b>

In 2016, of the total expenditure, £1,309k (2015 - £1,511k) was to unrestricted funds and £22,730k (2015 - £23,021k) was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets:		
- owned or leased	<b>2,233</b>	<b>2,478</b>
Operating lease rentals	<b>60</b>	<b>56</b>
	<b>2,293</b>	<b>2,534</b>

**10. AUDITORS' REMUNERATION**

MA Partners LLP (appointed March 2016)

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	<b>18</b>	-
Fees payable to the academy's auditor and its associates in respect of:		
Audit-related assurance services	<b>3</b>	-
Taxation compliance services	<b>1</b>	-
All other non-audit services not included above	<b>5</b>	-
	<b>26</b>	<b>1</b>

RSM UK Audit LLP (resigned March 2016)

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	<b>2</b>	<b>27</b>
Fees payable to the academy's auditor and its associates in respect of:		
Audit-related assurance services	-	<b>3</b>
Taxation compliance services	<b>2</b>	<b>12</b>
Internal audit services	<b>4</b>	<b>11</b>
All other non-audit services not included above	<b>2</b>	<b>3</b>
	<b>8</b>	<b>53</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**11. STAFF COSTS**

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	13,191	13,436
Social security costs	1,037	933
Operating costs of defined benefit pension schemes	2,369	2,240
	<u>16,597</u>	<u>16,609</u>
Staff restructuring costs	35	-
Value of donated services	40	40
	<u><u>16,672</u></u>	<u><u>16,649</u></u>

Staff restructuring costs comprise:

	2016 £000	2015 £000
Redundancy payments	<u>35</u>	<u>-</u>

The average number of persons employed by the Academy Trust during the year was as follows:

	2016 No.	2015 No.
Teachers	232	234
Administration and support	331	312
Management	24	34
	<u>587</u>	<u>580</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	206	213
Administration and support	214	225
Management	24	19
	<u>444</u>	<u>457</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. STAFF COSTS (continued)**

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	3	3
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

Ten of the above employees participated in the Teacher's Pension Scheme. The other employee participated in the Local Government Pension Scheme.

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was **£753k** (2015 - £695k)

**12. CENTRAL SERVICES**

The Academy Trust has provided the following central services to its academies during the year:

- Educational support and challenge by the Director of Achievement and Consultant Principal
- Human resources services
- Financial and audit services

The Academy Trust charges for these services on the following basis:

3.5% of General Annual Grant

The actual amounts charged during the year were as follows:

	2016 £000	2015 £000
King's Lynn Academy	105	95
Downham Market Academy	228	196
Nelson Academy	49	36
Eastgate Academy	41	33
Kind Edward VII Academy	222	188
Southery Academy	7	-
<b>Total</b>	<b>652</b>	<b>548</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**13. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 3 Trustees (2015 - 3) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The staff Trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
Craig Morrison, Staff Trustee	Remuneration	<b>120-125</b>	<b>120-125</b>
	Pension contributions paid	<b>15-20</b>	<b>15-20</b>
Jonathan Ford, Staff Trustee	Remuneration	<b>105-110</b>	<b>105-110</b>
	Pension contributions paid	<b>15-20</b>	<b>15-20</b>
Louise Ward, Staff Trustee	Remuneration	<b>65-70</b>	<b>70-75</b>
	Pension contributions paid	<b>10-15</b>	<b>10-15</b>

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

**14. TRUSTEES' AND OFFICERS' INSURANCE**

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

**15. FRS 102 PENSION INTEREST**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Interest income on pension scheme assets	<b>303</b>	<b>252</b>
Interest on pension scheme liabilities	<b>(445)</b>	<b>(378)</b>
	<b>(142)</b>	<b>(126)</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. TANGIBLE FIXED ASSETS**

	Freehold land and property £000	Long-term leasehold land and property £000	Mechanical and Engin'ring £000	Fixtures and fittings £000	Computer equipment £000
<b>Cost or valuation</b>					
At 1 September 2015	16,553	25,914	12,404	514	1,373
Additions	212	645	280	90	53
Transfer on conversion	-	559	211	-	-
At 31 August 2016	16,765	27,118	12,895	604	1,426
<b>Depreciation</b>					
At 1 September 2015	561	1,042	1,560	221	972
Charge for the year	269	569	949	147	299
At 31 August 2016	830	1,611	2,509	368	1,271
<b>Net book value</b>					
At 31 August 2016	15,935	25,507	10,386	236	155
At 31 August 2015	15,992	24,872	10,844	293	401
				<b>Assets under constr'n £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>					
At 1 September 2015				-	56,758
Additions				9	1,289
Transfer on conversion				-	770
At 31 August 2016				9	58,817
<b>Depreciation</b>					
At 1 September 2015				-	4,356
Charge for the year				-	2,233
At 31 August 2016				-	6,589
<b>Net book value</b>					
At 31 August 2016				9	52,228
At 31 August 2015				-	52,402

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. TANGIBLE FIXED ASSETS (continued)**

On 1 March 2016 the Academy Trust became party to a lease agreement for the school property of Southery Primary School. The lease is for a period of 125 years. Accordingly, the property was recognised in the Balance Sheet at depreciated replacement cost of **£559k**. The corresponding entries were recognised as voluntary income in the Statement of Financial Activities. The depreciated replacement cost was based upon a valuation carried out by NPS Property Consultants Ltd on 23 March 2016.

Included in land and buildings is freehold land at valuation of **£6,966k** (2015 - £6,966k), which is not depreciated.

**17. STOCKS**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Uniforms	<b>1</b>	<b>1</b>

**18. DEBTORS**

	<b>2016</b>	<i>As restated</i> <b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>48</b>	<b>70</b>
VAT recoverable	<b>209</b>	<b>286</b>
Other debtors	<b>32</b>	<b>48</b>
Prepayments and accrued income	<b>1,054</b>	<b>935</b>
	<b>1,343</b>	<b>1,339</b>

**19. CREDITORS: Amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>631</b>	<b>691</b>
Other taxation and social security	<b>567</b>	<b>516</b>
Accruals and deferred income	<b>524</b>	<b>571</b>
	<b>1,722</b>	<b>1,778</b>

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**19. CREDITORS: Amounts falling due within one year (continued)**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Deferred income</b>		
Deferred income at 1 September 2015	<b>244</b>	<b>69</b>
Resources deferred during the year	<b>266</b>	<b>244</b>
Amounts released from previous years	<b>(244)</b>	<b>(69)</b>
	<hr/>	<hr/>
Deferred income at 31 August 2016	<b>266</b>	<b>244</b>
	<hr/>	<hr/>

At the balance sheet date the Academy Trust had received grant funding and trip income relating to the next academic year.

**20. PRIOR YEAR ADJUSTMENT**

A prior year adjustment was made to recognise School Condition Allocation grant income that the Academy Trust was entitled to in the previous accounting year but had not recognised. The effect of the prior year adjustment is to increase capital grant income and accrued income by £552k.



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**21. STATEMENT OF FUNDS**

	<b>Brought Forward <i>As restated</i> £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers in/out £000</b>	<b>Gains/ (Losses) £000</b>	<b>Carried Forward £000</b>
<b>Unrestricted funds</b>						
General Funds	<b>1,580</b>	<b>1,234</b>	<b>(1,309)</b>	-	-	<b>1,505</b>
<b>Restricted funds</b>						
General Annual Grant	<b>592</b>	<b>18,695</b>	<b>(17,562)</b>	<b>(754)</b>	-	<b>971</b>
Pupil Premium	-	<b>1,121</b>	<b>(1,097)</b>	-	-	<b>24</b>
16-19 Bursary	-	<b>33</b>	<b>(14)</b>	-	-	<b>19</b>
UIFSM	-	<b>57</b>	<b>(57)</b>	-	-	-
Insurance	-	<b>67</b>	<b>(67)</b>	-	-	-
Start-up grants	-	<b>90</b>	<b>(90)</b>	-	-	-
Other EFA grants	-	<b>84</b>	<b>(84)</b>	-	-	-
SEN	-	<b>124</b>	<b>(124)</b>	-	-	-
Other Local Authority funding	-	<b>95</b>	<b>(105)</b>	-	-	<b>(10)</b>
Donations	-	<b>90</b>	<b>(88)</b>	-	-	<b>2</b>
Non-government grants	-	<b>25</b>	<b>(9)</b>	-	-	<b>16</b>
Other trading activities	-	<b>27</b>	<b>(27)</b>	-	-	-
Pension reserve	<b>(3,568)</b>	<b>(82)</b>	<b>(1,173)</b>	<b>715</b>	<b>(3,195)</b>	<b>(7,303)</b>
	<b>(2,976)</b>	<b>20,426</b>	<b>(20,497)</b>	<b>(39)</b>	<b>(3,195)</b>	<b>(6,281)</b>
<b>Restricted fixed asset funds</b>						
Restricted fixed assets	<b>53,227</b>	<b>1,924</b>	<b>(2,233)</b>	<b>39</b>	-	<b>52,957</b>
Total restricted funds	<b>50,251</b>	<b>22,350</b>	<b>(22,730)</b>	-	<b>(3,195)</b>	<b>46,676</b>
Total of funds	<b>51,831</b>	<b>23,584</b>	<b>(24,039)</b>	-	<b>(3,195)</b>	<b>48,181</b>

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

The General Annual Grant (GAG) must be used for the normal running costs of the academies and the Academy Trust. Costs incurred for this purpose have been offset against this income.

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.

The Start-Up grants must be used to meet the start-up costs of the Academy Trust. Costs incurred for this purpose have been set off against this income.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. STATEMENT OF FUNDS (continued)**

SEN funding is received from the Local Authority and was used to provide additional support to those students identified as having additional needs.

Other restricted income was received during the year and the costs associated with these activities have been set off against the income.

The Pension reserve represents the Academy Trust's net liability in respect of the Local Government Pension Scheme.

A transfer of £715k has been made from the GAG fund to the Pension reserve being the employer contributions to the Local Government Pension Scheme.

A transfer of £39k has been made from GAG fund to the Restricted fixed asset fund to finance the acquisition of capital additions.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
King's Lynn Academy	678	697
Downham Market Academy	514	436
Eastgate Academy	207	100
Nelson Academy	85	102
King Edward V11 Academy	781	603
Southery Academy	11	-
Central funds	251	234
Total before fixed asset fund and pension reserve	<u>2,527</u>	<u>2,172</u>
Restricted fixed asset fund	52,957	53,227
Pension reserve	(7,303)	(3,568)
Total	<u><u>48,181</u></u>	<u><u>51,831</u></u>

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**21. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding deprec'n £000	Total 2016 £000	Total 2015 £000
King's Lynn Academy	2,156	590	95	704	3,545	3,695
Downham Market Academy	4,624	862	159	1,514	7,159	7,341
Eastgate Academy	869	198	39	226	1,332	1,304
Nelson Academy	1,206	300	52	335	1,893	1,826
King Edward V11 Academy	4,440	774	260	1,455	6,929	7,182
Southery Academy	151	22	10	42	225	-
Central	211	269	2	241	723	706
	<u>13,657</u>	<u>3,015</u>	<u>617</u>	<u>4,517</u>	<u>21,806</u>	<u>22,054</u>

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	52,228	52,228	52,402
Current assets	1,581	2,389	1,006	4,976	4,775
Creditors due within one year	(76)	(1,367)	(277)	(1,720)	(1,778)
Provisions for liabilities and charges	-	(7,303)	-	(7,303)	(3,568)
	<u>1,505</u>	<u>(6,281)</u>	<u>52,957</u>	<u>48,181</u>	<u>51,831</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW  
FROM OPERATING ACTIVITIES**

	2016 £000	2015 £000
Net (expenditure)/income for the year (as per Statement of financial activities)	(455)	8,564
<b>Adjustment for:</b>		
Depreciation charges	2,233	2,478
Dividends, interest and rents from investments	(3)	(3)
Decrease in stocks	-	30
(Increase)/decrease in debtors	(4)	30
(Decrease)/increase in creditors	(56)	295
Capital grants from DfE and other capital income	(1,098)	(891)
Defined benefit pension scheme obligation inherited	82	640
Defined benefit pension scheme cost less contributions payable	316	367
Defined benefit pension scheme finance cost	142	126
Net (loss) on assets and liabilities from local authority on conversion	(826)	(11,275)
<b>Net cash provided by operating activities</b>	<b>331</b>	<b>361</b>

**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £000	2015 £000
Cash in hand	3,634	3,435
<b>Total</b>	<b>3,634</b>	<b>3,435</b>

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**25. CONVERSION TO AN ACADEMY TRUST**

On 1 March 2016 Southery Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to CWA Academy Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Leasehold land and buildings	-	-	559	559
- Other tangible fixed assets	-	-	211	211
Other assets	8	-	48	56
LGPS pension (deficit)	-	(82)	-	(82)
Net assets	<u>8</u>	<u>(82)</u>	<u>818</u>	<u>744</u>

The above net assets include £56k that were transferred as cash, of which £48k related to capital funding.

**26. CAPITAL COMMITMENTS**

At 31 August 2016 the academy had capital commitments as follows:

	2016 £000	2015 £000
Contracted for but not provided in these financial statements	<u>13</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**27. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £258K were payable to the schemes at 31 August 2016 (2015 - 241K) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,354K (2015 - £1,194K).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. PENSION COMMITMENTS (continued)**

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £891K (2015 - £907K), of which employer's contributions totalled £666K (2015 - £683K) and employees' contributions totalled £225K (2015 - £224K). The agreed contribution rates for future years are 18.8% - 21.3%% for employers and 5.5% - 12.5% for employees.

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.

Norfolk Pension Fund - Downham Market Academy, Eastgate Academy and King Edwards VII Academy

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.10 %</b>	<b>3.80 %</b>
Rate of increase in salaries	<b>3.10 %</b>	<b>3.60 %</b>
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	<b>2.70 %</b>

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.1</b>	<b>22.1</b>
Females	<b>24.3</b>	<b>24.3</b>
Retiring in 20 years		
Males	<b>24.5</b>	<b>24.5</b>
Females	<b>26.9</b>	<b>26.9</b>

Norfolk Pension Fund - Kings Lynn Academy, Nelson Academy and Southery Academy.

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.00 %</b>	<b>3.70 %</b>
Rate of increase in salaries	<b>3.10 %</b>	<b>3.50 %</b>
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	<b>2.60 %</b>

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**27. PENSION COMMITMENTS (continued)**

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.1</b>	<b>22.1</b>
Females	<b>24.3</b>	<b>24.3</b>
Retiring in 20 years		
Males	<b>24.5</b>	<b>24.5</b>
Females	<b>26.9</b>	<b>26.9</b>

The Academy Trust's share of the assets in the scheme was:

	<b>Fair value at 31 August 2016 £000</b>	<i>Fair value at 31 August 2015 £000</i>
Equities	<b>5,960</b>	<b>4,380</b>
Debt instruments	<b>2,583</b>	<b>1,964</b>
Property	<b>1,192</b>	<b>982</b>
Cash	<b>198</b>	<b>228</b>
Total market value of assets	<b>9,933</b>	<b>7,554</b>

The actual return on scheme assets was £1,341k (2015 - £284k).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2016 £000</b>	<b>2015 £000</b>
Current service cost (net of employee contributions)	<b>(1,032)</b>	<b>(1,046)</b>
Net interest cost	<b>(142)</b>	<b>(126)</b>
Past service cost	<b>-</b>	<b>(4)</b>
Total	<b>(1,174)</b>	<b>(1,176)</b>



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**27. PENSION COMMITMENTS (continued)**

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

	2016 £000	2015 £000
Opening defined benefit obligation	11,122	7,847
Upon conversion	245	1,774
Current service cost	1,032	1,046
Interest cost	444	378
Contributions by employees	228	224
Actuarial losses/(gains)	4,233	(71)
Past service costs	-	4
Benefits paid	(68)	(80)
	<u>17,236</u>	<u>11,122</u>
Closing defined benefit obligation	<u>17,236</u>	<u>11,122</u>

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

	2016 £000	2015 £000
Opening fair value of scheme assets	7,554	5,309
Upon conversion	163	1,134
Interest income	303	252
Return on plan assets (excluding net interest on the net defined pension liability)	1,038	32
Contributions by employer	715	683
Contributions by employees	228	224
Benefits paid	(68)	(80)
	<u>9,933</u>	<u>7,554</u>
Closing fair value of scheme assets	<u>9,933</u>	<u>7,554</u>

**28. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
<b>Amounts payable:</b>		
Within 1 year	49	66
Between 1 and 5 years	81	126
	<u>130</u>	<u>192</u>
Total	<u>130</u>	<u>192</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**29. 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**30. RELATED PARTY TRANSACTIONS**

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

The College of West Anglia is the Sponsor of the CWA Academy Trust. During the year the Academy Trust purchased educational services amounting to £89,225 (2015: £97,000) from the College. The balance owing as at 31 August 2016 was £Nil (2015: £Nil).

The Academy Trust purchases the services of its Chief Executive Officer from the College. In addition, the Academy Trust 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 value of these transactions for the year ended 31 August 2016 was £113,283 (2015: £93,000). The balance outstanding at the year ended 31 August 2016 was £45,662 (2015: £16,000).

Uptech Limited is an IT company and one of its directors is also a Governor of Eastgate Academy. During the year the Academy Trust's transactions with Uptech Ltd amounted to £35,375 (2015: £41,000). This Governor has since resigned.

The Trust invoiced Gayton Primary School, in which Local Governor Lynda Newell is a Governor, £1,482 during the year for swimming lessons and PE Inset Training. There were no amounts outstanding at 31 August 2016.

The Trust invoiced North Wootton Primary School, in with Local Governor's Suzanne Walker and Linda Beales are Governors, £2,681 during the year for swimming lessons. As at 31 August 2016 £312 was outstanding.

The Trust invoiced Southery Playgroup, in which Local Governor's Catherine Robson and Catherine Tofts are committee members, £1,072 during the year for the hire of the Annexe. There were no amounts outstanding at 31 August 2016.

During the year the Trust received a 50% contribution of £4,395 towards the installation of a wall mounted canopy at the rear of the leisure centre from Alive Management Limited, a company in which Deborah Gates (a trustee of the Trust) is a Director. During the year the Trust also hired facilities from the company totalling £14,532. At the year end the Trust owed the company £103.

King Edward VII Academy Friends is a registered charity that aims to advance the education of pupils in the school in particular by: developing effective relationships between staff, parents and others associated with the school and secondly by engaging in activities or providing facilities or equipment which support the school and advance the education of the pupils. For the year ended 31 August 2016, the charity had income £10,988, expenditure of £7,314, and net assets of £8,902.

Friends of Eastgate School is a registered charity that supports Eastgate Primary in providing activities / materials which are over and above the normal curriculum. For the year ended 31 December 2015 the charity had income of £8,902, expenditure of £9,221, and net assets of £2,309.

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**31. AGENCY ARRANGEMENT**

The Academy Trust distributes 16-19 bursary funds to vulnerable students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £1,200 and disbursed £1,200 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to EFA.

**32. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<b>1 September 2014 £000</b>	<b>31 August 2015 £000</b>
Total funds under previous UK GAAP		43,164	51,831
Total funds reported under FRS 102		<u>43,164</u>	<u>51,831</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	<b>31 August 2015 £000</b>
Net income previously reported under UK GAAP		8,680
Change in recognition of LGPS interest cost	A	(116)
Net income reported under FRS 102		<u>8,564</u>

The "total funds under previous UK GAAP" and "Net income previously reported under UK GAAP" are after accounting for the prior year adjustment as per note 20.

Explanation of changes to previously reported funds and net income/expenditure:

	Change in recognition of LGPS interest cost
A	Under previous UK GAAP the Academy Trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £116k and credit other recognised gains and losses in the SoFA by an equivalent amount.

In accordance with the Academies Accounts Direction 2015 to 2016 income for the year ended 31 August 2015 has been reclassified into appropriate categories and governance costs have been reclassified as expenditure on academy trust educational operations. The reclassification of income and expenditure has had no effect on total income, total expenditure, net income/(expenditure) for the year or total funds as previously reported.