

Company Registration Number: 08737435

**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Trustees and Members**

Mr M R Butler DL\*  
Mr F J Corbett\*, Chairman (resigned 19 May 2017)  
Miss A V Musgrave (resigned 31 March 2017)  
Mr A W B Mash\* (resigned 31 August 2017)  
Mr D G Orsborne (resigned 31 March 2017)  
Mr M E Allbrook\*  
Mr W J J Crawshay\*  
Mr C Hedges  
Ms D M King  
Mrs M Young  
Mr N P Loveday (appointed 1 September 2016)  
Mr S Cox (appointed 1 September 2016)  
Ms C Livings (appointed 1 September 2016, resigned 18 November 2016)  
Mr P Dunning (appointed 1 September 2017)  
Ms P E Wells (appointed 14 June 2017)  
Mr D Wright (appointed 14 June 2017)

\* The trustees selected above are also the company members

**Company registered number**

08737435

**Company name**

The Diocese of Norwich Education and Academies Trust

**Principal and registered office**

Diocesan House, 109 Dereham Road, Easton, Norwich, Norfolk, NR9 5ES

**Senior management team**

Mr F J Corbett, Chairman (resigned 19 May 2017)  
Mrs M J Edwards, Chief Executive and Accounting Officer  
Mr H Nelson, Chief Operating Officer  
Mr W J J Crayshaw, Chairman (appointed 19 May 2017)

**Independent auditors**

Larking Gowen, King Street House, 15 Upper King Street, Norwich, NR3 1RB

**Bankers**

Barclays plc, 3 St James Court, Whitefriars, Norwich, NR3 1RJ

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Solicitors**

Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London, SW1P 3JT

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors report of The Diocese of Norwich Education and Academies Trust (the Trust) for the year ended 31st August 2017. The Trustees confirm that the Annual report and financial statements of the Diocese of Norwich Education & Academies Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Charities SORP (FRS 102). The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the year the Trust grew to thirty Academies from within the area of the Diocese of Norwich.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Memorandum and Articles of Association, as revised and approved July 2015, are the primary governing documents of the Trust.

The Trustees of The Diocese of Norwich Education and Academies Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is also known as DNEAT.

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

**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 £1, for the debts and liabilities contracted before they ceased to be a member.

**c. Method of recruitment and appointment or election of Trustees**

The Trustees have been elected and co-opted on the basis of their skills and experience. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**d. Policies and procedures adopted for the induction and training of Trustees**

The Trust ensures all new Trustees receive an induction from the Chair of the Board and/or the Chief Executive Officer. An annual self-assessment takes place in July and includes an element of training. Individual Trustees have attended training events across the region including events provided by the Regional Schools Commissioner and through the Future Leaders Trust in conjunction with the Church of England Education Office. The Trust Clerk regularly updates the online GovernorHub system with news and information to support Trustees in carrying out their duties. Link Trustees have again been designated for 2017-18 (e.g. safeguarding, health and safety, SEND) and they will work closely with a member of the Senior Leadership Team.

**e. Organisational structure**

The Trustees are responsible for the management of the company, and operationally during the year has delegated powers to the Chairman and Accounting Officer (Chief Executive Officer) for day to day responsibility. As the Trust has grown additional officers have been employed during the year and they are responsible for day to day operations reporting to the CEO. The School Improvement capacity of the Trust has been significantly enhanced with the recruitment of three Academies Group Executive Principals with line management oversight of a group of academies in a geographic area of the Diocese. A Chief Operating Officer was recruited in December 2016 and has strategic oversight of all financial and operational matters.

The Academies within the trust have powers delegated to them for operational and budgetary matters within the Academies through a Scheme of Delegation which is reviewed at least annually.

**f. Pay policy for key management personnel**

The arrangements for setting pay and remuneration are considered by the Personnel Committee on an annual basis. Remuneration of key management personnel is set at the point of recruitment in line with the Trust's pay policy and after a review of appropriate benchmarks. Key management personnel are then appointed at a pay point on the Trust's pay scales. Remuneration of key management personnel is then subject to review as part of the annual performance review cycle.

**g. Connected organisations, including related party relationships**

The Trust is connected to the Norwich Diocesan Board of Finance through its Trustees, which provides accommodation and some services for the Trust on a cost recovery basis. The Trust is also under common control with The Diocese of Norwich Education Umbrella Trust.

**Objectives and Activities**

**a. Objects and aims**

The Trust's object is to advance for the public benefit education mainly but not exclusively by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include

- More pupils achieved the expected standard in reading, writing and mathematics. In 2017, 51% of pupils reached the expected standard compared with 41% in 2016. This is an increase of 10% percentage points compared with a national improvement of 8%. In addition, the proportion of pupils reaching the higher standard in reading, writing and mathematics increased by 8% from 2016. This was much greater than the national increase of 4%.

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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- To ensure that standards are continually raised the Trust has established its own school improvement team (Academies Group Executive Principals) and this has been effective at supporting schools in improving teaching, learning and assessment through strong and effective support to our academies. It has been noted by Ofsted that role of the Academy Group Executive Principal has had a positive impact on pupil outcomes.
- The Trust has engaged with other educational providers and experts to share good practice and drive up standards for the least cost.

The Trust's further objects are:

- Promoting in the United Kingdom the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged;
- Developing the capacity and skills of those inhabitants of the United Kingdom who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- Relieving poverty among the inhabitants of the United Kingdom;
- Relieving unemployment in the United Kingdom for the benefit of the public in such ways as may be thought fit, including assistance to find employment;
- Advancing the health of the inhabitants of the United Kingdom;
- Providing recreational and leisure time facilities in the interests of social welfare for the inhabitants of the United Kingdom especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

**b. Objectives, strategies and activities**

Our objective is to establish an environment in which pupils / students, staff and all in the learning community can flourish and be successful. This is achieved by providing an education of the highest quality within the context of Christian belief and practice. Our approach is collaborative where all are valued and encouraged to achieve of their best. Whilst working closely as a family of academies we are also outward looking and work with other organisation to ensure new and innovative best practice is a feature of our ways of working.

Our 'Strategy for improving teaching, learning and leadership' sets high expectations and effective ways of working which ensure rapid school improvement. Consistent reporting and tracking of pupil progress are core elements of this approach as well as external scrutiny to ensure accuracy of our own judgements. A career entitlement for Continuous Professional Development has been developed demonstrating the Trust's commitment to investing in staff.

**c. Activities for achieving objectives**

During the year the Trust's own school improvement team (Academies Group Executive Principals) has been effective at supporting schools and this has resulted in a greater focus on rapid school improvement. The 2017 Key Stage Two (KS2) results for the primary academies demonstrated a faster than national rate of improvement and this supports the view that the structures, systems and central capacity to effect positive change are now having demonstrable impact. The improvements have also been substantiated by Ofsted outcomes over the last academic year. Inspection reports include statements that evaluate the quality of support given by DNEAT. These have been increasingly more positive over time. Taken together the evidence bases indicate that DNEAT is ensuring that its academies provide an acceptable standard of education and that there is good capacity for further rapid improvement.

The central services function has continued to develop with the centralisation of finance across the primary academies and the opportunity for further group procurement. Significant support has again been given to academy finance staff by the central finance team. The central Senior Leadership Team meets fortnightly to ensure appropriate delivery of the Business Plan and reports regularly to the Trust Board as to progress.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The number of academies in the Trust grew in the year with an additional two new schools joining. This increase in capacity has given the critical mass to invest in the strengthened school improvement team mentioned above. With the growth in number of academies we have also continued with the geographic groupings of academies (Regional Standards Groups) to enable greater collaborative working and school to school support.

The meeting and reporting structures for Headteachers is established and allows for challenge and support as Headteachers are held to account for academy performance. Trustees are involved in the Regional Standards. Chairs of Governors are actively engaged in a termly forum to exchange and develop ideas with Trust officers and their Headteachers.

Local Governing Bodies are well supported through the work of the Governance Manager. Training, standard agendas and other supporting material are provided and GovernorHub is used enthusiastically as the online communication tool. The Governance Manager has introduced a Quality Assurance system to analyse the effectiveness of local governing bodies. An internal audit was undertaken in the year, and identified a significant amount of good practice and have deemed the Governance Manager and Trust Clerk to have achieved a high level of consistency in the approach to governance across the Trust. The existence of guidance, training, documentation and support produced by the Governance Manager and Trust Clerk has contributed towards this; with assurance on compliance actively sought.

A number of recent Ofsted reports have commended Trust governance and one noted that "the trust board provides effective, well organised and structured governance. The board has a clear committee structure with a remit to scrutinise the work of the trust. It fulfils its core functions effectively to provide the school with clear strategic direction, holding leaders to account for pupils' performance and ensuring that money is well spent. The regional standards group, overseen by regional trustees, provides the school with the right balance of support and challenge. Minutes of meetings show that this work is rigorous and challenging".

**d. Public benefit**

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Financial performance is monitored against budgets set and approved by the Trust Board. The main benchmarking criteria evaluated to date is staff costs as a percentage of GAG and total costs. Due to the number of small schools in the Trust this comparison has needed careful interpretation in the year.

**b. Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**c. Review of activities**

During the year an additional two schools became Academies within the Trust. More growth is expected in 2017-18. As described above the Trust has taken great steps forward in identifying and securing further personnel and consultancy to deliver and manage this future growth and deliver on its aims and objectives.

All of the academies are measured for performance outcomes against Ofsted Inspection criteria on conversion and regularly during the year to monitor the improvement of those historically underperforming, to progress good schools to outstanding and to maintain those already outstanding. All Primary Academies have moved to a common pupil attainment and monitoring system to provide central information as part of this monitoring.

The Trust currently has 30 academies. 18 currently have an inspection outcome and of these 79% were rated as good or outstanding. In 2016-17, six of the Trust's academies were inspected by Ofsted. Two were graded as good, three were rated as requires improvement and one was rated as inadequate. Although the inadequate result was disappointing, rapid progress has been made in taking effective action towards the improving this school.

A consistent theme through the latest Ofsted reports is that the quality of support provided by DNEAT was recognised by inspectors. There have also been positive comments reflected the high expectation and rigour of DNEAT in supporting and challenging academies to improve.

**d. Investment policy and performance**

The Trust's governance document allows Trustees to invest or deposit any funds not immediately required for the furtherance of its objects. Due to the start-up nature of the Trust and the growth, the Trustees have decided to keep all funds immediately available. The Trustees will review this on a regular basis.

**e. Factors relevant to achieve objectives**

Balancing growth whilst ensuring a clear focus on school improvement continues to be managed carefully.

**Financial review**

**a. Reserves policy**

As disclosed in note 2, a prior year adjustment has reduced total net assets brought forward from £57,888,786 to £26,091,153. The adjustment reflected a change of accounting policy that removed from fixed assets the premises held on 2 year licence agreements.

At the end of 31 August 2017, unrestricted reserves stood at £1,364,171 and the General Annual Grant (GAG) reserves stood at £350,104 (2016: £449,257). The combined balance of these two funds at 31 August 2017 was £1,714,275 (2016: £2,320,851) which equates to approximately 0.6 months (2016: 1.1 months) of expenditure. The current policy is to maintain free reserves at this level.

The fixed asset fund stood at £30,542,873 (2016: £30,643,819).

The pension reserve stood at a deficit of £7.186 million (2016: deficit £7.186 million), representing obligations to the Local Government Pension Scheme. The trust is making payments at the levels recommended by the scheme actuary.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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Further restricted reserves stood at £1,352,125 (2016: £988,483). Total funds stood at £26,423,274 (2016: £26,091,153).

**b. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Trust has in place policies and plans for Financial and Risk Management. These detailed management of these is allocated to the appropriate Trust Committee and reviewed at each meeting. The full Board receives updates on Risk Management at each meeting.

The key risks identified relate to not achieving high standards for pupils in all academies, staff recruitment, financial pressures due to rising costs and the risk of growth being curtailed by the Regional Schools Commissioner thereby damaging financial plans. These are analysed and reviewed regularly, and suitable mitigation strategies are put in place.

**c. Financial risk management objectives and policies**

The Trust has in place policies and plans for Financial and Risk Management. In a period of growth and change these are being regularly reviewed and updated to reflect the changes in the organisation. Within the year the Trust met its objectives and aims as described above in supporting and providing Primary and Secondary education and Childcare and Family support. The Trust also expended grants to improve standards in the member academies within the Trust and to provide the structures for further support and growth. Effective financial management achieved a surplus to carry on the aims and support going forward.

**d. Principal funding**

The notes to the accounts provide a breakdown of income received. Our principal funding is from the Education Funding Agency in respect of grants for the operation of Academies.

**Plans for future periods**

**a. Future developments**

The Trust is committed to growing the number of Academies and the resources to support this so that the schools in the Diocese are able to join a Diocesan Multi Academy Trust committed to high educational outcomes for their pupils. Since the year end, a further five schools are likely to become an Academy with the trust in 2018. A second Diocesan MAT is set to begin operations in 2018.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

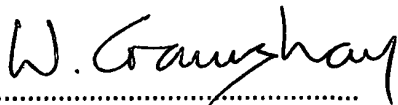
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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2017 and signed on its behalf by:



.....  
**Mr W J J Crawshay**  
**Chair of Trustees**

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES 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 The Diocese of Norwich Education and Academies 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 The Diocese of Norwich Education and Academies 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. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M R Butler DL*	5	5
Mr A W B Mash*	5	5
Mr M E Allbrook*	5	5
Mr F J Corbett*, Chairman (resigned 19 May 2017)	4	4
Miss A V Musgrave	2	3
Mr D G Orsborne	2	3
Mr W J J Crawshay, Chairman (appointed 19 May 2017)	5	5
Mr C Hedges	5	5
Mr N P Loveday	5	5
Mr S Cox	4	5
Mrs M Young	4	5
Ms D M King	3	5
Ms C Livings	1	1
Mr P Dunning	0	0
Ms P E Wells	1	1
Mr D Wright	1	1

The work of the Trustee Board has continued to evolve in line with the Trust risk register and the demands of the Education and Skills Funding Agency. A recent internal audit report confirmed that the DNEAT Governance Structure is in line with best practice expectations.

The board has met regularly throughout the year. The board continues to review where it needs to update and strengthen its membership. In the year the following changes occurred.

An annual self-assessment took place in July 2017. Strengths identified included Governance Structures, Risk Management and strategy and Vision.

The Standards and Strategic Development Committee is a sub-committee of the Board. It is responsible for overseeing and approving the development of an effective strategy for academy improvement that results in high standards and good or better inspection outcomes. Academic performance data is collected from Pupil Asset and SIMs and scrutinised at Academy Level and Trust level. Performance is compared against national and regional data sets and this gives Trustees a clear picture of performance against others. There are clear

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**GOVERNANCE STATEMENT (continued)**

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reports for the Board.

A Personnel Committee meets three times per year.

The Finance Audit and Resources Committee is a sub-committee of the Board of Trustees, its purpose is assist the decision making of the board of trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M R Butler DL*	2	5
Mr F J Corbett*, Chairman	4	4
Mr S Cox	5	5
Mr W J J Crawshay	5	5
Mr N Loveday	5	5
Mr D Wright	1	1

**Review of Value for Money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the 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 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. As Accounting Officer for the Trust, I set out below how I have ensured that the use of the Trust's resources has provided good value for money during the academic year.

**Approach to Value for Money**

The Trust applied the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the school
- The targeting of resources to best improve standards and the quality of provision
- The use of resources to best support the various educational needs of all pupils

**Improving Educational Results**

- More pupils achieved the expected standard in reading, writing and mathematics. In 2017, 51% of pupils reached the expected standard compared with 41% in 2016. This is an increase of 10 percentage points compared with a national improvement of 8%. In addition, the proportion of pupils reaching the higher standard in reading, writing and mathematics increased by 8% from 2016. This was much greater than the national increase of 4%.
- To ensure that standards are continually raised the Trust has established its own school improvement team (Academies Group Executive Principals) and this has been effective at supporting schools in improving teaching, learning and assessment through strong and effective support to our academies. It has been noted by Ofsted that role of the Academy Group Executive Principal has had a positive impact on pupil outcomes.
- The Trust has engaged with other educational providers and experts to share good practice and drive up standards for the least cost.

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**GOVERNANCE STATEMENT (continued)**

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**Purchasing, the efficient and effective use of resources**

The Trust currently operates at over thirty sites and savings have been made by sharing administration and procurement costs across the Trust. The Trust has also run a number of forums to share best practice and ensure that the most effective and efficient processes are increasingly being used across the Trust.

A review of procurement across the Trust has been completed and procedures have been reviewed for assessing need, obtaining goods and services which provide 'best value' in terms of suitability, efficiency, time and cost. An active and vigorous plan has been implemented to achieve savings across the Trust. This has included the tendering of major services such as catering, the use of national frameworks to leverage improved value, as well as the use of competitive tenders for smaller items. The plan has been prioritised so that time and resource is not wasted on investigating minor areas where few improvements and savings can be achieved as this is not considered cost effective and can distract management from more valuable areas

**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 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 The Diocese of Norwich Education and Academies Trust for the year 1 September 2016 to 31 August 2017 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 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 Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

The 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 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 appointed RSM Risk Assurance Services LLP as internal auditor until 31 August 2019.

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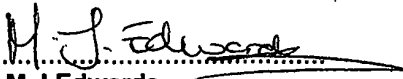
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Diocese of Norwich Education and Academies Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

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 2016.

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 ESFA.

  
.....  
**Mrs M J Edwards**  
**Accounting Officer**

Date: 8 December 2017

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The internal auditor has reported on a termly basis to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of Effectiveness**

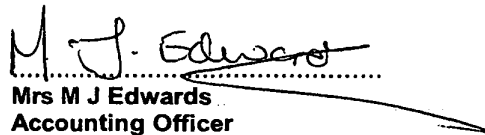
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 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 8 December 2017 and signed on their behalf, by:

  
.....  
Mr W J J Crawshay  
Chair of Trustees

  
.....  
Mrs M J Edwards  
Accounting Officer



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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of The Diocese of Norwich Education and Academies 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 and Skills 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:

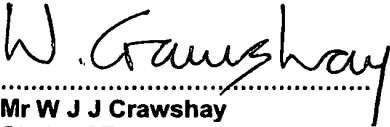
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/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 8 December 2017 and signed on its behalf by:

  
.....  
**Mr W J J Crawshaw**  
Chair of Trustees

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**

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**Opinion**

We have audited the financial statements of The Diocese of Norwich Education and Academies Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**

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**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Trust 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

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Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

**Larking Gowen**

Chartered Accountants  
Statutory Auditors

King Street House  
15 Upper King Street

Norwich  
NR3 1RB

Date: 21 December 2017

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Diocese of Norwich Education and Academies Trust during the year 1 September 2016 to 31 August 2017 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 The Diocese of Norwich Education and Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Diocese of Norwich Education and Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Diocese of Norwich Education and Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Diocese of Norwich Education and Academies Trust's accounting officer and the reporting auditors**

The Accounting Officer is responsible, under the requirements of The Diocese of Norwich Education and Academies Trust's funding agreement with the Secretary of State for Education dated 1 November 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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 Trust's income and expenditure.

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE DIOCESE  
OF NORWICH EDUCATION AND ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING  
AGENCY (continued)**

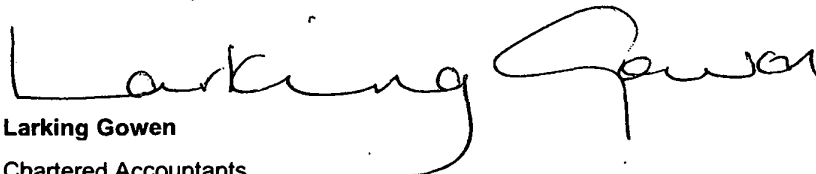
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In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2016 to 2017 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Multi Academy Trust's Directors;
- Inspection and review of the accounting records, meeting minutes, internal control procedures; management representations and declarations of interest; and
- Observation and re-performance of the financial controls.

**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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Larking Gowen**

Chartered Accountants  
Statutory Auditors

King Street House  
15 Upper King Street  
Norwich  
NR3 1RB

Date: 21 December 2017

**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £	
<b>Income from:</b>						
Donations & capital grants:						
Transfer from local authority upon conversion	3	-	(1,125,000)	760,000	(365,000)	2,481,264
Other donations and capital grants	3	173,571	-	-	173,571	139,241
Charitable activities	6	699,129	27,721,310	30,199	28,450,638	23,784,960
Other trading activities	4	723,623	-	-	723,623	594,959
Investments	5	1,000	-	-	1,000	1,422
<b>Total income</b>	<b>1,597,323</b>	<b>26,596,310</b>	<b>790,199</b>	<b>28,983,832</b>	<b>27,001,846</b>	
<b>Expenditure on:</b>						
Charitable activities	2,104,746	28,332,430	1,138,535	31,575,711	25,028,788	
<b>Total expenditure</b>	<b>7</b>	<b>2,104,746</b>	<b>28,332,430</b>	<b>1,138,535</b>	<b>31,575,711</b>	<b>25,028,788</b>
<b>Net income / (expenditure) before transfers</b>	<b>(507,423)</b>	<b>(1,736,120)</b>	<b>(348,336)</b>	<b>(2,591,879)</b>	<b>1,973,058</b>	
Transfers between Funds	21	-	(247,390)	247,390	-	
<b>Net income / (expenditure) before other recognised gains and losses</b>	<b>(507,423)</b>	<b>(1,983,510)</b>	<b>(100,946)</b>	<b>(2,591,879)</b>	<b>1,973,058</b>	
Actuarial gains/(losses) on defined benefit pension schemes	26	-	2,924,000	-	2,924,000	(3,857,000)
<b>Net movement in funds relating to year</b>	<b>(507,423)</b>	<b>940,490</b>	<b>(100,946)</b>	<b>332,121</b>	<b>(1,883,942)</b>	
Prior year adjustment	2	-	-	(31,797,633)	(31,797,633)	-
<b>Total movement in funds in year</b>	<b>1,597,323</b>	<b>940,490</b>	<b>(31,898,579)</b>	<b>(31,465,512)</b>	<b>(1,883,492)</b>	
<b>Funds:</b>						
Total funds brought forward as previously stated	1,871,594	(6,424,260)	62,441,452	57,888,786		
Total funds brought forward as restated	1,871,594	(6,424,260)	30,643,819	26,091,153	27,975,095	
<b>Total funds carried forward</b>	<b>1,597,323</b>	<b>(5,483,770)</b>	<b>30,542,873</b>	<b>26,423,274</b>	<b>26,091,153</b>	

**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08737435**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	As restated 2016 £
<b>Fixed assets</b>					
Tangible assets	16		30,542,874		30,462,249
<b>Current assets</b>					
Stocks	17	10,218		13,227	
Debtors	18	1,142,235		1,508,439	
Cash at bank and in hand		4,467,446		3,952,455	
		<u>5,619,899</u>		<u>5,474,121</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(2,430,815)</u>		<u>(1,841,522)</u>	
<b>Net current assets</b>			<u>3,189,084</u>		<u>3,632,599</u>
<b>Total assets less current liabilities</b>			<u>33,731,958</u>		<u>34,094,848</u>
<b>Creditors: amounts falling due after more than one year</b>	20		<u>(122,684)</u>		<u>(141,695)</u>
<b>Net assets excluding pension scheme liabilities</b>			<u>33,609,274</u>		<u>33,953,153</u>
Defined benefit pension scheme liability	26		<u>(7,186,000)</u>		<u>(7,862,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u>26,423,274</u>		<u>26,091,153</u>
<b>Funds</b>					
Restricted income funds:					
Restricted income funds	21	1,702,230		1,437,740	
Restricted fixed asset funds	21	30,542,873		30,643,819	
Restricted income funds excluding pension liability		<u>32,245,103</u>		<u>32,081,559</u>	
Pension reserve		<u>(7,186,000)</u>		<u>(7,862,000)</u>	
Total restricted income funds			<u>25,059,103</u>		<u>24,219,559</u>
Unrestricted income funds	21		<u>1,364,171</u>		<u>1,871,594</u>
<b>Total funds</b>			<u>26,423,274</u>		<u>26,091,153</u>



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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2017**

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The financial statements on pages 21 to 55 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:

  
.....  
Mr W J J Crawshaw  
Chair of Trustees

**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	As restated 2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	23	<u>(228,377)</u>	<u>13,081</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,000	1,422
Purchase of tangible fixed assets		(247,390)	(852,193)
Capital funding received from sponsors and others		1,008,769	427,533
Cash transferred on conversion to an academy trust		-	828,970
<b>Net cash provided by investing activities</b>		<u>762,379</u>	<u>405,732</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(19,011)	-
<b>Net cash used in financing activities</b>		<u>(19,011)</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		<b>514,991</b>	<b>418,813</b>
Cash and cash equivalents brought forward		<u>3,952,455</u>	<u>3,533,642</u>
<b>Cash and cash equivalents carried forward</b>	<b>24</b>	<u><b>4,467,446</b></u>	<u><b>3,952,455</b></u>

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Diocese of Norwich Education and Academies Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 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 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 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.

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the 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.

Donations are recognised on a receivable basis where receipt is probable 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.

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

All expenditure is inclusive of irrecoverable VAT.

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £2,500 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.

As described in note 16, the trust occupies school buildings under arrangements that are generally as follows: there are 2 year licence agreements with Norwich Diocesan Board of Finance, and playing fields occupied under 125 year leases with Norfolk and Suffolk County Council.

The trustees have considered the licence arrangements for the school buildings in the context of the accounting requirement set out in Academies Accounts Direction 2016 to 2017 and have determined that the conditions required to conclude that the trust has control over the properties are not met and consequently those buildings are not recognised in the financial statements. The licence arrangements allow the trust to occupy the buildings free of charge. No income or expenditure is recognised for the rent free occupation because the trustees do not consider that a reliable measure of the amount the trust would otherwise have to pay to secure the premises can be made. The costs of improvements to these properties is expensed.

Playing fields occupied under a lease for 125 years are capitalised within tangible fixed assets to reflect the academy trust's right to use these properties over the long term.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% Straight Line
Fixtures and fittings	-	25% Straight Line
Computer equipment	-	33% Straight Line
Other fixed assets	-	10% Straight Line

**1.6 Interest receivable**

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

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Trust. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**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 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 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.

**1.12 Liabilities and provisions**

Liabilities and provisions 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 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.

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**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.14 Taxation**

The 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 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**  
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**1. ACCOUNTING POLICIES (continued)**

**1.15 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 26, 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 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.

**1.16 Conversion to an academy trust**

The conversion from a state maintained school to an academy involved 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 The Bishop's C of E Primary Academy, and Cawston C of E Primary Academy to an academy 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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**1. ACCOUNTING POLICIES (continued)**

**1.17 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 Department for Education.

**1.18 Critical accounting estimates and areas of judgment**

Estimates and judgments 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 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 26, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

**Critical areas of judgment:**

As described in note 1.5, the trustees have determined that a reliable estimate of the amount the trust would otherwise have to pay to occupy its rent free premises can not be made.

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**2. PRIOR YEAR ADJUSTMENT**

The Academies Accounts Direction 2016 to 2017 changed the criteria for determining whether school buildings occupied under licence arrangements should be recognised in the trust's financial statements. The trustees have considered the occupation arrangements under the new requirements and have determined that the revised criteria are not met and consequently the properties should no longer be recognised. The prior period figures have been restated to remove the properties, capitalised improvements thereto and the accompanying depreciation. The tangible fixed assets and the restricted fixed asset fund brought forward at 1 September 2015 have reduced by £19,664,592. The impact on the 2016 Statement of Financial Activities is to reduce income by £12,612,000 and expenditure by £479,319. Tangible fixed assets and the restricted fixed asset fund as at 31 August 2016 have reduced by £31,797,633.

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>As restated</i> Total funds 2016 £
Transfer from local authority upon conversion	-	(1,125,000)	760,000	(365,000)	2,481,264
Donations	173,571	-	-	173,571	139,241
Total donations and capital grants	<u>173,571</u>	<u>(1,125,000)</u>	<u>760,000</u>	<u>(191,429)</u>	<u>2,620,505</u>
Total 2016	<u>807,505</u>	<u>(986,000)</u>	<u>2,799,000</u>	<u>2,620,505</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from Services Provided	96,994	-	96,994	50,907
Other/Misc Income	364,871	-	364,871	366,450
Self Generated Income	261,758	-	261,758	177,602
	<u>723,623</u>	<u>-</u>	<u>723,623</u>	<u>594,959</u>
Total 2016	<u>594,959</u>	<u>-</u>	<u>594,959</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. INVESTMENT INCOME**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
Bank Interest	1	-	1	367
Investment income	999	-	999	1,055
	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,422</u>
<i>Total 2016</i>	<u>1,422</u>	<u>-</u>	<u>1,422</u>	

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**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	22,658,201	22,658,201	17,733,791
Pupil Premium	-	1,979,758	1,979,758	1,751,402
Capital Grants	-	1,008,769	1,008,769	427,533
Other DfE/EFA Grants	-	486,634	486,634	366,649
Pre 16 High Needs Grant	-	100,000	100,000	100,000
Rates Relief	-	130,775	130,775	77,701
Start Up Grant	-	30,000	30,000	-
	-	26,394,137	26,394,137	20,457,076
<b>Other government grants</b>				
Improvement Grants	-	-	-	225,000
Local Authority Grants	-	1,351,405	1,351,405	1,599,483
	-	1,351,405	1,351,405	1,824,483
<b>Other income from the academy trust's educational operations</b>				
Income from other institutions	-	5,967	5,967	948,896
Catering income	382,712	-	382,712	294,960
Educational Visits	238,403	-	238,403	172,706
Nursery Fees	78,014	-	78,014	86,840
	699,129	5,967	705,096	1,503,402
	699,129	27,751,509	28,450,638	23,784,961
<i>Total 2016</i>	554,505	23,230,455	23,784,960	

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**7. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>As restated</i> Total 2016 £
Educational Operations:					
Direct costs	19,268,629	-	2,531,978	21,800,607	16,975,049
Support costs	3,508,177	2,187,225	4,079,702	9,775,104	8,053,739
	<u>22,776,806</u>	<u>2,187,225</u>	<u>6,611,680</u>	<u>31,575,711</u>	<u>25,028,788</u>
<i>Total 2016</i>	<u>17,634,604</u>	<u>1,453,351</u>	<u>5,940,833</u>	<u>25,028,788</u>	

**8. DIRECT COSTS**

	Educational Operations £	Total 2017 £	Total 2016 £
Net pension interest (see note 14)	195,000	195,000	124,000
Technology costs	284,274	284,274	257,349
Educational supplies	1,068,178	1,068,178	890,196
Staff development	225,990	225,990	197,872
Educational consultancy	614,611	614,611	640,396
Other direct costs	143,925	143,925	98,043
Wages and salaries	14,799,623	14,799,623	11,832,992
National insurance	1,232,190	1,232,190	857,875
Pension cost	3,236,816	3,236,816	2,076,326
	<u>21,800,607</u>	<u>21,800,607</u>	<u>16,975,049</u>
<i>Total 2016</i>	<u>16,975,049</u>	<u>16,975,049</u>	

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**9. SUPPORT COSTS**

	<b>Educational Operations £</b>	<b>Total 2017 £</b>	<i>As restated Total 2016 £</i>
Technology costs	156,554	156,554	244,421
Recruitment and support	125,697	125,697	124,066
Maintenance of premises and equipment	1,476,906	1,476,906	1,283,411
Other support costs	1,969,594	1,969,594	1,795,991
Improvements to premises under licence	710,319	710,319	169,940
Accountancy and auditors' costs	79,265	79,265	57,790
Legal and professional fees	730,266	730,266	626,969
Travel and meeting expenses	91,561	91,561	33,389
Wages and salaries	2,880,071	2,880,071	2,415,097
National insurance	167,185	167,185	134,078
Pension cost	460,921	460,921	318,235
Depreciation	926,765	926,765	850,352
	<u>9,775,104</u>	<u>9,775,104</u>	<u>8,053,739</u>
<i>Total 2016</i>	<u>8,053,739</u>	<u>8,053,739</u>	

**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017 £</b>	<b>2016 £</b>
Depreciation of tangible fixed assets:		
- depreciation	926,765	850,352
Operating lease rentals	85,008	77,958
Auditors' remuneration - current year	29,630	28,050
Auditors' remuneration - prior year under accrual	-	9,020
Auditors' non audit costs	11,490	20,720
	<u>11,490</u>	<u>20,720</u>

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**11. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	17,184,610	13,868,708
Social security costs	1,399,375	991,953
Operating costs of defined benefit pension schemes	3,697,737	2,394,560
	<u>22,281,722</u>	<u>17,255,221</u>
Apprenticeship levy	34,805	-
Supply teacher costs	460,279	379,383
	<u>22,776,806</u>	<u>17,634,604</u>

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

	2017 No.	2016 No.
Teachers	268	204
Administration and support	315	309
Management	48	49
	<u>631</u>	<u>562</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	14	12
In the band £70,001 - £80,000	2	0
In the band £100,001 - £110,000	1	1

The above employees participate in the Teachers' Pension Scheme.

Key management personnel of the Trust comprise the trustees and senior management team. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for their services to the trust was £288,798 (2016 - £260,836).

The staff costs above include £47,639 (2016 - £13,096) of contractual redundancy payments).

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**12. CENTRAL SERVICES**

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

- School Improvement
- Finance Support
- Legal Support
- Governor Support/Clerking

The Trust charges for these services on the following basis:

From 1 September 2016:

Primary academies - 4% (2016: 4%)  
The Open Academy - 1% (2016: 1%)

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Moorlands C of E Primary Academy	43,415	43,492
Ditchingham C of E Primary Academy	15,804	15,882
Flitcham C of E Primary Academy	13,895	13,531
Whitefriars C of E Primary Academy	67,641	68,032
Kessingland C of E Primary Academy	34,856	35,352
Open Academy	34,670	29,306
Thomas Bullock C of E Primary Academy	25,643	24,834
Mundford C of E Primary Academy	25,848	23,231
St Peter & St Paul C of E Primary Academy	29,814	29,200
Swaffham C of E Primary Academy	33,889	31,886
Middleton C of E Primary Academy	18,682	18,789
Gooderstone C of E Primary Academy	13,802	14,498
St Michael's (Kings Lynn) Primary Academy	34,139	36,748
Peterhouse C of E Primary Academy	62,420	60,295
St Michael's (Gillingham) C of E Primary Academy	13,034	11,349
Dereham C of E Primary Academy	54,860	50,502
Unity Federation	36,280	26,842
St Andrews C of E Primary Academy	11,709	5,542
Nar Valley Federation	45,727	23,002
Trinity Federation	50,452	24,984
Rudham C of E Primary Academy	15,362	3,839
Weasenham C of E Primary Academy	8,340	2,089
The Bishop's C of E Primary Academy	58,455	-
Cawston C of E Primary Academy	24,993	-
Nar & St Clements Childrens Centre	54,352	-
	<u>828,082</u>	<u>593,225</u>
<b>Total</b>		



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, retirement benefits were accruing to no trustees (2016 - 1) in respect of defined contribution pension schemes.

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £1,546 were reimbursed to 8 trustees (2016 - £2,063 to 6 trustees).

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

The 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 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. OTHER FINANCE INCOME**

	2017	2016
	£	£
Interest income on pension scheme assets	237,000	291,000
Interest on pension scheme liabilities	(432,000)	(415,000)
	<u>(195,000)</u>	<u>(124,000)</u>

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**16. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Property improvements £	Total £
<b>Cost</b>					
At 1 September 2016 (as previously stated)	63,108,873	784,064	430,839	895,111	65,218,887
Prior year adjustment	(32,755,596)	-	-	(169,940)	(32,925,536)
At 1 September 2016 (as restated)	30,353,277	784,064	430,839	725,171	32,293,351
Additions	-	17,796	169,185	60,409	247,390
Transfers on conversion	760,000	-	-	-	760,000
At 31 August 2017	31,113,277	801,860	600,024	785,580	33,300,741
<b>Depreciation</b>					
At 1 September 2016 (as previously stated)	2,097,386	522,564	300,724	38,331	2,959,005
Prior year adjustment	(1,110,376)	-	-	(17,527)	(1,127,903)
At 1 September 2016 (as restated)	987,010	522,564	300,724	20,804	1,831,102
Charge for the year	493,505	197,347	160,618	75,295	926,765
At 31 August 2017	1,480,515	719,911	461,342	96,099	2,757,867
<b>Net book value</b>					
At 31 August 2017	29,632,762	81,949	138,682	689,481	30,542,874
At 31 August 2016 (as restated)	29,366,267	261,500	130,115	704,367	30,462,249

Included in land and buildings is land at valuation of £6,438,000 (2016: £5,678,000) which is not depreciated.

In the table below, 'NDBF' is the Norwich Diocesan Board of Finance Ltd, 'NCC' is Norfolk County Council and 'SCC' is Suffolk County Council.

**Terms of Occupation of Premises**

**Year of Conversion and Academy Name**

	<b>Buildings:</b>	<b>Land:</b>
2013/14 Moorlands CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2013/14 Ditchingham CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2013/14 Flitcham CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
2014/15 Open Academy	125 year lease from NCC	125 year lease from NCC

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2014/15 Kessingland CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from SCC
2014/15 Whitefriars C of E Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC subject to tenancy on caretakers house
2014/15 Thomas Bullock CofE Primary Academy	Licence, 2 years notice from Thomas Bullock Charity	125 year lease from NCC
2014/15 Gooderstone CofE Primary Academy	Licence, 2 years notice from NDBF	Licence, 2 years notice from NDBF
2014/15 Mundford CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2014/15 St Peter & St Paul CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2014/15 Middleton CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2014/15 Swaffham CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2014/15 St Michael's (Gillingham) CE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2014/15 Gooderstone CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2014/15 St Michael's (Kings Lynn) Primary Academy	Licence, 2 years notice from NDBF	None
2014/15 Peterhouse CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2015/16 Dereham CofE England Junior Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
2015/16 Colkirk CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2015/16 Sculthorpe CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2015/16 West Raynham CofE Primary Academy	25 year underlease from NDBF	25 year underlease from NDBF
2015/16 St Andrew's CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2015/16 Sporle CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
2015/16 Narborough CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2015/16 Castle Acre CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
2015/16 Great Witchingham CofE Primary Academy	Licence, 2 years notice from NDBF	None
2015/16 Hockering CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2015/16 St Peter's CofE Primary Academy, Easton	Licence, 2 years notice from NDBF	125 year lease from NCC
2015/16 Rudham CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
2015/16 Weasenham CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	Licence, 2 years notice from Vicar & Churchwardens
2016/17 The Bishop's CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
2016/17 Cawston CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC

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**17. STOCKS**

	2017 £	2016 £
Finished goods and goods for resale	<u>10,218</u>	<u>13,227</u>

**18. DEBTORS**

	2017 £	2016 £
Trade debtors	133,115	62,670
VAT recoverable	409,368	930,199
Other debtors	343,260	128,581
Prepayments and accrued income	256,492	386,989
	<u>1,142,235</u>	<u>1,508,439</u>

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

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	19,011	19,011
Trade creditors	823,915	654,817
Other taxation and social security	356,047	271,916
Other creditors	541,661	452,670
Accruals and deferred income	690,181	443,108
	<u>2,430,815</u>	<u>1,841,522</u>

**20. CREDITORS: Amounts falling due after more than one year**

	2017 £	2016 £
Amounts under finance leases	<u>122,684</u>	<u>141,695</u>

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**21. STATEMENT OF FUNDS**

	Balance at 1 September 2015 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	1,871,594	1,597,323	(2,104,746)	-	-	1,364,171
<b>Restricted funds</b>						
General Annual Grant (GAG)	449,257	22,658,201	(22,509,963)	(247,390)	-	350,105
Conversion Grants	61,169	-	(61,169)	-	-	-
Improvement Grants DFC/SCA	174,413	-	(174,413)	-	-	-
Pupil Premium	-	978,570	-	-	-	978,570
Open Academy - Sponsor	373,413	1,979,758	(2,353,171)	-	-	-
Chaplain Fund	379,488	-	(35,933)	-	-	343,555
Other restricted funds	-	2,104,781	(2,074,781)	-	-	30,000
Pension reserve	(7,862,000)	(1,125,000)	(1,123,000)	-	2,924,000	(7,186,000)
	<u>(6,424,260)</u>	<u>26,596,310</u>	<u>(28,332,430)</u>	<u>(247,390)</u>	<u>2,924,000</u>	<u>(5,483,770)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	30,462,248	760,000	(926,765)	247,390	-	30,542,873
Capital Grants	181,571	30,199	(211,770)	-	-	-
	<u>30,643,819</u>	<u>790,199</u>	<u>(1,138,535)</u>	<u>247,390</u>	<u>-</u>	<u>30,542,873</u>
Total restricted funds	<u>24,219,559</u>	<u>27,386,509</u>	<u>(29,470,965)</u>	<u>-</u>	<u>2,924,000</u>	<u>25,059,103</u>
Total of funds	<u><u>26,091,153</u></u>	<u><u>28,983,832</u></u>	<u><u>(31,575,711)</u></u>	<u><u>-</u></u>	<u><u>2,924,000</u></u>	<u><u>26,423,274</u></u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	1,551,940	1,958,391	(1,638,737)	-	-	1,871,594
	<u>1,551,940</u>	<u>1,958,391</u>	<u>(1,638,737)</u>	<u>-</u>	<u>-</u>	<u>1,871,594</u>

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

**Restricted funds**

General Annual Grant (GAG)	229,851	18,936,731	(18,615,936)	(101,389)	-	449,257
Sponsor Capacity Grants	92,430	-	(92,430)	-	-	-
Improvement Grants	169,092	275,000	(382,923)	-	-	61,169
DFC/SCA	294,362	225,000	(344,949)	-	-	174,413
Pupil Premium	175,636	1,751,402	(1,553,625)	-	-	373,413
Open Academy - Sponsor						
Chaplain Fund	411,383	-	(31,895)	-	-	379,488
Pension reserve	(2,657,000)	-	(1,348,000)	-	(3,857,000)	(7,862,000)
	<u>(1,284,246)</u>	<u>21,188,133</u>	<u>(22,369,758)</u>	<u>(101,389)</u>	<u>(3,857,000)</u>	<u>(6,424,260)</u>

**Restricted fixed asset funds**

Restricted Fixed Asset Fund	27,642,726	2,799,000	(850,352)	870,874	-	30,462,248
Capital Grants	64,674	427,533	-	(310,636)	-	181,571
Football Pitch Funding	-	628,789	-	(628,789)	-	-
	<u>27,707,400</u>	<u>3,855,322</u>	<u>(850,352)</u>	<u>(68,551)</u>	<u>-</u>	<u>30,643,819</u>
Total restricted funds	<u>26,423,154</u>	<u>25,043,455</u>	<u>(23,220,110)</u>	<u>(169,940)</u>	<u>(3,857,000)</u>	<u>24,219,559</u>
Total of funds	<u>27,975,094</u>	<u>27,001,846</u>	<u>(24,858,847)</u>	<u>(169,940)</u>	<u>(3,857,000)</u>	<u>26,091,153</u>

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

The General Annual Grant (GAG) represents core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency by the Department of Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

The pension reserve identifies the pension deficit on the local authority pension scheme.

The local authority grants fund recognises the restricted grant funding received from the local authority to be used for the purpose of specific projects and assisting with the education of children whom require special assistance when it comes to learning.

The restricted fixed assets fund recognises the tangible fixed assets gifted to the trust upon conversion by the local authority and also those purchased by the academy following conversion that have been funded from GAG and other funds (via fund transfers). Depreciation charged on those tangible assets is allocated to the fund.

The capital grants fund represents capital grants received.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<b>Total 2016 As restated £</b>
Moorlands Church of England Primary Academy	(10,163)	104,980
*Ditchingham Church of England Primary Academy	205,010	126,193
Flitcham Church of England Primary Academy	53,961	25,374
Open Academy	428,999	336,468
Kessingland Church of England Primary Academy	21,719	36,887
Whitefriars Church of England Primary Academy	171,556	325,761
Thomas Bullock Church of England Primary Academy	17,152	20,074
Mundford Church of England Primary Academy	90,946	81,344
St Peter & St Paul Church of England Primary Academy	249,250	82,700
Middleton Church of England Primary Academy	(54,054)	33,820
Swaffham Church of England Primary Academy	56,067	28,649
*St Michael's (Gillingham) Church of England Primary Academy	-	76,358
Gooderstone Church of England Primary Academy	28,109	45,988
St Michael's (Kings Lynn) Church of England Primary Academy	148,674	576,445
Peterhouse Church of England Primary Academy	537,600	468,810
Dereham C of E Junior Academy	117,424	202,445
Unity Federation	116,908	129,501
St Andrew's C of E Primary Academy	27,157	42,917
Nar Valley Federation	206,863	236,707
Trinity Federation	12,857	75,460
Rudham and Weasenham Academies	28,837	108,005
The Bishop's C of E Primary Academy	224,929	-
Cawston C of E Primary Academy	15,190	-
Central services	371,410	144,448
<b>Total before fixed asset fund and pension reserve</b>	<b>3,066,401</b>	<b>3,309,334</b>
Restricted fixed asset fund	30,542,873	30,643,819
Pension reserve	(7,186,000)	(7,862,000)
<b>Total</b>	<b>26,423,274</b>	<b>26,091,153</b>

The following academies are carrying net deficits on their portion of the funds as follows:

<b>Name of academy</b>	<b>Amount of deficit £</b>
Moorlands C of E Primary Academy	10,163
Middleton C of E Primary Academy	54,054

Middleton C of E Primary Academy: An Ofsted inspection in 2016 found the school to be inadequate. There has since been significant investment to improve the school. Ongoing budgets have been set to remedy the deficit over a period of time.

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

Moorlands C of E Primary Academy: Investments have been made during the year to improve the school. The ongoing budget shows elimination of the deficit.

There has been a reallocation of funds by academy for 2016. This has adjusted the balances held by each academy but there has been no change to the fund balances in total.

\*Ditchingham CofE Primary Academy and St Michael's (Gillingham) CofE Primary Academy became The Kingfisher Partnership of Church Schools during the year and are now reporting combined results.



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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 £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Moorlands CofE Primary Academy	1,161,026	141,968	50,283	272,480	1,625,757	1,764,282
* Ditchingham CofE Primary Academy	530,132	65,444	27,292	181,241	804,109	456,569
Fritcham CofE Primary Academy	234,175	22,978	12,648	98,401	368,202	450,538
Open Academy	<b>2,663,406</b>	<b>518,538</b>	<b>220,781</b>	<b>686,471</b>	<b>4,089,196</b>	<b>4,208,915</b>
Kessingland CofE Primary Academy	831,971	80,082	25,989	326,419	1,264,461	1,391,215
Whitefriars CofE Primary Academy	1,366,353	121,956	91,960	472,704	2,052,973	2,113,918
Thomas Bullock CofE Primary Academy	556,065	62,480	35,708	137,296	791,549	804,701
Mundford CofE Primary Academy	523,359	44,852	22,156	157,678	748,045	741,380
St Peter & St Paul CofE Primary Academy	592,298	51,378	22,149	163,137	828,962	923,063
Middleton CofE Primary Academy	425,886	25,003	32,145	134,695	617,729	567,769
Swaffham CofE Primary Academy	716,854	67,468	24,123	163,811	972,256	958,628
* St Michael's (Gillingham) CofE Primary Academy	-	-	-	-	-	376,689
Gooderstone CofE Primary Academy	261,610	36,155	10,501	81,566	389,832	441,607
St Michael's (Kings Lynn) CofE Primary Academy	1,151,905	205,483	47,189	575,856	1,980,433	1,807,404
Peterhouse CofE Primary Academy	1,176,106	218,004	145,712	368,371	1,908,193	1,770,818
Dereham CofE Junior Academy	1,300,254	130,769	60,080	382,131	1,873,234	1,514,826
Unity Federation	755,011	112,652	22,870	223,687	1,114,220	801,008
St Andrew's CofE Primary Academy	246,850	28,585	7,089	81,564	364,088	179,327
Nar Valley Federation	900,773	118,966	43,332	309,291	1,372,362	626,777

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

Trinity Federation						
	<b>1,076,361</b>	<b>108,971</b>	<b>25,369</b>	<b>310,446</b>	<b>1,521,147</b>	<b>757,657</b>
Rudham and Weasenham CofE Primary Academies	<b>470,959</b>	<b>57,096</b>	<b>15,054</b>	<b>186,171</b>	<b>729,280</b>	<b>159,351</b>
Central services	<b>367,074</b>	<b>1,593,831</b>	<b>-</b>	<b>834,892</b>	<b>2,795,797</b>	<b>1,361,989</b>
The Bishop's CofE Primary Academy	<b>1,140,142</b>	<b>130,046</b>	<b>53,330</b>	<b>314,141</b>	<b>1,637,659</b>	<b>-</b>
Cawston CofE Primary Academy	<b>555,395</b>	<b>47,153</b>	<b>12,535</b>	<b>184,379</b>	<b>799,462</b>	<b>-</b>
	<b>19,003,965</b>	<b>3,989,858</b>	<b>1,008,295</b>	<b>6,646,828</b>	<b>30,648,946</b>	<b>24,178,431</b>

\* Ditchingham CofE Primary Academy and St Michael's (Gillingham) CofE Primary Academy became The Kingfisher Partnership of Church Schools during the year and are now reporting combined results.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	<b>30,542,874</b>	<b>30,542,874</b>
Current assets	<b>1,961,942</b>	<b>3,657,957</b>	-	<b>5,619,899</b>
Creditors due within one year	<b>(475,088)</b>	<b>(1,955,727)</b>	-	<b>(2,430,815)</b>
Creditors due in more than one year	<b>(122,684)</b>	-	-	<b>(122,684)</b>
Provisions for liabilities and charges	-	<b>(7,186,000)</b>	-	<b>(7,186,000)</b>
	<b>1,364,171</b>	<b>(5,483,770)</b>	<b>30,542,873</b>	<b>26,423,274</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	<b>30,462,249</b>	<b>30,462,249</b>
Current assets	<b>2,032,300</b>	<b>3,260,250</b>	<b>181,570</b>	<b>5,474,120</b>
Creditors due within one year	<b>(19,011)</b>	<b>(1,822,510)</b>	-	<b>(1,841,521)</b>
Creditors due in more than one year	<b>(141,695)</b>	-	-	<b>(141,695)</b>
Provisions for liabilities and charges	-	<b>(7,862,000)</b>	-	<b>(7,862,000)</b>
	<b>1,871,594</b>	<b>(6,424,260)</b>	<b>30,643,819</b>	<b>26,091,153</b>

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**23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(2,591,879)	1,973,058
<b>Adjustment for:</b>		
Depreciation charges	926,765	850,352
Dividends, interest and rents from investments	(1,000)	(1,422)
Decrease/(increase) in stocks	3,00	
Decrease/(increase) in debtors	366,234	(616,494)
Increase in creditors	589,263	519,629
Capital grants from DfE and other capital income	(1,008,769)	(427,533)
Defined benefit pension scheme obligation inherited	1,125,000	986,000
Defined benefit pension scheme cost less contributions payable	928,000	238,000
Defined benefit pension scheme finance cost	195,000	124,000
Net (loss) on assets and liabilities from local authority on conversion	(760,000)	(3,627,970)
<b>Net cash (used in)/provided by operating activities</b>	<b>(228,377)</b>	<b>13,081</b>

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

	2017 £	2016 £
Cash in hand	4,467,446	3,952,455
<b>Total</b>	<b>4,467,446</b>	<b>3,952,455</b>

**25. CONVERSION TO AN ACADEMY TRUST**

On 1 September 2016 The Bishop's CofE Primary Academy and Cawston CofE Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Norwich Education and Academies 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.

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**25. CONVERSION TO AN ACADEMY TRUST (continued)**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	760,000	760,000
LGPS pension surplus/(deficit)	-	(1,125,000)	-	(1,125,000)
Net assets/(liabilities)	-	(1,125,000)	760,000	(365,000)

**26. PENSION COMMITMENTS**

The 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 County Council and, for Kessingland C of E Primary Academy, Suffolk County Council. 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 2016.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

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

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £1,654,710 (2016 - £1,328,550).

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)).

**Scheme Changes**

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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

**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 2017 was £1,163,000 (2016 - £1,075,000), of which employer's contributions totalled £816,000 (2016 - £492,000) and employees' contributions totalled £347,000 (2016 - £259,000). The agreed contribution rates for future years are 16.4% for employers and tiered% 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.

Principal actuarial assumptions:

	<b>2017</b>	<b>2016</b>
Discount rate for scheme liabilities	<b>2.50 %</b>	2.10 %
Expected return on scheme assets at 31 August	<b>2.50 %</b>	2.10 %
Rate of increase in salaries	<b>2.70 %</b>	3.10 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.10 %

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

	<b>2017</b>	<b>2016</b>
Retiring today		
Males	<b>22.1 years</b>	22.1 years
Females	<b>24.4 years</b>	24.3 years
Retiring in 20 years		
Males	<b>24.1 years</b>	24.5 years
Females	<b>26.4 years</b>	26.9 years

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
<b>Sensitivity analysis</b>	<b>£</b>	<b>£</b>
Discount rate +0.1%	<b>540,800</b>	523,000
Discount rate -0.1%	<b>(540,800)</b>	(523,000)
Mortality assumption + 1 year increase	<b>803,860</b>	542,000
Mortality assumption - 1 year decrease	<b>(803,860)</b>	(542,000)
CPI rate +0.1%	<b>436,000</b>	287,000
CPI rate -0.1%	<b>(436,000)</b>	287,000

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**26. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2017 £</b>	<i>Fair value at 31 August 2016 £</i>
Equities	<b>8,006,000</b>	<i>6,131,000</i>
Debt instruments	<b>3,228,000</b>	<i>2,657,000</i>
Property	<b>1,420,000</b>	<i>1,226,000</i>
Cash	<b>259,000</b>	<i>204,000</i>
<b>Total market value of assets</b>	<b><u>12,913,000</u></b>	<i><u>10,218,000</u></i>

The actual return on scheme assets was £1,278,000 (2016 - £1,031,000).

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

	<b>2017 £</b>	<i>2016 £</i>
Current service cost (net of employee contributions)	<b>(2,044,000)</b>	<i>(1,054,000)</i>
Interest income	<b>237,000</b>	<i>291,000</i>
Interest cost	<b>(432,000)</b>	<i>(415,000)</i>
<b>Total</b>	<b><u>(2,239,000)</u></b>	<i><u>(1,178,000)</u></i>
<b>Actual return on scheme assets</b>	<b><u>1,278,000</u></b>	<i><u>1,031,000</u></i>

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

	<b>2017 £</b>	<i>2016 £</i>
Opening defined benefit obligation	<b>18,080,000</b>	<i>9,122,000</i>
Current service cost	<b>2,044,000</b>	<i>1,054,000</i>
Interest cost	<b>432,000</b>	<i>415,000</i>
Employee contributions	<b>347,000</b>	<i>259,000</i>
Actuarial losses/(gains)	<b>(2,239,000)</b>	<i>4,918,000</i>
Benefits paid	<b>(128,000)</b>	<i>-</i>
Liabilities assumed on academy conversion	<b>1,563,000</b>	<i>2,312,000</i>
<b>Closing defined benefit obligation</b>	<b><u>20,099,000</u></b>	<i><u>18,080,000</u></i>

**THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST**  
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**26. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	10,218,000	6,465,000
Return on plan assets (excluding net interest on the net defined pension liability)	237,000	291,000
Actuarial losses/(gains)	685,000	1,061,000
Employer contributions	1,116,000	816,000
Employee contributions	347,000	259,000
Benefits paid	(128,000)	-
Assets acquired on academy conversion	438,000	1,326,000
	<u>12,913,000</u>	<u>10,218,000</u>
Closing fair value of scheme assets	<u>12,913,000</u>	<u>10,218,000</u>

**27. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	30,162	7,803
Between 1 and 5 years	91,976	155,317
Total	<u>122,138</u>	<u>163,120</u>

**28. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.



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**29. RELATED PARTY TRANSACTIONS**

Owing to the nature of the 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The Norwich Diocesan Board of Finance Limited (NDBF) is a related party due to its powers in relation to the appointment of the company's members.

NDBF recharged costs incurred in relation to services provided to the company totalling £29,301 (2016: £46,982), of which £nil (2016: £nil) was outstanding at the year end.

Certain academy schools occupy premises that are owned by the NDBF. No charge is made for occupation. The terms of occupation of each school are detailed in note 15. Support costs (note 9) includes £710,319 (2016: £169,940) of improvements to school premises which have been expensed in line with accounting policy 1.5.

During the year payments of £9,984 (2016: £8,823) were made to Spire Support Services Ltd, a company wholly owned by NDBF.

During the year payments of £21,219 (2016: £122,691) were made to WiSpire Ltd, a company under the control of NDBF.

During the year payments of £nil (2016: £4,250) were made to Headlee Education Consultancy Ltd of which Lee Stevens is a director.