

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	M E Allbrook M R Butler (resigned 3 April 2021) W J J Crawshay Rt Revd G Usher R Pearce (resigned 31 August 2021) A Kefford (appointed 13 October 2020) T Sweeting (appointed 1 November 2021)
Trustees	M E Allbrook J Bourne S Bunting M Burns (resigned 24 September 2020, appointed 1 January 2021) S Cox W J J Crawshay, Chair P Dunning C Hedges N P Loveday J Mitchell L Parker J Summons (appointed 13 November 2020) D Wright (resigned 13 June 2021)
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
Chief executive officer	O Burwood, Chief Executive and Accounting Officer H Nelson, Chief Operating Officer
Independent auditors	Larking Gowen LLP Chartered Accountants Statutory Auditors 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 (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors Anthony Collins Solicitors LLP
 134 Edmund Street
 Birmingham
 B3 2ES

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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 Auditor's report of The Diocese of Norwich Education and Academies Trust (the Trust) for the year ended 31st August 2021. 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.

The Trust now has thirty-six 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 April 2020, are the primary governing document of the Trust.

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

The charitable company is also known as DNEAT.

Details of the Trustees who served during the year, and to the date these accounts are approved 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. Subject to certain conditions as set out in Article 46, the number of Trustees appointed by members must always outnumber all other directors by at least 2.

d. Policies 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 Trust, the Regional Schools Commissioner from the Confederation of School Trusts and 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 the year (e.g. safeguarding, health and safety, SEND) and they work closely with a member of the Senior Leadership Team.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

e. Organisational structure

The Trustees are responsible for the management of the company, and operationally during the year have 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 Chief Executive Officer. The School Improvement capacity of the Trust has continued to be effective through the employment of Academies Group Executive Principals with line management oversight of a group of academies in a geographic area of the Diocese. A Chief Operating Officer 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. Arrangements for setting pay and remuneration of 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. Trade union facility time

The Trust paid £16,170 for union facilities in 2020/21. This amounted to 0.0% of the total pay bill of £29,128,170. One employee (0.8 full time equivalent) spent 80% of their time on trade union duties.

h. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices. See also "Promoting the success of the company" (section c) in the Strategic Report below.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

i. Engagement with suppliers, customers and others in a business relationship with the academy trust

See "Promoting the success of the company" (section c) in the Strategic Report below.

Objectives and activities

a. Objects and aims

The Trust's object is to advance for the public benefit education in the United Kingdom 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 Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education, and
- May include other academies whether with or without a designated religious character; but in relation to each of the academies to recognise and support their individual ethos, whether or not designated Church of England.

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 organisations 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 judgments. A career entitlement for Joint Professional Development has been developed demonstrating the Trust's commitment to investing in staff.

c. Activities for achieving objectives

Significant achievements from the year have included:

- Supporting all academies to remain open throughout the ongoing pandemic, with clear direction and support from the central team. The result of this was that pupil attendance at DNEAT academies was above both national and local averages
- Supporting DNEAT academies to deliver effective remote learning at times when this was required, through ongoing Joint Practice Development (JPD) and an audit tool designed to check provision in this area
- Although no section 5 Ofsted inspections took place in 2020/21, due to COVID, monitoring sections did take place in a small number of academies. In each case the provision on offer, and the action being taken by the Trust and other leaders, was found to be effective
- There has been no available national data, due to COVID, for one of the key indicators used to measure the Trust's performance; Key Stage 2 pupil outcomes. Over the previous three years to 2019, the DNEAT combined Reading, Writing and Mathematics's at the expected standard and above improved by 14% compared to a national improvement of 12%. In reading standards in DNEAT academies improved by 11%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

over the same period compared to 7% nationally. In mathematics, DNEAT standards have risen by 18% which is double the national rate of improvement of 9%

- DNEAT has been able to identify strengths and areas for improvement in relation to pupil outcomes by comparing itself to the national data set that Trust-wide adherence to the PiXL assessment system provides
- Although there was a very slight drop in attainment in relation to performance at Key Stage 4 there was improved progress 8 measures for the third year running
- Providing support to an increasing range of schools through our associate membership/try before you buy scheme, and also earlier support to those schools due to join the Trust or new to the Trust (two new academies joined in 2020/21)
- Strengthened our school improvement, central finance and operational teams by making excellent appointments
- Continuing to build a strong self-improving school system across the Trust by systematically investing in effective Joint Practice and Development, that was delivered flexibly throughout the pandemic. The use of technology and a blend of delivery tools allowed effective development of staff to continue, with 94% attendance at key events over the year.

d. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

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 are income (excluding capital grants), funding for educational purposes and staff costs as a percentage of income. The outcome for the KPIs for this year is shown below.

	2021	2020
Income less capital grants	£36,085,000	£33,212,000
Funding for educational operations	£34,198,000	£31,309,000
Staff costs	£29,731,000	£28,221,000
Staff costs as a percentage of income	82.4%	87.6%

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

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 they continue 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 accounting policies.

The Impact of COVID-19

The COVID-19 pandemic has had an enormous impact on the global economy. Social distancing measures, while being necessary to tackle and contain the outbreak, have caused mass disruption to social and economic activities across the globe.

We have followed Government guidelines and during the period our academies were open to key workers during the period of lockdown. Our academies reopened fully after the Easter holiday. We have worked closely with our suppliers to help mitigate the impact of COVID-19 on the Trust as well as on the suppliers.

We adopted new ways of working to respond to a fast-moving situation. This included a dedicated group for COVID-19-related issues. Online tools and apps have been pivotal in enabling the work of the Trust to continue. We have implemented a recovery curriculum to help pupils catch up. Our priority is our staff and pupils, and the Trust swiftly took the following actions to protect the health and safety of our everyone. We have been well placed to resume operations as smoothly as possible. These included work with our staff and union colleagues to complete risk assessments and operating procedures to ensure we have a COVID secure workplace for those staff who need to work in our academies and requesting employees work from home where possible to protect their wellbeing and to comply with Government guidelines.

The COVID-19 pandemic has had a financial impact by reducing income on school dinners, trips and letting activities and increasing costs for cleaning and staff to meet class bubbles. The Trust has been active in managing these costs and mitigate the loss of revenue. Given the uncertainty around the trajectory of the COVID-19 virus, the Board and senior management team are remaining vigilant and continuing to proactively manage its response to the crisis.

Clearly our academies have not been working in a normal way through the pandemic as groups need to be maintained to reduce potential infection and some lessons have been modified to conform to the guidance and regulations. However, we provided an appropriate broad and balanced curriculum with opportunities for catch-up and extra support where necessary. As the new systems and approach are instigated it is likely we will learn how to improve matters for both children and staff. We would like to thank all our staff who made extraordinary efforts to provide the best education for our young people.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

We are committed to operating fairly, with integrity and with respect for the opinions and perspectives of our stakeholders. A summary of our engagements is outlined below, and this information forms our Section 172 Statement. The Trust has always maintained strong governance procedures and welcomes the opportunity to make a formal disclosure.

Section 172 Statement

a) The likely consequence of any decision in the long-term.

The Board monitors plans annually, or where the need arises (i.e. COVID-19), against which it monitors both operational and financial performance which cover both the long term and short term.

b) The interest of the Trust's employees

The Board understand the importance and benefit of having a broad range of skills, experiences, perspectives and backgrounds in our teams and continuously strives to attract, engage and retain a diverse range of talented people. Understanding the importance of the Trust's employees to the long-term success of the business, the Board regularly communicates to its employees through presentations, internal group wide emails and newsletters. The Trust's structure gives our employees the opportunity to interact with members of the Board and other key management personnel. The Trust has a Joint consultative committee with the Trade Union Representatives that meets three times a year. Employees are encouraged to ask questions about the Trust's purpose, goals and direction. Employee surveys are undertaken to receive feedback about the employee experience at the Trust, the results of which are carefully analysed and discussed by the Board.

Employees are offered a range of development opportunities including formal programme's, mentoring, coaching, supervision and e-learning that enable the Board to identify and develop the skills and knowledge it needs to succeed now and in the future. See also "Engagement with employees" in the Trustees' Report above.

c) The need to foster the Trust's business relationships with suppliers, customers and others

The Trust regularly reviews how it maintains positive relationships with all its stakeholders. It understands the importance of its suppliers in delivering the long-term plans.

The Trust's risk register sets out risks that can impact the long-term success of the Trust and how these risks interact with our stakeholders. The Trustees actively seek information on the interaction with stakeholders to ensure that they have enough information to reach appropriate conclusions about the risks faced by the Group and how these are reflected within the long-term plans.

d) The impact of the Trust's operations on the community and environment

The Trust is committed to protecting against the long-term critical depletion of natural resources and lasting damage to species, habitats, biodiversity and climate. The Trust is actively working to improve energy efficiency and to ensure that high standards are promoted through suppliers, partners, customers and encourages others to implement environmental measures in their business.

The Trust supports communities in several ways and aims to make a positive contribution to improving people's life chances, especially those of young people, through the education it provides.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

e) The desirability of the Trust maintaining a reputation for high standards of business conduct

The Trustees take the reputation of the Trust seriously which is not limited to only operational and financial performance. The Board follows and approves a suite of controls that include adherence to anti-corruption, bribery, anti-slavery and Nolan principles. The Board has committed to having a workforce that reflects society as a whole. It is developing the data, and narrative, relevant to the Group's Gender Pay Reporting in preparation for external publication, including proposed improvement plans to enhance performance.

f) The need to act fairly as between members of the Trust

The members rely on the Board to protect and manage the Trust in a responsible and sustainable way that results in excellent educational outcomes.

d. Review of activities

During the year two schools have become academies within the Trust. Two additional schools will join the Trust in early 2022. The Trust has taken great steps forward in identifying and securing further personnel and other resources 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 use a common pupil attainment and monitoring system to provide central information as part of this monitoring.

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.

e. 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. The Trustees have decided to keep all funds immediately available, they will review this on a regular basis.

f. Factors relevant to achieve objectives

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

Most of the Academy Trust's income is obtained from the DfE via ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Trust's accounting policies.

During the year ended 31 August 2021, the Trust received total income of £37,099,052 (including the transfers in of new academies) and incurred total expenditure of £39,255,374 (including FRS102 adjustments). The excess of expenditure was £2,156,322. After removing the impact of joining academies and the Local Government Pension Scheme in year movement was £508,272. When capital purchases taken from GAG are taken into account, this has resulted in a decrease in revenue of £508,272.

At 31 August 2021, the net book value of fixed assets was £31,751,866 and movements in tangible fixed assets are shown in note 14. The assets were used exclusively for providing education and the associated support service to the pupils of the Trust academies.

The land and buildings and other assets were transferred to the Trust on conversion. For Parker's C of E Primary Academy and Caston C of E Primary Academy, land and buildings were professionally valued on 1 November 2020 at £365,000. Other assets have been included in the financial statements at zero value after taking into account purchase price and age of the assets.

The balance of the former schools budget share have been transferred on conversion and are shown as unrestricted funds.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Affairs with details in note 26.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

a. Reserves policy

The in-year deficit figure excluding pension and restricted fixed asset reserves for 2021 is £508,272 (2020: deficit of £421,046)

At the end of the year, unrestricted reserves stood at £715,777 (2020: £812,851) and the General Annual Grant (GAG) reserves stood at £nil (2020: £185,586). The combined balance of these two funds at 31 August 2021 was £715,777 (2020: £998,437). The policy is to maintain/build free reserves to one month's salary cost, which currently equates to £2,314,836. The Trust continues to aim to meet the target level.

The balance on reserves (being unrestricted funds plus restricted general funds, excluding pension funds) was £911,633 (2020: £1,419,905).

The fixed asset fund stood at £33,291,685 (2020: £32,918,735).

The pension reserve stood at a deficit of £25,834,000 (2020: £18,538,000), representing obligations to the Local Government Pension Scheme. The trust is making payments at the levels recommended by the scheme actuary.

Total funds stood at £8,369,318 (2020: £15,800,640).

The Trustees review the reserve level of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty of future income streams and risks identified in the year.

The Trust plans to spend the majority of its revenue income each year on the students in its care, sums are set aside each year for the planned replacement of capital items such as IT and infrastructure.

Unrestricted funds allow greater flexibility to meet the future needs of the Trust and these will be maximised within the agreed reserves policy. The level of free reserves at the year end was £492,651. The level of reserves will be kept under review by the Finance, Audit and Resources Committee and reflect the assessment of the predominant risks to the Trust.

The aim of the reserves policy is to ensure that the Trust's core activities can be maintained during a period of unforeseen difficulty. The level of reserves takes into account the nature of income and expenditure streams, the need to match these with commitments, including future capital projects, and the nature of reserves. In-year reserves are to cover costs and other commitments and to meet unplanned emergencies such as urgent maintenance. Reserves are also required to protect the ongoing operation of the Trust whilst the effect of funding changes and competitive increases in capacity are managed locally. Trustees deem it prudent to retain a target level of one month's salary for free reserves. However, during this period of financial pressure on the Trust, due to the pandemic, the Trustees have agreed that the level of reserves may be below this level to enable services delivering education to be maintained. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to give a cushion to deal with unexpected emergencies such as urgent maintenance.

Trustees review the level of reserves annually and are mindful that the current turbulence in the educational marketplace and how reserves are required as a protection against this volatility in the short and medium term.

Trustees recognise that there is a significant pension deficit for the Local Government pension Scheme (LGPS) fund which is accounted for in the restricted fund, which at the year end had a deficit of £5,082,000.

However, there is no likelihood that an immediate liability will crystallise. The deficit position of the LGPS pension scheme would result in a cashflow effect in the form of an increase of the employers' pension

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FOR THE YEAR ENDED 31 AUGUST 2021

contributions over a period of years. We have reviewed our forecasts and have ascertained how pension costs may affect the financial performance in the future. On the basis that increased pension contributions will be met from the Trust's forecast annual income, whilst the deficit may not be eliminated, there should be no actual cashflow impact on the fund, or direct impact on the free reserves on the Trust because of recognising the deficit.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension fund is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cashflow impact on the fund, or direct impact on the free reserves on the Trust.

b. Principal risks and uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

- Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 95% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Trust is dependent on continuing to attract pupil numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that pupil success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - the Academy Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- COVID-19 - full details are included in the Strategic Report section b.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trust has agreed a Risk Register with associated actions to mitigate against those risks. These have been discussed by Trustees and include the financial risks to the Academy Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating

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FOR THE YEAR ENDED 31 AUGUST 2021

to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains the Trust has ensured there is adequate insurance cover in place.

The Trustees examine its financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance, Audit and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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.

Fundraising

The Trust does not use professional fundraisers. We have a number of "friends of schools" associations who are associated with our academies who raise funds to support the school. We do not work with any commercial or professional fundraisers. Any complaints about any aspect of fundraising are dealt with using the Trust complaints policy. As we do not use professional fundraisers there is no risk arising from the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

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Streamlined energy and carbon reporting

The academy trust's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption breakdown (kWh):		
Gas	2,884,289	2,409,289
Electricity	2,024,943	2,297,170
Transport fuel	74,000	114,000
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	530	536
Owned transport	9	18
Total scope 1	539	554
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	530	536
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	12	15
Total gross emissions (in tonnes of CO2 equivalent):	1,081	1,105

The academy trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector. Tonnes of CO2e per pupil is 0.18 (2020: 0.18).

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Plans for future periods

The Trust is committed to growing the number of Academies and the resources to support this so that the schools in the Diocese can join a Diocesan Multi Academy Trust committed to high educational outcomes for their pupils.

Our vision for the next 3 years 2021-2024 is:

- to provide the best quality of education for our pupils: the highest academic achievement within a broad and balanced curriculum.
- To be known as an excellent employer that has a highly motivated and engaged workforce.
- To be an organisation in which all stakeholders feel included, valued and invested in.
- To see collaboration between schools as a key driver for improvement.
- To be in a strong financial position in which well managed resources are used effectively to improve outcomes.

We celebrate the expertise that exists within our academies through collaboration, peer support and career development. We recognise the importance of both support and challenge to achieve the highest quality outcomes for all. We value all roles within the academy community and our professional relationships are based on mutual respect and trust.

The Christian values of responsibility, aspiration, dignity, love and respect are seen in action in all our academies. Our academies are inclusive; welcoming those of all faiths and none.

Our values are our 'DNA'; we believe it is these that we should constantly use to challenge the way we operate. They must not just be fine words; they must be seen in action throughout our Trust. The values that we promote and encourage must be seen in every aspect of the life of our academies and the way we work with them.

We believe that these values can be shared and developed in any educational setting and we therefore welcome pupils and their families, staff, trustees and governors of all faiths and of none.

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 17 December 2021 and signed on its behalf by:



Mr W J J Crawshaw

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

GOVERNANCE STATEMENT

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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. The Board of Trustees has formally met 4 times during the year. The trust operates a number of subcommittees including finance, audit, personnel, standards and academy improvements reviews, and together these provide effective oversight of the trust's funds.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M E Allbrook	4	4
J Bourne	4	4
S Bunting	4	4
M Burns	4	4
S Cox	4	4
Mr W J J Crawshay (Chair)	4	4
P Dunning	4	4
C Hedges	4	4
N P Loveday	4	4
J Mitchell	4	4
L Parker	4	4
J Summons	4	4
D Wright	4	4

During the year M Burns temporarily stepped down and later rejoined the Board within the year. J Summons also joined the Board in the year. The board maintains an active programme to recruit new Trustees and local governors.

The Board has continued to focus its work on the academic and financial performance of its academies, seeking to ensure that children are able to succeed. The Board has received praise in a number inspection reports although there are examples of some schools that still require significant input and support after joining the Trust.

The Board receives detailed performance data from the CEO, Academy Improvement Director and Chief Operating Officer, such that it can identify areas of concern accurately, learn from best practice and foresee challenges ahead.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board has carried out its own on-going review of governance during the year. Its internal processes and systems are working effectively, and it holds officers and schools to account for performance. Individual reviews of governance have been carried out in a number of its Academies and actions have been put into place where improvements can be made.

The Finance Audit and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to 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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr W J J Crawshay	5	5
Miss S Bunting	5	5
Mr S Cox	5	5
Mr N P Loveday (Chair)	5	5
Mr D Wright	5	5

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 reports for the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M E Allbrook (Chair)	3	3
Ms J Bourne	3	3
Mr P Dunning	3	3
Mr C Hedges	3	3
Ms L Parker	3	3

The Personnel Committee is a sub-committee of the Board. The Committee is responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academy human resources, including proper planning, monitoring and probity. During the year the Committee received reports on HR Matters including Headteacher performance management, staff wellbeing, senior pay, the trust strategic plan, HR policies, Casework, staff absence and risk management.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr W J J Crawshay	4	4
Mr P Dunning	4	4
Ms J Mitchell	3	4
Mr D Wright	4	4

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GOVERNANCE STATEMENT (CONTINUED)

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. The accounting officer for the Trust has delivered improved value for money during the year by:

Having a proactive 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 Trust
- 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.
- To ensure that standards are continually raised the Trust has 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.

Purchasing, the efficient and effective use of resources

The Trust currently operates at over thirty-six 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 was 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 Trust has also benefited from savings and efficiencies from using services provided by DoNESC. DoNESC provides a number of high-quality value for money services thereby taking much of this responsibility from the Headteacher and local governing bodies and gaining cost advantages. This allows school leaders to concentrate on educating children, teaching and learning and working with the local community.

Established in September 2019, our education support services company provides back office services, but not school improvement support. It is jointly owned by the DMATs but its board of directors includes three independent directors to give balance and bring appropriate expertise. It is a 'not for profit company'. The company's objective is to provide high quality, value for money services for all the Diocesan academies and

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

any VC or VA schools who wish to procure their services from it.

By developing this work within one company efficiencies and savings have been made. The objectives set for the company are to:

- ensure high quality, VFM services are provided for academies and schools;
- ensure systems and performance meet legal and funding body requirements;
- maximise opportunities for driving through cost savings to allow greater investment in front line services;
- actively encourage and positively respond to customer feedback; and to
- ensure a risk-based approach is taken supported by robust risk management.

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 2020 to 31 August 2021 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 2020 to 31 August 2021 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 programme's;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Trustees has decided to employ RSM Risk Assurance Services LLP as internal auditor.

RSM Risk Assurance Services LLP was appointed by the Diocese of Norwich Education and Academies Trust to deliver a series of internal audit assignments in the year, addressing areas where management and/or the audit committee required coverage or testing to inform their decisions and knowledge of the governance, risk and control environment. During the year, the Trust's internal auditors carried out a number of reviews.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a quarterly basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the 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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress;
- the work of the internal auditor;
- the work of the external auditors;
- 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 internal auditors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



Mr W J J Crawshaw
Chair of Trustees
Date: 17 December 2021



Mr O Burwood
Accounting Officer

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2019.

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.



Mr O Burwood
Accounting Officer
Date: 17 December 2021

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who 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 Academies Accounts Direction published 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:



Mr W J J Crawshay

Date: 17 December 2021

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

Opinion

We have audited the financial statements of The Diocese of Norwich Education and Academies Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of financial activities, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the financial year 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 trust 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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 academy 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 academy trust or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Due to the field in which the Company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with tax legislation, accounting standards and requirements, including Charities SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021, the Companies Act 2006 and charity law. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the Company's ability to operate, including Academies Financial Handbook 2020, funding agreements, safeguarding requirements, health and safety; employment law, data protection and compliance with various other regulations relevant to the conduct of the Company's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management, the accounting officer and the trustees about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, safeguarding breaches, data breaches, potential litigation or claims and fraud;
- Considering the conclusion of our assurance report on regularity to the Company and the Education and Skills Funding Agency;
- Reviewing the Accounting Officers Statement on Regularity, Propriety and Compliance;
- Review the findings of the Company's internal scrutiny;
- Reviewing legal and professional fees to confirm matters where the Company engaged lawyers during the year;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board and finance committee minutes and any relevant correspondence with external authorities, including regulators;

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

- Challenging assumptions and judgments made by management in their significant accounting estimates, particularly around the actuarial assumptions used to estimate the Local Government Pension Scheme defined benefit obligation; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditors' report.

Use of our report

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

Larking Gowen

Giles Kerkham FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants

Statutory Auditors

Norwich

Date: 17 December 2021

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

In accordance with the terms of our engagement letter dated 16 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 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 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 accountant**

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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST AND THE EDUCATION & SKILLS
FUNDING AGENCY (CONTINUED)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 academy trust's income and expenditure.

The work undertaken to draw our conclusion includes, but is not limited to:

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Larking Gowen

Reporting Accountant
Larking Gowen LLP
Chartered Accountants
Statutory Auditors

Date: 17 December 2021

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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Transfers from local authority on conversion		106,678	(219,000)	685,000	572,678	-
Transfer of pension liability to DoNESC		-	477,000	-	477,000	-
Other donations and capital grants		234,953	-	1,013,671	1,248,624	1,336,819
Other trading activities	5	602,477	-	-	602,477	638,145
Investments	6	-	-	-	-	11,060
Charitable activities	4	880,103	33,318,170	-	34,198,273	31,309,085
Total income		1,824,211	33,576,170	1,698,671	37,099,052	33,295,109
Expenditure on:						
Charitable activities	7	1,109,450	36,008,368	2,137,556	39,255,374	36,167,068
Total expenditure		1,109,450	36,008,368	2,137,556	39,255,374	36,167,068
Net income/(expenditure)		714,761	(2,432,198)	(438,885)	(2,156,322)	(2,871,959)
Transfers between funds	19	(811,835)	-	811,835	-	-
Net movement in funds before other recognised gains/(losses)		(97,074)	(2,432,198)	372,950	(2,156,322)	(2,871,959)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(5,275,000)	-	(5,275,000)	(3,100,000)
Net movement in funds		(97,074)	(7,707,198)	372,950	(7,431,322)	(5,971,959)

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	812,851	(17,930,946)	32,918,735	15,800,640	21,772,599
Net movement in funds	(97,074)	(7,707,198)	372,950	(7,431,322)	(5,971,959)
Total funds carried forward	<u>715,777</u>	<u>(25,638,144)</u>	<u>33,291,685</u>	<u>8,369,318</u>	<u>15,800,640</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 72 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	31,751,866	31,373,559
Investments	15	1	-
		<u>31,751,867</u>	<u>31,373,559</u>
Current assets			
Debtors	16	1,437,576	1,237,504
Cash at bank and in hand		4,083,987	4,289,138
		<u>5,521,563</u>	<u>5,526,642</u>
Creditors: amounts falling due within one year	17	(3,043,187)	(2,509,033)
Net current assets		<u>2,478,376</u>	<u>3,017,609</u>
Total assets less current liabilities		<u>34,230,243</u>	<u>34,391,168</u>
Creditors: amounts falling due after more than one year	18	(26,925)	(52,528)
Net assets excluding pension liability		<u>34,203,318</u>	<u>34,338,640</u>
Defined benefit pension scheme liability	27	(25,834,000)	(18,538,000)
Total net assets		<u><u>8,369,318</u></u>	<u><u>15,800,640</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	33,291,685	32,918,735
Restricted income funds	19	195,856	607,054
Restricted funds excluding pension liability	19	<u>33,487,541</u>	<u>33,525,789</u>
Pension reserve	19	<u>(25,834,000)</u>	<u>(18,538,000)</u>
Total restricted funds	19	7,653,541	14,987,789
Unrestricted income funds	19	715,777	812,851
Total funds		<u>8,369,318</u>	<u>15,800,640</u>

The financial statements on pages 29 to 72 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

William Crawshay

Mr W J J Crawshay

Date: 17 December 2021

The notes on pages 34 to 72 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	21	(489,424)	(567,606)
Cash flows from investing activities	23	308,513	648,567
Cash flows from financing activities	22	(24,240)	(26,636)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(205,151)	54,325
Cash and cash equivalents at the beginning of the year		4,289,138	4,234,813
Cash and cash equivalents at the end of the year	24, 25	4,083,987	4,289,138
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 34 to 72 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

Diocese of Norwich Education and Academies Trust is a company limited by guarantee incorporated in England and Wales, registered number 08737435. The registered office is Diocesan House, 109 Dereham Road, Easton, Norwich NR9 5ES.

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, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in Sterling (£) and rounded to the nearest £.

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 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

• **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets

Assets costing £2500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where 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 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 14, 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 Councils.

The trustees have considered the licence agreements for the school buildings in the context of the accounting requirement set out in the Academies Direction 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
Furniture and equipment	- 25% Straight Line
Computer equipment	- 25% Straight Line
Assets under construction	- 10% Straight Line

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

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 institution with whom the funds are deposited.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Investments

Investments in associates are stated at cost less provision for impairment.

1.8 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.

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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 specifically to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 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 bases 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 16. 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 cost as detailed in notes 17 and 18. 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 instrument.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Finance leases 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 so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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 Part 11, chapter 3 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 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

The conversion from a state maintained school to an Trust 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 Parker's Church of England Primary Academy and Caston Church of England Primary Academy to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

In accordance with the Academies Accounts Direction 2020 to 2021 the Trust has recognised the long-term leasehold interest in the land of new joiner academies as a donation at the fair value of the land. The fair value has been determined by specialist independent surveyors on a depreciated replacement cost basis. Any differences in the fair value would impact the value of fixed assets and the income recognised during the year.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations				
Transfer from local authority upon conversion (note 26)	106,678	(219,000)	685,000	572,678
Transfer of pension liability to DoNESC	-	477,000	-	477,000
	<u>106,678</u>	<u>258,000</u>	<u>685,000</u>	<u>1,049,678</u>
Donations	234,953	-	-	234,953
Capital Grants	-	-	1,013,671	1,013,671
	<u>234,953</u>	<u>-</u>	<u>1,013,671</u>	<u>1,248,624</u>
Subtotal	<u>234,953</u>	<u>-</u>	<u>1,013,671</u>	<u>1,248,624</u>
	<u><u>341,631</u></u>	<u><u>258,000</u></u>	<u><u>1,698,671</u></u>	<u><u>2,298,302</u></u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	203,309	50,000	-	253,309
Capital Grants	-	-	1,083,510	1,083,510
	<u>203,309</u>	<u>50,000</u>	<u>1,083,510</u>	<u>1,336,819</u>
	<u><u>203,309</u></u>	<u><u>50,000</u></u>	<u><u>1,083,510</u></u>	<u><u>1,336,819</u></u>

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	27,126,617	27,126,617
Other DfE/ESFA grants			
Pupil Premium	-	2,151,267	2,151,267
Other DfE/ESFA Grants	-	1,225,044	1,225,044
Universal Infant Free School Meals	-	627,363	627,363
Pre 16 High Needs Grant	-	91,885	91,885
Start Up Grants	-	36	36
Rates Relief	-	143,615	143,615
	-	31,365,827	31,365,827
Other Government grants			
Local Authority Grants	-	1,345,397	1,345,397
	-	1,345,397	1,345,397
Other income from the academy trust's educational operations	880,103	41,818	921,921
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	423,594	423,594
Other DfE/ESFA COVID-19 funding	-	139,406	139,406
	-	563,000	563,000
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	2,128	2,128
	-	2,128	2,128
	880,103	33,318,170	34,198,273

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the academy trust's educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	25,438,611	25,438,611
Other DfE/ESFA grants			
Pupil premium	-	2,097,877	2,097,877
Other DfE/EFA Grants	-	1,234,635	1,234,635
Universal Infant Free School Meals	-	597,670	597,670
Pre 16 High Needs Grant	-	55,161	55,161
Start Up Grants	-	140,000	140,000
Rates Relief	-	112,275	112,275
	-	29,676,229	29,676,229
Other Government grants			
Local Authority Grants	-	1,010,680	1,010,680
	-	1,010,680	1,010,680
Other income from the academy trust's educational operations	504,855	117,321	622,176
	504,855	30,804,230	31,309,085

COVID-19 additional funding:

The Catch up Premium is a grant to allow the Trust to provide additional resources to help pupils whose education has been adversely affected by the COVID-19 pandemic to catch up on lost learning time.

Other DfE/ESFA COVID-19 funding represents other grants provided as a direct result of the pandemic, including the National Tutoring Programme, funding provided to facilitate COVID-19 testing in secondary academies, and specific funding towards digital education platforms, key stage 2 moderation and key stage 1 phonics.

Coronavirus Job Retention Scheme grants are grants received from central government to contribute towards the cost of furloughed staff whose employment costs are not already publicly funded.

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Income from other charitable activities	237,116	237,116
Income from ancillary trading activities	319,671	319,671
Hire of facilities	45,690	45,690
	602,477	602,477
	602,477	602,477

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Income from other charitable activities	149,187	149,187
Income from ancillary trading activities	424,909	424,909
Hire of facilities	64,049	64,049
	638,145	638,145
	638,145	638,145

6. Investment income

	Total funds 2021 £
Investment income	-
	-

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	11,060	11,060
	11,060	11,060

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational operations:				
Direct costs	24,869,755	-	2,485,114	27,354,869
Allocated support costs	4,861,274	1,730,915	5,308,316	11,900,505
	<u>29,731,029</u>	<u>1,730,915</u>	<u>7,793,430</u>	<u>39,255,374</u>

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Educational operations:				
Direct costs	23,931,192	-	2,209,187	26,140,379
Allocated support costs	4,289,417	1,551,941	4,185,331	10,026,689
	<u>28,220,609</u>	<u>1,551,941</u>	<u>6,394,518</u>	<u>36,167,068</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	<u>27,354,869</u>	<u>11,900,505</u>	<u>39,255,374</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	<u>26,140,379</u>	<u>10,026,689</u>	<u>36,167,068</u>

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	4,861,274	4,289,417
Depreciation	1,118,528	964,942
Technology costs	452,043	364,556
Maintenance of premises and equipment	1,732,915	1,551,941
Other support costs	2,474,508	2,092,960
Improvements to diocesan premises occupied under licence	1,019,028	563,473
Governance costs	213,574	182,254
Legal fees (conversion)	6,621	-
Legal fees (other)	22,014	17,146
	<u>11,900,505</u>	<u>10,026,689</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	30,504	52,848
Depreciation of tangible fixed assets	1,118,528	964,942
Fees paid to auditors for:		
- audit	39,900	37,250
- other services	10,750	15,570
	<u>1,299,682</u>	<u>1,120,610</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	20,836,927	19,715,281
Social security costs	1,773,303	1,648,475
Pension costs	6,517,940	6,383,150
	<u>29,128,170</u>	<u>27,746,906</u>
Agency staff costs	484,082	357,959
Staff restructuring costs	118,777	115,744
	<u>29,731,029</u>	<u>28,220,609</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	118,777	115,744
	<u>118,777</u>	<u>115,744</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	248	244
Administration and support	875	657
Management	62	61
	<u>1,185</u>	<u>962</u>

c. Higher paid staff

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

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff (continued)

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	14	<i>11</i>
In the band £70,001 - £80,000	12	<i>10</i>
In the band £80,001 - £90,000	3	<i>2</i>
In the band £90,001 - £100,000	2	<i>1</i>
	=====	=====

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £254,764 (2020 - £347,732).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Central services

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

- HR Support
- Finance Support
- Legal Support
- Governor Support/Clerking
- H&S Management
- Safeguarding
- Procurement
- Capital Works
- Operational Support

The academy trust charges for these services on the following basis:

Primary academies - 5.5% (2020: 5.5%) of General Annual Grant and Educational Services Grant
The Open Academy - 3% (2020: 3%) of General Annual Grant and Educational Services Grant

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Moorlands C of E Primary Academy	57,976	57,675
Kingfisher Partnership	44,412	40,059
Flitcham and Sandringham & West Newton Academies	38,765	37,677
Whitefriars C of E Primary Academy	96,498	94,017
Kessingland C of E Primary Academy	57,315	54,446
Open Academy	106,220	100,074
Thomas Bullock C of E Primary Academy	40,744	39,992
St Peter & St Paul C of E Primary Academy	40,257	31,443
Swaffham C of E Primary Academy	55,356	56,814
Middleton and Gayton Academies	50,764	53,695
The Churchside Federation	55,364	51,514
St Michael's (Kings Lynn) C of E Primary Academy	60,255	58,686
Peterhouse C of E Primary Academy	94,535	94,664
Dereham C of E Primary Academy	88,737	90,390
Unity Federation	67,322	64,211
Nar Valley Federation	67,749	61,808
Trinity Federation	75,608	70,524
Hope Federation	60,809	56,005
The Bishop's C of E Primary Academy	101,964	99,780
Cawston C of E Primary Academy	34,043	33,044
Hopton C of E Primary Academy	39,462	38,010
Dove Federation	37,031	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Central services (continued)

Total	1,371,186	1,284,528
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12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £289 were reimbursed or paid directly to 2 Trustees (2020 - £nil)

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. There is no separate cost for this as the cover is included in the Risk Protection Arrangement (RPA) to which the Trust subscribes.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	33,238,277	1,430,554	880,008	1,181,871	36,730,710
Additions	-	497,275	-	314,560	811,835
Transfer on conversion	685,000	-	-	-	685,000
At 31 August 2021	<u>33,923,277</u>	<u>1,927,829</u>	<u>880,008</u>	<u>1,496,431</u>	<u>38,227,545</u>
Depreciation					
At 1 September 2020	2,961,034	1,088,091	347,310	960,716	5,357,151
Charge for the year	518,506	249,782	97,358	252,882	1,118,528
At 31 August 2021	<u>3,479,540</u>	<u>1,337,873</u>	<u>444,668</u>	<u>1,213,598</u>	<u>6,475,679</u>
Net book value					
At 31 August 2021	<u><u>30,443,737</u></u>	<u><u>589,956</u></u>	<u><u>435,340</u></u>	<u><u>282,833</u></u>	<u><u>31,751,866</u></u>
At 31 August 2020	<u><u>30,277,243</u></u>	<u><u>342,463</u></u>	<u><u>532,698</u></u>	<u><u>221,155</u></u>	<u><u>31,373,559</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets (continued)

The net book value of property improvements held under finance lease, included above, is £56,400 (2020: £75,200)

Terms of Occupation of Premises

Academy Name	Buildings:	Land:
Moorlands CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Ditchingham CofE Primary Academy	Licence, 2 years notice from NDBF	Licence, 2 years notice from NDBF
Fritcham CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
Open Academy	125 year lease from NCC	125 year lease from NCC
Kessingland CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from SCC
Whitefriars CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC subject to tenancy on caretakers house
Thomas Bullock CofE Primary Academy	Licence, 2 years notice from Thomas Bullock Charity	125 year lease from NCC
Mundford CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
St Peter & St Paul CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Middleton CofE Primary Academy	Licence, 2 years notice from NDBF	Licence, 2 years notice from NDBF
Swaffham CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
St Michael's (Gillingham) CE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Gooderstone CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
St Michael's (King's Lynn) Primary Academy	Licence, 2 years notice from NDBF	None
Peterhouse CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Dereham CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
Colkirk CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Sculthorpe CofE Primary Academy	Licence, 2 years notice from NDBF	Licence, 2 years notice from NDBF
West Raynham CofE Primary Academy	25 year underlease from NDBF	25 year underlease from NDBF
St Andrew's CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Sporle CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
Narborough CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Castle Acre CofE Primary Academy	Licence, 2 years notice from	125 year lease from NCC

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets (continued)

Great Witchingham CofE Primary Academy	Vicar & Churchwardens Licence, 2 years notice from NDBF	None
Hockering CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
St Peter's CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Rudham CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	125 year lease from NCC
Weasenham CofE Primary Academy	Licence, 2 years notice from Vicar & Churchwardens	Licence, 2 years notice from Vicar & Churchwardens
The Bishop's CofE Primary Academy	Licence, 2 years notice from NDBF	25 year lease from NCC
Cawston CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Hopton CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Little Snoring Community Primary Academy	125 year lease from NCC	125 year lease from NCC
Brisley CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Gayton CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Sandringham and West Newton CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
Caston CofE Primary Academy	Licence, 2 years notice from	125 year lease from NCC
Parker's CofE Primary Academy	Licence, 2 years notice from	125 year lease from NCC

15. Fixed asset investments

	Investments in associates £
Cost or valuation	
Additions	1
At 31 August 2021	<u>1</u>
Net book value	
At 31 August 2021	<u>1</u>

Principal associates

The following was an associate of the academy trust:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Fixed asset investments (continued)

Name	Cost of investment at 31 August 2021 £	Registered office or principal place of business	Class of shares	Holding
Diocese of Norwich Education Services Company Ltd	1	Diocesan House, 109 Dereham Road, Easton, Norwich, Norfolk, NR9 5ES	Ordinary	50%

Results of the associate are as follows:

Income	£643,612
Expenditure	£1,232,864
OCI	£(96,000)
Net (liabilities)	£(685,250)

The associate is not consolidated into these financial statements. If the academy trust presented group accounts, the associate would be accounted for using the equity method. However, as the Trust has no legal or constructive obligation in respect of the deficit of the associate, no provision would be made in the Trust accounts.

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	440,379	53,941
Other debtors	21,637	30,829
Prepayments and accrued income	713,774	1,058,703
Tax recoverable	261,786	94,031
	1,437,576	1,237,504

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,175,279	607,608
Other taxation and social security	439,637	386,449
Obligations under finance lease and hire purchase contracts	25,603	24,240
Other creditors	524,721	480,307
Accruals and deferred income	877,947	1,010,429
	3,043,187	2,509,033
	3,043,187	2,509,033
	2021 £	2020 £
Deferred income at 1 September 2020	382,379	451,064
Resources deferred during the year	407,415	382,379
Amounts released from previous periods	(382,379)	(451,064)
	407,415	382,379
	407,415	382,379

At the balance sheet date the academy trust was holding funds received in advance. Included within this is £303,935 (2020: £296,757) for Universal Infant Free School Meals grants.

The obligations under finance lease were entered into by a school prior to its conversion to an academy. The asset and lease obligation were received by the Trust when the school converted to an academy and joined the Trust.

18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance lease and hire purchase contracts	26,925	52,528
	26,925	52,528

The obligations under finance lease were entered into by a school prior to its conversion to an academy. The asset and lease obligation were received by the Trust when the school converted to an academy and joined the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	812,851	1,824,211	(1,109,450)	(811,835)	-	715,777
Restricted general funds						
General Annual Grant (GAG)	185,586	27,126,617	(27,312,203)	-	-	-
Start Up Grant	140,000	36	(140,036)	-	-	-
Pupil Premium	-	2,151,267	(2,151,267)	-	-	-
Open Academy - Sponsor Chaplain Fund	231,468	-	(35,612)	-	-	195,856
Other Restricted Funds	50,000	3,475,122	(3,525,122)	-	-	-
Other DfE/ESFA COVID-19 Funding	-	139,406	(139,406)	-	-	-
Coronavirus Job Retention Scheme Grant	-	2,128	(2,128)	-	-	-
Catch-up Premium	-	423,594	(423,594)	-	-	-
Pension reserve	(18,538,000)	258,000	(2,279,000)	-	(5,275,000)	(25,834,000)
	<u>(17,930,946)</u>	<u>33,576,170</u>	<u>(36,008,368)</u>	<u>-</u>	<u>(5,275,000)</u>	<u>(25,638,144)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	31,373,559	685,000	(1,118,528)	811,835	-	31,751,866
DFC/SCA	1,545,176	1,013,671	(1,019,028)	-	-	1,539,819
	<u>32,918,735</u>	<u>1,698,671</u>	<u>(2,137,556)</u>	<u>811,835</u>	<u>-</u>	<u>33,291,685</u>
Total Restricted funds	<u>14,987,789</u>	<u>35,274,841</u>	<u>(38,145,924)</u>	<u>811,835</u>	<u>(5,275,000)</u>	<u>7,653,541</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Total funds	15,800,640	37,099,052	(39,255,374)	-	(5,275,000)	8,369,318
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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.

Included within other restricted funds is the local authority grants fund which recognises the restricted grant funding received from the local authority to be used for the purpose for specific projects and assisting with the education of children who 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.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	1,541,113	1,357,369	(1,754,639)	(330,992)	-	812,851
Restricted general funds						
General Annual Grant (GAG)	33,712	25,438,611	(25,286,737)	-	-	185,586
Start Up Grant	-	140,000	-	-	-	140,000
Pupil Premium	-	2,097,877	(2,097,877)	-	-	-
Open Academy - Sponsor Chaplain Fund	266,126	-	(34,658)	-	-	231,468
Other Restricted Funds	-	3,177,742	(3,127,742)	-	-	50,000
Pension reserve	(13,101,000)	-	(2,337,000)	-	(3,100,000)	(18,538,000)
	<u>(12,801,162)</u>	<u>30,854,230</u>	<u>(32,884,014)</u>	<u>-</u>	<u>(3,100,000)</u>	<u>(17,930,946)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	31,867,548	-	(964,942)	470,953	-	31,373,559
DFC/SCA	1,165,100	1,083,510	(563,473)	(139,961)	-	1,545,176
	<u>33,032,648</u>	<u>1,083,510</u>	<u>(1,528,415)</u>	<u>330,992</u>	<u>-</u>	<u>32,918,735</u>
Total Restricted funds	<u>20,231,486</u>	<u>31,937,740</u>	<u>(34,412,429)</u>	<u>330,992</u>	<u>(3,100,000)</u>	<u>14,987,789</u>
Total funds	<u><u>21,772,599</u></u>	<u><u>33,295,109</u></u>	<u><u>(36,167,068)</u></u>	<u><u>-</u></u>	<u><u>(3,100,000)</u></u>	<u><u>15,800,640</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Moorlands C of E Primary Academy	-	(177,481)
Kingfisher Partnership	-	138,034
Flitcham C of E Primary Academy	-	86,034
Open Academy	195,856	(178,771)
Kessingland C of E Primary Academy	-	(56,730)
Whitefriars C of E Primary Academy	-	435,199
Thomas Bullock C of E Primary Academy	-	30,213
St Peter & St Paul C of E Primary Academy	-	113,123
Middleton C of E Primary Academy	-	(84,895)
Swaffham C of E Primary Academy	-	212,509
The Churchside Federation	-	219,177
St Michael's (Kings Lynn) C of E Primary Academy	-	(130,282)
Peterhouse C of E Primary Academy	-	851,717
Dereham C of E Junior Academy	-	143,819
Unity Federation	-	169,665
St Andrew's C of E Primary Academy	-	(6,859)
Nar Valley Federation	-	(3,893)
Trinity Federation	-	(67,578)
Hope Federation	-	(9,089)
The Bishop's C of E Primary Academy	-	523,173
Cawston C of E Primary Academy	-	3,353
Hopton C of E Primary Academy	-	61,403
Central Services	715,777	(851,936)
Total before fixed asset funds and pension reserve	911,633	1,419,905
Restricted fixed asset fund	33,291,685	32,918,735
Pension reserve	(25,834,000)	(18,538,000)
Total	8,369,318	15,800,640

Fund balances for each academy at 31 August 2021 were zero as the Trust has adopted reserves pooling.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Moorlands C of E Primary Academy	969,914	141,745	104,765	156,973	1,373,397
Kingfisher Partnership	662,553	85,965	34,939	153,522	936,979
Fritcham C of E Primary Academy	647,417	64,180	55,177	116,243	883,017
Open Academy	2,901,441	513,492	369,045	362,135	4,146,113
Kessingland C of E Primary Academy	972,941	104,181	60,651	163,002	1,300,775
Whitefriars C of E Primary Academy	1,475,986	146,326	149,202	241,911	2,013,425
Thomas Bullock C of E Primary Academy	592,038	57,975	64,454	129,217	843,684
St Peter & St Paul C of E Primary Academy	714,378	55,058	60,910	99,301	929,647
Middleton C of E Primary Academy	886,948	85,139	79,927	110,576	1,162,590
Swaffham C of E Primary Academy	824,462	108,217	77,310	208,019	1,218,008
The Churchside Federation	826,130	83,488	61,986	149,021	1,120,625
St Michael's (Kings Lynn) C of E Primary Academy	937,710	123,223	96,375	217,051	1,374,359
Peterhouse C of E Primary Academy	1,358,424	236,893	165,652	227,430	1,988,399
Dereham C of E Junior Academy	1,498,597	135,759	118,852	187,178	1,940,386
Unity Federation	1,043,957	185,311	198,767	163,952	1,591,987
Nar Valley Federation	1,072,710	131,122	100,611	225,533	1,529,976
Trinity Federation	1,147,401	113,017	100,245	282,958	1,643,621
Hope Federation	957,521	135,560	132,906	177,211	1,403,198
The Bishop's C of E Primary Academy	1,656,680	186,081	279,980	304,329	2,427,070
Cawston C of E Primary Academy	550,604	59,989	38,804	119,557	768,954

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19. Statement of funds (continued)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Central Services	563,099	951,353	40,806	4,297,713	5,852,971
Hopton C of E Primary Academy	613,397	41,568	68,502	121,759	845,226
Dove Federation	569,217	68,300	58,123	146,799	842,439
Academy trust	<u>23,443,525</u>	<u>3,813,942</u>	<u>2,517,989</u>	<u>8,361,390</u>	<u>38,136,846</u>

Comparative information in respect of the preceding year is as follows:

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	<i>Total 2020 £</i>
Moorlands C of E Primary Academy	990,626	130,580	76,053	159,740	1,356,999
Kingfisher Partnership	637,293	89,112	42,544	136,719	905,668
Flitcham C of E Primary Academy	593,931	64,540	43,872	128,169	830,512
Open Academy	2,883,932	562,552	357,707	469,827	4,274,018
Kessingland C of E Primary Academy	1,027,140	94,899	51,029	187,405	1,360,473
Whitefriars C of E Primary Academy	1,483,404	155,422	117,754	216,030	1,972,610
Thomas Bullock C of E Primary Academy	677,255	71,571	46,462	92,961	888,249
St Peter & St Paul C of E Primary Academy	597,095	71,593	55,700	97,486	821,874
Middleton C of E Primary Academy	860,053	83,061	67,283	121,084	1,131,481
Swaffham C of E Primary Academy	811,288	105,000	80,854	149,532	1,146,674
The Churchside Federation	737,842	93,546	63,988	150,390	1,045,766
St Michael's (Kings Lynn) C of E Primary Academy	855,052	120,411	99,103	223,743	1,298,309

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds (continued)

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	Total 2020 £
Peterhouse C of E Primary Academy	1,427,913	246,203	183,086	140,146	1,997,348
Dereham C of E Junior Academy	1,454,272	122,225	126,937	210,394	1,913,828
Unity Federation	934,378	187,849	100,549	139,592	1,362,368
Nar Valley Federation	974,496	121,248	101,524	181,510	1,378,778
Trinity Federation	1,131,144	117,857	106,067	259,744	1,614,812
Hope Federation	882,859	116,348	88,569	147,112	1,234,888
The Bishop's C of E Primary Academy	1,589,789	184,021	212,491	289,494	2,275,795
Cawston C of E Primary Academy	501,408	98,958	54,628	114,893	769,887
Central Services	534,544	725,612	42,142	3,452,836	4,755,134
Hopton C of E Primary Academy	638,659	39,247	63,766	124,983	866,655
Academy trust	<u>22,224,373</u>	<u>3,601,855</u>	<u>2,182,108</u>	<u>7,193,790</u>	<u>35,202,126</u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	31,751,866	31,751,866
Fixed asset investments	1	-	-	1
Current assets	3,785,888	195,856	1,539,819	5,521,563
Creditors due within one year	(3,043,187)	-	-	(3,043,187)
Creditors due in more than one year	(26,925)	-	-	(26,925)
Provisions for liabilities and charges	-	(25,834,000)	-	(25,834,000)
Total	715,777	(25,638,144)	33,291,685	8,369,318

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	31,373,559	31,373,559
Current assets	3,311,419	670,047	1,545,176	5,526,642
Creditors due within one year	(2,446,040)	(62,993)	-	(2,509,033)
Creditors due in more than one year	(52,528)	-	-	(52,528)
Provisions for liabilities and charges	-	(18,538,000)	-	(18,538,000)
Total	812,851	(17,930,946)	32,918,735	15,800,640

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21. Reconciliation of net expenditure to net cash flow from operating activities

	2021	2020
	£	£
Net expenditure for the year (as per Statement of financial activities)	(2,156,322)	(2,871,959)
Adjustments for:		
Depreciation	1,118,528	964,942
Capital grants from DfE and other capital income	(1,013,671)	(1,083,510)
Interest receivable	-	(36,010)
Defined benefit pension scheme obligation inherited	219,000	-
Defined benefit pension scheme cost less contributions payable	1,953,000	2,069,000
Defined benefit pension scheme finance cost	326,000	268,000
Defined benefit pension scheme obligation transferred to associate	(477,000)	-
Increase in debtors	(200,072)	(16,237)
Increase in creditors	532,791	138,168
Assets from local authority upon conversion	(685,000)	-
Net cash inherited upon conversion	(106,678)	-
Net cash used in operating activities	(489,424)	(567,606)

22. Cash flows from financing activities

	2021	2020
	£	£
Repayments of borrowing	(24,240)	(26,636)
Net cash used in financing activities	(24,240)	(26,636)

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23. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	-	36,010
Purchase of shares in associate	(1)	-
Purchase of tangible fixed assets	(811,835)	(470,953)
Capital funding received from sponsors and others	1,013,671	1,083,510
Net cash inherited upon conversion	106,678	-
Net cash provided by investing activities	308,513	648,567

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	4,083,987	4,289,138
Total cash and cash equivalents	4,083,987	4,289,138

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	4,289,138	(205,151)	4,083,987
Finance leases	(76,768)	24,240	(52,528)
	4,212,370	(180,911)	4,031,459

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26. Conversion to an academy trust

On 1 November 2020 Parker's C of E 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 heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	365,000	365,000
Current assets				
Cash - representing budget surplus on LA funds	38,877	-	-	38,877
Pension deficit	-	(115,150)	-	(115,150)
Net assets/(liabilities)	<u>38,877</u>	<u>(115,150)</u>	<u>365,000</u>	<u>288,727</u>

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26. Conversion to an academy trust (continued)

On 1 November 2020 Caston C of E 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 heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	320,000	320,000
Current assets				
Cash - representing budget surplus on LA funds	67,801	-	-	67,801
Pension deficit	-	(103,850)	-	(103,850)
Net assets/(liabilities)	<u>67,801</u>	<u>(103,850)</u>	<u>320,000</u>	<u>283,951</u>

27. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk County Council and, for Kessingland C of E Primary Academy, Suffolk County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £516,970 were payable to the schemes at 31 August 2021 (2020 - £475,396) and are included within creditors.

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27. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,985,940 (2020 - £2,770,607).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £2,026,000 (2020 - £2,007,000), of which employer's contributions totalled £1,579,000 (2020 - £1,589,000) and employees' contributions totalled £ 447,000 (2020 - £418,000). The agreed contribution rates for future years are 20.8 per cent for employers and between 5.5 and 12.5 per cent 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

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.7
Females	24.3	23.9
<i>Retiring in 20 years</i>		
Males	23.2	22.8
Females	26.2	25.5

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	1,333	979
Discount rate -0.1%	(1,333)	(979)
Mortality assumption - 1 year increase	2,100	1,602
Mortality assumption - 1 year decrease	(2,100)	(1,602)
CPI rate +0.1%	1,197	866
CPI rate -0.1%	(1,197)	(866)

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27. Pension commitments (continued)

Share of scheme assets

The academy trust's share of the assets in the scheme was:

	2021 £	2020 £
Equities	13,725,540	10,753,500
Corporate bonds	8,986,390	7,527,450
Property	2,897,970	2,365,770
Cash and other liquid assets	1,049,100	860,280
Total market value of assets	26,659,000	21,507,000

The actual return on scheme assets was £3,678,000 (2020 - £- 238,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(3,532,000)	(3,529,000)
Past service cost	-	(129,000)
Interest income	368,000	380,000
Interest cost	(694,000)	(648,000)
Total amount recognised in the Statement of financial activities	(3,858,000)	(3,926,000)

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

	2021 £	2020 £
At 1 September	39,817,000	32,163,000
Conversion of academy trusts	549,000	-
Interest cost	694,000	648,000
Employee contributions	447,000	418,000
Actuarial losses	8,953,000	3,158,000
Benefits paid	(252,000)	(228,000)
Current service costs	3,532,000	3,529,000
Past service costs	-	129,000
Transfer of net liability to associate	(1,247,000)	-
At 31 August	52,493,000	39,817,000

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27. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	21,279,000	19,062,000
Conversion of academy trusts	330,000	-
Interest income	368,000	380,000
Actuarial gains	3,678,000	58,000
Employer contributions	1,579,000	1,589,000
Employee contributions	447,000	418,000
Benefits paid	(252,000)	(228,000)
Transfer of net liability to associate	(770,000)	-
At 31 August	26,659,000	21,279,000

28. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	18,180	30,504
Later than 1 year and not later than 5 years	28,492	32,023
Later than 5 years	-	994
	46,672	63,521

29. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

30. Related party transactions

Owing to the nature of the academy trust 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 trustees have an interest. The following related party transactions took place in the financial period.

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30. Related party transactions (continued)

The Norwich Diocesan Board of Finance Limited (NDBF)

NDBF is a related party due to its powers of appointment of company members.

NDBF recharged costs incurred in relation to services provided to the Trust totalling £61,180 (2020: £77,752). In the prior year, NDBF awarded £50,000 to the Trust to cover the cost of professional services, which was included within accrued income; there are no such amounts this year. The Trust charged NDBF £65,088 (2020: £36,873) for services provided during the year. Trade debtors include £16,251 (2020: £nil) and trade creditors include £300 (2020: £9,594) in respect of these transactions.

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 1. Support costs (note 8) includes £893,275 (2020: £563,473) of improvements to school premises which have been expensed in line with accounting policy 1.5.

The Norwich Diocesan Board of Education (NDBE)

During the year payments of £380 (2020: £nil) were made to NDBE, an entity wholly owned by NDBF. There were no outstanding balances at the year end (2020: £nil).

Spire Support Services Limited

During the year payments of £48,591 (2020: £12,018) were made to Spire Support Services Limited, a company wholly owned by NDBF. There were no outstanding balances at the year end (2020: £nil).

The Diocese of Norwich St Benet's Multi Academy Trust (St Benet's)

St Benet's is a related party by virtue of NDBF having powers of appointment over both trusts. The Trust charged St Benet's £59,104 (2020: £174,628) in respect of management of that trust. During the year £17,127 (2020: £40,128) of charges were paid by the Trust to St Benet's in respect of management and consultancy fees. At the year end £252 (2020: £215) was included within debtors and £nil (2020: £11,198) included within creditors in respect of these transactions. These services were delivered at cost. Creditors also include £298,604 owed to St Benet's in respect of funding received by the Trust on behalf of St Benet's.

The Diocese of Norwich Education Services Company Limited (DONESC)

DONESC is a company owned 50% by the Trust, the other 50% being owned by St Benet's. DONESC was incorporated to provide finance, governance and certain operational activities to the two owning trusts. The arrangement has been approved by ESFA. From 1 December 2020, the aforementioned services were contracted from DONESC at a total cost of £438,662 with no amounts outstanding at year end. Included in trade debtors is £336,769 owed to the Trust from DONESC in relation to costs paid by the Trust on behalf of DONESC, which have been reimbursed after year end. On 1 December 2020 staff transferred by TUPE from DNEAT to DONESC and the associated local authority pension scheme liability of £477,000 transferred with the employees.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.