

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Mr M E Allbrook
Mr M R Butler DL
Mr W J J Crawshay
Diocese of Norwich Education Umbrella Trust

Trustees

Mr M R Butler DL (resigned 17 October 2018)
Mr W J J Crawshay, Chair
Mr M E Allbrook
Mr C Hedges
Ms D M King
Mrs M Young (resigned 1 January 2018)
Mr N P Loveday
Mr S Cox
Ms P E Wells
Mr D Wright
Mr P Dunning (appointed 1 September 2017)
Ms L Parker (appointed 6 July 2018)
Ms J Bourne (appointed 19 June 2018)

Company registered number

08737435

Company name

The Diocese of Norwich Education and Academies Trust

Principal and registered office

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

Senior management team

Mr W J J Crawshay, Chairman
Ms M J Edwards, Chief Executive and Accounting Officer
Mr H Nelson, Chief Operating Officer

Independent auditors

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

Bankers

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

Solicitors

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors report of The Diocese of Norwich Education and Academies Trust (the Trust) for the year ended 31st August 2018. The Trustees confirm that the Annual report and financial statements of the Diocese of Norwich Education & Academies Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Charities SORP (FRS 102). The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the year the Trust grew to thirty-two 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 August 2016, are the primary governing documents of the Trust.

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

The charitable company is also known as DNEAT.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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

The Trust ensures all new Trustees receive an induction from the Chair of the Board and/or the Chief Executive Officer. An annual self-assessment takes place in July and includes an element of training. Individual Trustees have attended training events across the region including events provided by the Regional Schools Commissioner and through the Future Leaders Trust in conjunction with the Church of England Education Office. The Trust Clerk regularly updates the online GovernorHub system with news and information to support Trustees in carrying out their duties. Link Trustees have again been designated for 2018-19 (e.g. safeguarding, health and safety, SEND) and they will work closely with a member of the Senior Leadership Team.

e. Organisational structure

The Trustees are responsible for the management of the company, and operationally during the year has delegated powers to the Chairman and Accounting Officer (Chief Executive Officer) for day to day responsibility. As the Trust has grown additional officers have been employed during the year and they are responsible for day to day operations reporting to the Chief Executive Officer. The School Improvement capacity of the Trust has continued to 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. Pay policy for key management personnel

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£	
Total cost of facility time	13,891	
Total pay bill	17,085,714	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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h. Connected organisations, including related party relationships

The Trust is connected to the Norwich Diocesan Board of Finance through its Trustees, which provides accommodation and some services for the Trust on a cost recovery basis. The Trust is also connected with the Diocese of Norwich St Benet's Multi Academy Trust, to which DNEAT provided services in the year.

The Trust is under common control with The Diocese of Norwich Education Umbrella Trust.

Objectives and Activities

a. Objects and aims

The Trust's object is to advance for the public benefit education 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 dailt acts of worship, and having regard to any advice issued by the Diocesan Board of Education, and
- 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- England, and by
- providing childcare facilities and adult training to develop the capacity and skills of partens to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children.

The Trust's further objects are:

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

b. Objectives, strategies and activities

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

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

c. Activities for achieving objectives

During the year, the Trust's own school improvement team (Academies Group Executive Principals) has been effective at supporting schools and this has resulted an excellent track record of school improvement. This was endorsed by an Ofsted focused inspection of the Trust in February and March when six of the schools run by the Trust were inspected. Ofsted reported that DNEAT's performance over time, including the outcomes of the most recent focused inspections, reflects the journey of an improving multi-academy trust (MAT).

The Ofsted review also confirmed that the central business team provides very effective business support for schools. They confirmed that the Trust makes judicious use of resources offers value for money and economies of scale, and that cost savings were well grounded in senior leaders' commitment to improving life chances for all DNEAT pupils.

The number of academies in the Trust grew in the year with an additional two new schools joining. Another three academies will join the Trust early in 2018/19. The number of pupils on roll at the end of August 2018 was 5,449.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Local Governing Bodies are well supported through the work of the Governance Manager. Training, standard agendas and other supporting material are provided and GovernorHub is used enthusiastically as the online communication tool. The Governance Manager has introduced a Quality Assurance system to analyse the effectiveness of local governing bodies. The existence of guidance, training, documentation and support produced by the Governance Manager and Trust Clerk has contributed towards this; with assurance on compliance actively sought.

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

d. Public benefit

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

Achievements and performance

Strategic report

a. Key performance indicators

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

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. Review of activities

During the year an additional two schools became Academies within the Trust. More growth is expected in 2018-19. As described above the Trust has taken great steps forward in identifying and securing further personnel and consultancy to deliver and manage this future growth and deliver on its aims and objectives.

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

At 31 August 2018, ten out of the 32 academies within DNEAT have been inspected during this academic year. Of these, eight have been judged as 'good' and two as 'requires improvement'. Twelve schools currently in the Trust have not yet been inspected. Trusts routinely do not include in their reporting the grade 4 predecessor judgement for schools before conversion. Using this calculation, 73% of DNEAT schools are judged as 'good' or better compared with 86% found nationally. The DNEAT target included in the Strategic Improvement Plan is 70% by the end of this academic year compared with 57% at the beginning of the year.

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

d. Investment policy and performance

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

e. Factors relevant to achieve objectives

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

Financial review

a. Reserves policy

The in-year surplus/(deficit) figure excluding pension and restricted fixed asset reserves for 2018 is £242,147, bringing the total balance on those reserves to £2,329,978 (2017: £2,087,831).

At the end of the year, unrestricted reserves stood at £1,621,057 and the General Annual Grant (GAG) reserves stood at £479,032 (2017: £350,105). The combined balance of these two funds at 31 August 2018 was £2,100,089 (2017: £1,714,276) which equates to approximately 0.8 months (2017: 0.6 months) of expenditure. The current policy is to maintain free reserves at this level.

The fixed asset fund stood at £31,291,788 (2017: £30,542,873).

The pension reserve stood at a deficit of £6.220 million (2017: deficit £7.186 million), representing obligations to the Local Government Pension Scheme. The trust is making payments at the levels recommended by the scheme actuary.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Further restricted reserves stood at £1,145,111 (2017: £1,352,125). Total funds stood at £28,316,988 (2017: £26,423,274).

b. Principal risks and uncertainties

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

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

c. Financial risk management objectives and policies

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

d. Principal funding

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

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 participators 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.

Plans for future periods

a. Future developments

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Employee involvement and employment of the disabled

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

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

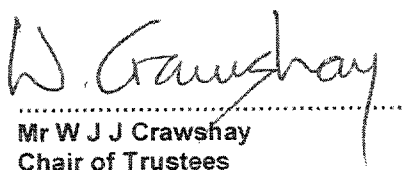
In accordance with the Trust's Equal opportunities policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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 14 December 2018 and signed on its behalf by:


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

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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.

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. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M R Butler DL	3	4
Mr W J J Crawshay, Chair	4	4
Mr M E Allbrook	4	4
Mr C Hedges	4	4
Ms D M King	3	4
Mrs M Young	2	2
Mr N P Loveday	2	4
Mr S Cox	4	4
Ms P E Wells	4	4
Mr D Wright	4	4
Mr P Dunning	3	4
Ms L Parker	1	1
Ms J Bourne	1	1

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

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

An annual self-assessment took place in the year. Strengths identified included Governance Structures, Risk Management and Strategy and Vision.

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

A Personnel Committee meets three times in the year.

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GOVERNANCE STATEMENT (continued)

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M R Butler DL	3	3
Mr S Cox	3	3
Mr W J J Crawshay, Chair	2	3
Mr N P Loveday	3	3
Mr D Wright	3	3

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:

Approach to Value for Money

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

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

Improving Educational Results

- More pupils achieved the expected standard in reading, writing and mathematics. In 2018, 54% of pupils reached the expected standard compared with 51% in 2017.
- 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.

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GOVERNANCE STATEMENT (continued)

Purchasing, the efficient and effective use of resources

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Diocese of Norwich Education and Academies Trust for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

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GOVERNANCE STATEMENT (continued)

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 2017/18, 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 wide range of review including Pupil Premium (substantial assurance opinion); Budget Monitoring and Forecasting (substantial assurance opinion); Health and Safety: Framework (reasonable assurance opinion); and Central Finance Function (substantial assurance opinion). 8 schools were also visited and received a reasonable assurance opinion.

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 board of trustees' financial responsibilities.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 on 14 December 2018 and signed on their behalf, by:


Mr W J J Crawshaw
Chair of Trustees


Mrs M J Edwards
Accounting Officer


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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 2017.

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 2017.

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


.....
Mrs M J Edwards
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

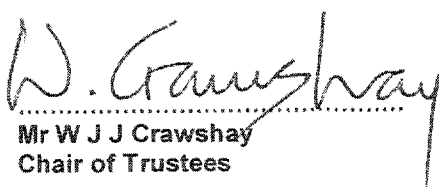
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 on 14 December 2018 and signed on its behalf by:


Mr W J J Crawshaw
Chair of Trustees

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

**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') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for 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 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
(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy 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.

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's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB

Date: 19 December 2018

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

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

In accordance with the terms of our engagement letter dated 2 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Diocese of Norwich Education and Academies Trust's accounting officer and the reporting 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

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

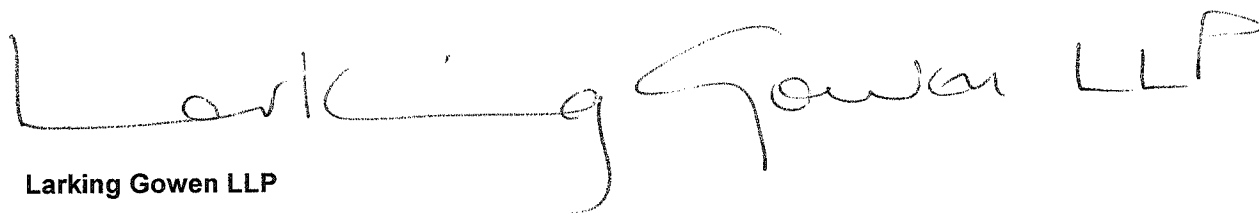
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST AND THE EDUCATION & SKILLS
FUNDING AGENCY (continued)**

The work undertaken to draw to 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;
- Observation and re-performance of the financial controls; and
- Review of internal audit reports.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A large, stylized handwritten signature in black ink that reads "Larking Gowen LLP". The signature is written in a cursive, flowing style.

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB

Date: 19 December 2018

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations & capital grants:						
Transfer from local authority upon conversion	3	118,006	(411,000)	1,265,000	972,006	(365,000)
Other donations and capital grants	3	(332,007)	700,766	-	368,759	1,182,340
Charitable activities	6	791,933	27,424,763	-	28,216,696	27,441,869
Other trading activities	4	699,626	-	-	699,626	723,623
Investments	5	1,019	-	-	1,019	1,000
Total income		1,278,577	27,714,529	1,265,000	30,258,106	28,983,832
Expenditure on:						
Charitable activities		1,021,691	29,692,600	633,101	31,347,392	31,575,711
Total expenditure	7	1,021,691	29,692,600	633,101	31,347,392	31,575,711
Net income / (expenditure) before transfers		256,886	(1,978,071)	631,899	(1,089,286)	(2,591,879)
Transfers between Funds	20	-	(117,016)	117,016	-	-
Net income / (expenditure) before other recognised gains and losses		256,886	(2,095,087)	748,915	(1,089,286)	(2,591,879)
Actuarial gains/(losses) on defined benefit pension schemes	25	-	2,983,000	-	2,983,000	2,924,000
Net movement in funds relating to the year		256,886	887,913	748,915	1,893,714	332,121
Reconciliation of funds:						
Total funds brought forward		1,364,171	(5,483,770)	30,542,873	26,423,274	57,888,786
Prior year adjustment		-	-	-	-	(31,797,633)
Total funds carried forward		1,621,057	(4,595,857)	31,291,788	28,316,988	26,423,274

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

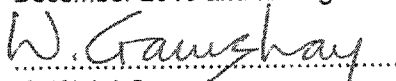
BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	15		31,291,788		30,542,874
Current assets					
Stocks	16	12,564		10,218	
Debtors	17	1,441,519		1,142,235	
Cash at bank and in hand		4,152,318		4,467,446	
		5,606,401		5,619,899	
Creditors: amounts falling due within one year	18	(2,261,475)		(2,430,815)	
Net current assets			3,344,926		3,189,084
Total assets less current liabilities			34,636,714		33,731,958
Creditors: amounts falling due after more than one year	19		(99,726)		(122,684)
Net assets excluding pension scheme liabilities			34,536,988		33,609,274
Defined benefit pension scheme liability	25		(6,220,000)		(7,186,000)
Net assets including pension scheme liabilities			28,316,988		26,423,274
Funds					
Restricted income funds:					
Restricted income funds	20	1,624,143		1,702,230	
Restricted fixed asset funds	20	31,291,788		30,542,873	
Restricted income funds excluding pension liability		32,915,931		32,245,103	
Pension reserve		(6,220,000)		(7,186,000)	
Total restricted income funds			26,695,931		25,059,103
Unrestricted income funds	20		1,621,057		1,364,171
Total funds			28,316,988		26,423,274

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

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 21 to 55 were approved by the Trustees, and authorised for issue, on 14 December 2018 and are signed on their behalf, by:


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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(711,885)</u>	<u>(228,377)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,019	1,000
Purchase of tangible fixed assets		(284,695)	(247,390)
Capital funding received from sponsors and others		<u>700,766</u>	<u>1,008,769</u>
Net cash provided by investing activities		<u>417,090</u>	<u>762,379</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(20,333)</u>	<u>(19,011)</u>
Net cash used in financing activities		<u>(20,333)</u>	<u>(19,011)</u>
Change in cash and cash equivalents in the year		(315,128)	514,991
Cash and cash equivalents brought forward		<u>4,467,446</u>	<u>3,952,455</u>
Cash and cash equivalents carried forward	23	<u><u>4,152,318</u></u>	<u><u>4,467,446</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted funds.

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

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

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is 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 2018**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

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

As described in note 15, 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 arrangements for the school buildings in the context of the accounting requirement set out in the Academies Accounts 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:

Leasehold property	-	2% Straight Line
Furniture and fixtures	-	25% Straight Line
Computer equipment	-	33% 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 incorporating income and expenditure account.

1.6 Interest receivable

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.7 Leasing and hire purchase

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

1.8 Operating leases

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

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.16 Conversion to an academy trust

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

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

Further details of the transaction are set out in note 24.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 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.

1.18 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

2. PRIOR YEAR ADJUSTMENT - IN THE 2017 FINANCIAL STATEMENTS

The 2017 financial statements included an adjustment to prior years figures that reduced opening tangible fixed assets and the restricted fixed asset fund as at 31 August 2016 by £31,797,633. This reflected a change of accounting policy to derecognise from the balance sheet church premises occupied under licence.

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3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority upon conversion	118,006	(411,000)	1,265,000	972,006	(365,000)
Donations	(332,007)	-	-	(332,007)	173,571
Capital Grants	-	700,766	-	700,766	1,008,769
Subtotal	(332,007)	700,766	-	368,759	1,182,340
Total donations and capital grants	(214,001)	289,766	1,265,000	1,340,765	817,340
<i>Total 2017</i>	173,571	(116,231)	760,000	817,340	

Included within the negative donation is the return of unused children centre development funds, totalling £457,438, to the local authority under the terms of the contract with the Trust for the delivery of children's centre services in King's Lynn and Belton.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from other charitable activities	270,430	-	270,430	96,994
Income from ancillary trading activities	324,881	-	324,881	537,533
Hire of Facilities	104,315	-	104,315	89,096
	699,626	-	699,626	723,623
<i>Total 2017</i>	723,623	-	723,623	

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5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	1,019	-	1,019	1,000
	<u>1,019</u>	<u>-</u>	<u>1,019</u>	<u>1,000</u>
<i>Total 2017</i>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	23,177,607	23,177,607	22,658,201
Pupil Premium	-	1,980,937	1,980,937	1,979,758
Other DfE Group Grants	-	490,568	490,568	486,634
Pre 16 High Needs Grant	-	100,000	100,000	100,000
Rates Relief	-	151,938	151,938	130,775
Start Up Grant	-	170,000	170,000	30,000
	<u>-</u>	<u>26,071,050</u>	<u>26,071,050</u>	<u>25,385,368</u>
Other government grants				
Local Authority Grants	-	1,340,290	1,340,290	1,351,405
	<u>-</u>	<u>1,340,290</u>	<u>1,340,290</u>	<u>1,351,405</u>
Other income from the academy trust's educational operations				
Income from other institutions	-	13,423	13,423	5,967
Catering income	475,911	-	475,911	382,712
Educational Visits	205,801	-	205,801	238,403
Nursery Fees	110,221	-	110,221	78,014
	<u>791,933</u>	<u>13,423</u>	<u>805,356</u>	<u>705,096</u>
	<u>791,933</u>	<u>27,424,763</u>	<u>28,216,696</u>	<u>27,441,869</u>
<i>Total 2017</i>	<u>699,129</u>	<u>26,742,740</u>	<u>27,441,869</u>	

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7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	<i>Total 2017 £</i>
Educational Operations:					
Direct costs	19,591,403	-	2,404,407	21,995,810	21,800,607
Support costs	3,920,680	1,228,947	4,142,825	9,292,452	9,775,104
	23,512,083	1,228,947	6,547,232	31,288,262	31,575,711
<i>Total 2017</i>	<i>22,776,806</i>	<i>2,187,225</i>	<i>6,611,680</i>	<i>31,575,711</i>	

8. SUPPORT COSTS

	Governance £	Educational Operations £	Total 2018 £	<i>Total 2017 £</i>
Technology costs	-	221,558	221,558	156,554
Maintenance of premises and equipment	-	1,228,947	1,228,947	1,476,906
Other support costs	-	2,326,719	2,326,719	2,890,006
Improvements to diocesan premises occupied under licence	-	776,591	776,591	710,319
Legal and professional fees	59,130	37,395	96,525	106,377
Wages and salaries	-	3,197,931	3,197,931	2,880,071
National insurance	-	174,893	174,893	167,185
Pension cost	-	547,856	547,856	460,921
Depreciation	-	780,562	780,562	926,765
	59,130	9,292,452	9,351,582	9,775,104
<i>Total 2017</i>	<i>48,430</i>	<i>9,726,674</i>	<i>9,775,104</i>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- depreciation	790,672	926,765
Operating lease rentals	40,131	85,008
Auditors' remuneration - current year	32,000	29,630
Auditors' non audit costs	7,900	11,490
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	17,085,714	17,171,776
Social security costs	1,380,527	1,399,375
Operating costs of defined benefit pension schemes	4,284,774	3,697,737
	<u>22,751,015</u>	<u>22,268,888</u>
Agency staff costs	658,680	460,279
Staff restructuring costs	102,388	47,639
	<u><u>23,512,083</u></u>	<u><u>22,776,806</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Contractual redundancy payments	102,388	47,639
	<u><u>102,388</u></u>	<u><u>47,639</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	289	287
Administration and support	609	617
Management	54	47
	<u>952</u>	<u>951</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	9	14
In the band £70,001 - £80,000	6	2
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	0	1

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

The above employees participate in the Teachers' Pension Scheme.

d. Key management personnel

Key management personnel of the Trust comprise the trustees and senior management team. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for their services to the trust was £435,257 (2017 - £288,798).

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11. CENTRAL SERVICES

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

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

The Trust charges for these services on the following basis:

Primary academies - 5.5% (2017: 5.5%)
The Open Academy - 1% (2017: 1%)

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Moorlands C of E Primary Academy	59,923	43,415
Kingfisher Partnership	39,670	28,838
Flitcham C of E Primary Academy	19,260	13,895
Whitefriars C of E Primary Academy	95,220	67,641
Kessingland C of E Primary Academy	46,795	34,856
Open Academy	26,097	34,670
Thomas Bullock C of E Primary Academy	37,939	25,643
St Peter & St Paul C of E Primary Academy	32,147	29,814
Swaffham C of E Primary Academy	49,242	33,889
Middleton C of E Primary Academy	22,018	18,682
The Churchside Federation	54,855	39,650
St Michael's (King's Lynn) Primary Academy	53,548	34,139
Peterhouse C of E Primary Academy	88,905	62,420
Dereham C of E Primary Academy	91,335	54,860
Unity Federation	51,591	36,280
St Andrews C of E Primary Academy	16,416	11,709
Nar Valley Federation	61,701	45,727
Trinity Federation	72,094	50,452
Rudham & Weasenham Federation	33,021	23,702
The Bishop's C of E Primary Academy	96,278	58,455
Cawston C of E Primary Academy	35,832	24,993
Nar & St Clements Childrens Centre	-	54,352
Hopton C of E Primary Academy	3,250	-
	<u>1,087,137</u>	<u>828,082</u>
Total		

12. TRUSTEES' AND OFFICERS' INSURANCE

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

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13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, retirement benefits accrued no trustees (2017 - 0) in respect of defined contribution pension schemes.

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £657 were reimbursed to 5 trustees (2017 - £1,546 to 8 trustees).

14. OTHER FINANCE INCOME

	2018 £	2017 £
Interest income on pension scheme assets	342,000	237,000
Interest on pension scheme liabilities	(540,000)	(432,000)
	<u>(198,000)</u>	<u>(195,000)</u>

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Property improvements £	Computer equipment £
Cost				
At 1 September 2017	31,113,277	801,860	785,580	600,024
Additions	-	118,856	-	165,839
Disposals	-	(2,467)	-	(12,327)
Transfer on conversion	1,265,000	-	-	-
At 31 August 2018	<u>32,378,277</u>	<u>918,249</u>	<u>785,580</u>	<u>753,536</u>
Depreciation				
At 1 September 2017	1,480,515	719,911	96,099	461,342
Charge for the year	493,507	83,241	75,295	138,629
On disposals	-	(617)	-	(4,068)
At 31 August 2018	<u>1,974,022</u>	<u>802,535</u>	<u>171,394</u>	<u>595,903</u>
Net book value				
At 31 August 2018	<u>30,404,255</u>	<u>115,714</u>	<u>614,186</u>	<u>157,633</u>
At 31 August 2017	<u>29,632,762</u>	<u>81,949</u>	<u>689,481</u>	<u>138,682</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

15. TANGIBLE FIXED ASSETS (continued)

	Total £
Cost	
At 1 September 2017	33,300,741
Additions	284,695
Disposals	(14,794)
Transfer on conversion	1,265,000
	<hr/>
At 31 August 2018	34,835,642
	<hr/>
Depreciation	
At 1 September 2017	2,757,867
Charge for the year	790,672
On disposals	(4,685)
	<hr/>
At 31 August 2018	3,543,854
	<hr/>
Net book value	
At 31 August 2018	31,291,788
	<hr/> <hr/>
<i>At 31 August 2017</i>	<i>30,542,874</i>
	<hr/> <hr/>

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

Terms of Occupation of Premises

Year of Conversion and 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	125 year lease from NCC
Flitcham 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 C of E 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
Gooderstone CofE Primary Academy	Licence, 2 years notice from NDBF	Licence, 2 years notice from NDBF
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	125 year lease from NCC
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 England Junior 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	125 year lease from NCC
West Raynham CofE Primary Academy	25 year underlease from NDBF	25 year underlease form 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 Vicar & Churchwardens	125 year lease from NCC
Great Witchingham CofE Primary Academy	Licence, 2 years notice from NDBF	None

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Hockering CofE Primary Academy	Licence, 2 years notice from NDBF	125 year lease from NCC
St Peter's CofE Primary Academy, Easton	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	125 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

16. STOCKS

	2018	2017
	£	£
Finished goods and goods for resale	12,564	10,218

17. DEBTORS

	2018	2017
	£	£
Trade debtors	123,371	133,115
VAT recoverable	499,517	409,368
Other debtors	590,364	343,260
Prepayments and accrued income	228,267	256,492
	1,441,519	1,142,235

18. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Net obligations under finance leases and hire purchase contracts	21,636	19,011
Trade creditors	1,056,194	823,915
Other taxation and social security	352,417	356,047
Other creditors	440,186	541,661
Accruals and deferred income	391,042	690,181
	2,261,475	2,430,815

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19. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Amounts under finance leases	<u>99,726</u>	<u>122,684</u>

20. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	<u>1,364,171</u>	<u>1,278,577</u>	<u>(1,021,691)</u>	-	-	<u>1,621,057</u>
Restricted funds						
General Annual Grant (GAG)	350,105	23,177,607	(22,931,664)	(117,016)	-	479,032
DFC/SCA	978,570	700,766	(764,114)	-	-	915,222
Pupil Premium	-	1,980,937	(1,980,937)	-	-	-
Open Academy - Sponsor						
Chaplain Fund	343,555	-	(113,666)	-	-	229,889
Other restricted funds	30,000	2,266,219	(2,296,219)	-	-	-
Pension reserve	(7,186,000)	(411,000)	(1,606,000)	-	2,983,000	(6,220,000)
	<u>(5,483,770)</u>	<u>27,714,529</u>	<u>(29,692,600)</u>	<u>(117,016)</u>	<u>2,983,000</u>	<u>(4,595,857)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	30,542,873	1,265,000	(633,101)	117,016	-	31,291,788
Total restricted funds	<u>25,059,103</u>	<u>28,979,529</u>	<u>(30,325,701)</u>	<u>-</u>	<u>2,983,000</u>	<u>26,695,931</u>
Total of funds	<u>26,423,274</u>	<u>30,258,106</u>	<u>(31,347,392)</u>	<u>-</u>	<u>2,983,000</u>	<u>28,316,988</u>

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

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

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

The local authority grants fund recognises the restricted grant funding received from the local authority to be used for the purpose of specific projects and assisting with the education of children whom require

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20. STATEMENT OF FUNDS (continued)

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.

St Andrew's Primary Academy formally closed on 1 December 2018. Sign off from the Secretary of State for the formal closure has been received. At 1 September 2018 there were no pupils or staff at the school.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Moorlands Church of England Primary Academy	(85,883)	<i>(10,163)</i>
Kingfisher Partnership	230,131	<i>205,010</i>
Flitcham Church of England Primary Academy	41,614	<i>53,961</i>
Open Academy	529,722	<i>428,999</i>
Kessingland Church of England Primary Academy	(24,631)	<i>21,719</i>
Whitefriars Church of England Primary Academy	269,085	<i>171,556</i>
Thomas Bullock Church of England Primary Academy	54,130	<i>17,152</i>
St Peter & St Paul Church of England Primary Academy	234,726	<i>249,250</i>
Middleton Church of England Primary Academy	(79,937)	<i>(54,054)</i>
Swaffham Church of England Primary Academy	146,058	<i>56,067</i>
The Churchside Federation	149,188	<i>119,055</i>
St Michael's (King's Lynn) Church of England Primary Academy	(143,794)	<i>148,674</i>
Peterhouse Church of England Primary Academy	571,442	<i>537,600</i>
Dereham C of E Junior Academy	190,241	<i>117,424</i>
Unity Federation	123,602	<i>116,908</i>
St Andrew's C of E Primary Academy	(1,723)	<i>27,157</i>
Nar Valley Federation	163,785	<i>206,863</i>
Trinity Federation	81,681	<i>12,857</i>
Rudham and Weasenham Academies	(5,464)	<i>28,837</i>
The Bishop's C of E Primary Academy	500,763	<i>224,929</i>
Cawston C of E Primary Academy	38,027	<i>15,190</i>
Central services	144,431	<i>371,410</i>
Hopton C of E Primary Academy	77,319	<i>-</i>
Little Snoring Community Primary Academy	40,687	<i>-</i>
Total before fixed asset fund and pension reserve	3,245,200	<i>3,066,401</i>
Restricted fixed asset fund	31,291,788	<i>30,542,873</i>
Pension reserve	(6,220,000)	<i>(7,186,000)</i>
Total	28,316,988	<i>26,423,274</i>

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

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

Name of academy	Amount of deficit £
Moorlands C of E Primary Academy	85,883
Kessingland C of E Primary Academy	24,631
Middleton C of E Primary Academy	79,937
St Michael's (King's Lynn) C of E Primary Academy	143,794
St Andrew's C of E Primary Academy	1,723
Rudham and Weasenham Academies	5,464

Moorlands C of E Primary Academy: Investments have been made during the year to improve educational outcomes at the academy. Budgets have been set to remedy the deficit over a period of time.

Kessingland C of E Primary Academy: Investments have been made during the year to improve educational outcomes at the academy. Budgets have been set to remedy the deficit over a period of time.

St Michael's King's Lynn: The deficit reflects the return of unused children centre development funds to the local authority and budgets have been set to remedy the deficit over a period of time.

Rudham and Weasenham: The deficit relates to Devolved Capital funds and was recovered in early in 2018/19.

St Andrew's C of E Primary Academy: This academy showed a small deficit following its closure. This will be written off to central funds.

The total £3,245,200 above includes revenue funds of £2,329,978 and unspent capital grants of £915,222. All the schools that are shown in surplus above have positive revenue funds.

Central has revenue funds of deficit £(334,417) and capital grants of £478,848. As disclosed in note 3 the trust is due to repay NCC £457,438 of unused children's centre development grants, which has been charged against Central in the year. Excluding that exceptional charge the revenue fund at Central presented a surplus.

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20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Moorlands CofE Primary Academy	1,137,021	176,355	99,997	291,546	1,704,919	1,625,757
Kingfisher Partnership	426,180	101,224	57,472	280,152	865,028	804,109
Flitcham CofE Primary Academy	218,332	29,574	41,803	133,502	423,211	368,202
Open Academy	2,070,303	831,171	290,260	128,544	3,320,278	4,089,196
Kessingland CofE Primary Academy	741,549	134,786	75,693	235,278	1,187,306	1,264,461
Whitefriars CofE Primary Academy	1,294,528	179,117	113,604	342,824	1,930,073	2,052,973
Thomas Bullock CofE Primary Academy	539,181	87,050	65,217	163,558	855,006	791,549
The Churchside Federation	691,026	109,270	108,209	210,556	1,119,061	1,137,877
St Peter & St Paul CofE Primary Academy	447,053	75,545	62,653	127,654	712,905	828,962
Middleton CofE Primary Academy	253,427	42,289	63,567	151,402	510,685	617,729
Swaffham CofE Primary Academy	666,602	109,074	38,556	190,783	1,005,015	972,256
St Michael's (King's Lynn) CofE Primary Academy	1,056,586	179,158	93,731	681,353	2,010,828	1,980,433
Peterhouse CofE Primary Academy	1,173,691	281,012	226,635	402,285	2,083,623	1,908,193
Dereham CofE Junior Academy	1,227,350	152,442	206,020	405,235	1,991,047	1,873,234
Unity Federation	735,002	147,361	103,778	146,559	1,132,700	1,114,220
St Andrew's CofE Primary Academy	193,396	32,664	29,517	181,514	437,091	364,088
Nar Valley Federation	904,045	147,090	95,557	254,909	1,401,601	1,372,362
Trinity Federation	1,003,792	153,144	95,957	281,629	1,534,522	1,521,147
Rudham and Weasenham CofE Primary Academies	503,887	81,807	59,983	113,189	758,866	729,280

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20. STATEMENT OF FUNDS (continued)

Central services	278,972	562,554	157,504	1,759,400	2,758,430	2,795,797
The Bishop's CofE Primary Academy	1,194,159	175,788	120,423	477,268	1,967,638	1,637,659
Cawston CofE Primary Academy	492,952	70,015	79,777	204,143	846,887	799,462
	<u>17,249,034</u>	<u>3,858,490</u>	<u>2,285,913</u>	<u>7,163,283</u>	<u>30,556,720</u>	<u>30,648,946</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds	1,871,594	1,597,323	(2,104,746)	-	-	1,364,171
Restricted funds						
General Annual Grant (GAG)	449,257	22,658,201	(22,509,963)	(247,390)	-	350,105
Conversion Grants	61,169	-	(61,169)	-	-	-
Improvement Grants	174,413	-	(174,413)	-	-	-
DFC/SCA	-	978,570	-	-	-	978,570
Pupil Premium	373,413	1,979,758	(2,353,171)	-	-	-
Open Academy - Sponsor						
Chaplain Fund	379,488	-	(35,933)	-	-	343,555
Other restricted funds	-	2,104,781	(2,074,781)	-	-	30,000
Pension reserve	(7,862,000)	(1,125,000)	(1,123,000)	-	2,924,000	(7,186,000)
	<u>(6,424,260)</u>	<u>26,596,310</u>	<u>(28,332,430)</u>	<u>(247,390)</u>	<u>2,924,000</u>	<u>(5,483,770)</u>

Restricted fixed asset funds

Restricted Fixed Asset Fund	30,462,248	760,000	(926,765)	247,390	-	30,542,873
Capital Grants	181,571	30,199	(211,770)	-	-	-
	<u>30,643,819</u>	<u>790,199</u>	<u>(1,138,535)</u>	<u>247,390</u>	<u>-</u>	<u>30,542,873</u>
Total restricted funds	<u>24,219,559</u>	<u>27,386,509</u>	<u>(29,470,965)</u>	<u>-</u>	<u>2,924,000</u>	<u>25,059,103</u>
Total of funds	<u>26,091,153</u>	<u>28,983,832</u>	<u>(31,575,711)</u>	<u>-</u>	<u>2,924,000</u>	<u>26,423,274</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	31,291,788	31,291,788
Current assets	3,882,532	1,723,869	-	5,606,401
Creditors due within one year	(2,261,475)	-	-	(2,261,475)
Creditors due in more than one year	-	(99,726)	-	(99,726)
Provisions for liabilities and charges	-	(6,220,000)	-	(6,220,000)
	<u>1,621,057</u>	<u>(4,595,857)</u>	<u>31,291,788</u>	<u>28,316,988</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	30,542,874	30,542,874
Current assets	1,961,942	3,657,957	-	5,619,899
Creditors due within one year	(475,088)	(1,955,727)	-	(2,430,815)
Creditors due in more than one year	(122,684)	-	-	(122,684)
Provisions for liabilities and charges	-	(7,186,000)	-	(7,186,000)
	<u>1,364,170</u>	<u>(5,483,770)</u>	<u>30,542,874</u>	<u>26,423,274</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,089,286)	(2,591,879)
Adjustment for:		
Depreciation charges	790,672	926,765
Dividends, interest and rents from investments	(1,019)	(1,000)
Loss on the sale of fixed assets	10,109	-
(Increase)/decrease in stocks	(2,346)	3,009
(Increase)/decrease in debtors	(299,284)	366,234
(Decrease)/increase in creditors	(171,965)	589,263
Capital grants from DfE and other capital income	(700,766)	(1,008,769)
Defined benefit pension scheme obligation inherited	411,000	1,125,000
Defined benefit pension scheme cost less contributions payable	1,408,000	928,000
Defined benefit pension scheme finance cost	198,000	195,000
Net (loss) on assets and liabilities from local authority on conversion	(1,265,000)	(760,000)
Net cash used in operating activities	(711,885)	(228,377)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	4,152,318	4,467,446
Total	4,152,318	4,467,446

THE DIOCESE OF NORWICH EDUCATION AND ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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24. CONVERSION TO AN ACADEMY TRUST

On 1 September 2017 Hopton C of E Primary Academy and Little Snoring Community Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Norwich Education and Academies Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

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

Little Snoring Community Primary Academy

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	1,025,000	1,025,000
Budget surplus/(deficit) on LA funds	40,687	-	-	40,687
LGPS pension surplus/(deficit)	-	(182,000)	-	(182,000)
Net assets/(liabilities)	40,687	(182,000)	1,025,000	883,687

Hopton CofE Primary Academy

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land	-	-	240,000	240,000
Budget surplus/(deficit) on LA funds	77,319	-	-	77,319
LGPS pension surplus/(deficit)	-	(229,000)	-	(229,000)
Total	77,319	(229,000)	240,000	88,319

25. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,623,401 (2017 - £1,654,710).

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

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

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25. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,635,000 (2017 - £1,163,000), of which employer's contributions totalled £1,269,000 (2017 - £816,000) and employees' contributions totalled £366,000 (2017 - £347,000). The agreed contribution rates for future years are 16.4% for employers and tiered% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.80 %	<i>2.50 %</i>
Rate of increase in salaries	2.60 %	<i>2.70 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.40 %</i>

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

	2018	<i>2017</i>
Retiring today		
Males	22.1 years	<i>22.1 years</i>
Females	24.4 years	<i>24.4 years</i>
Retiring in 20 years		
Males	24.1 years	<i>24.1 years</i>
Females	26.4 years	<i>26.4 years</i>

	At 31 August 2018 £	<i>At 31 August 2017 £</i>
Sensitivity analysis		
Discount rate +0.1%	579,400	<i>540,800</i>
Discount rate -0.1%	(579,400)	<i>(540,800)</i>
Mortality assumption + 1 year increase	817,720	<i>803,860</i>
Mortality assumption - 1 year decrease	(817,720)	<i>(803,860)</i>
CPI rate +0.1%	484,600	<i>436,000</i>
CPI rate -0.1%	(484,600)	<i>(436,000)</i>

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

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	8,018,000	<i>8,006,000</i>
Debt instruments	5,346,000	<i>3,228,000</i>
Property	1,887,000	<i>1,420,000</i>
Cash	472,000	<i>259,000</i>
	<hr/> 15,723,000 <hr/>	<hr/> <i>12,913,000</i> <hr/>
Total market value of assets		

The actual return on scheme assets was £947,000 (2017 - £1,278,000).

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

	2018 £	<i>2017 £</i>
Current service cost (net of employee contributions)	(2,677,000)	<i>(2,044,000)</i>
Interest income	342,000	<i>237,000</i>
Interest cost	(540,000)	<i>(432,000)</i>
	<hr/> (2,875,000) <hr/>	<hr/> <i>(2,239,000)</i> <hr/>
Total		
	<hr/> 947,000 <hr/>	<hr/> <i>1,278,000</i> <hr/>
Actual return on scheme assets		

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	20,099,000	<i>18,080,000</i>
Current service cost	2,677,000	<i>2,044,000</i>
Interest cost	540,000	<i>432,000</i>
Employee contributions	366,000	<i>347,000</i>
Actuarial losses/(gains)	(2,486,000)	<i>(2,239,000)</i>
Benefits paid	(98,000)	<i>(128,000)</i>
Liabilities assumed on academy conversion	845,000	<i>1,563,000</i>
	<hr/> 21,943,000 <hr/>	<hr/> <i>20,099,000</i> <hr/>
Closing defined benefit obligation		

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

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

	2018 £	2017 £
Opening fair value of scheme assets	12,913,000	10,218,000
Return on plan assets (excluding net interest on the net defined pension liability)	342,000	237,000
Actuarial losses/(gains)	497,000	685,000
Employer contributions	1,269,000	1,116,000
Employee contributions	366,000	347,000
Benefits paid	(98,000)	(128,000)
Assets acquired on academy conversion	434,000	438,000
	<u>15,723,000</u>	<u>12,913,000</u>
Closing fair value of scheme assets		

26. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	57,353	30,162
Between 1 and 5 years	94,202	91,976
After more than 5 years	8,942	-
	<u>160,497</u>	<u>122,138</u>
Total		

27. MEMBERS' LIABILITY

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

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28. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. Purchases from the Norwich Diocesan Board of Finance Limited (NDBF) and Spire Support Services were provided at no more than cost and the Trust received statements of assurance confirming this.

NDBF is a related party due to its powers in relation to the appointment of the company's members.

NDBF recharged costs incurred in relation to services provided to the company totalling £40,216 (2017: £29,301), of which £nil (2017: £nil) was outstanding at the year end.

Certain academy schools occupy premises that are owned by the NDBF. No charge is made for occupation. The terms of occupation of each school are detailed in note 15. Support costs (note 9) includes £776,591 (2017: £710,319) of improvements to school premises which have been expensed in line with accounting policy 1.5.

During the year payments of £4,428 (2017: £9,984) were made to Spire Support Services Ltd, a company wholly owned by NDBF.

During the year payments of £nil (2017: £nil) were made to Headlee Education Consultancy Ltd of which Lee Stevens is a director.

DNEAT charged the Diocese of Norwich St Benet's Multi Academy Trust £38,775 in respect of setup costs of that trust. This service was delivered at cost.

29. AGENCY ARRANGEMENTS

DNEAT acted as agent for Diocese of Norwich St Benet's Multi Academy Trust while that trust was being set up and before its banking and financial systems were established:

- DNEAT received from DfE and paid over to Diocese of Norwich St Benet's Multi Academy Trust a £95,000 start-up grant
- A further £282,371 of costs were paid by DNEAT and reimbursed by Diocese of Norwich St Benet's Multi Academy Trust

