

Company Registration No. 08852553 (England and Wales)

NORTH WEST ACADEMIES TRUST LIMITED

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

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NORTH WEST ACADEMIES TRUST LIMITED

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NORTH WEST ACADEMIES TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Local Governors Board at Oak View

D Chapman (Parent)
R Clark (Deputy Headteacher)
S Buxton (Parent)
J Halstead (Vice Chair)
K Hassett (Governor) *
S Livemore (Parent) *
F Rimmer (Headteacher) *
M Baynham (Governor)
V Ratchford (Chair)

Local Governors Board at Ellesmere

K Poynton (Parent)
S Thornton (Governor) - Resigned 01/01/17 *
D Martin (Governor) *
L Winter (Governor) - Resigned 31/08/17 *
L Else (Parent) *
A Everett (Headteacher) *
S Jarvis (Governor)
K Mort (Deputy Headteacher) *
S Knox (Chair) *

* members of the finance and general purposes committee

Members/Trustees

S Docking - CEO and Accounting Officer for the Trust
M Forber
B Wignall
A Walmsley
I Colledge - Member only

Senior management team: at Oak View Academy

- Headteacher	F Rimmer
- Deputy Headteacher	R Clark
- Chair of Local Governing Board	S Docking
- Accounting Officer	S Docking

Senior management team: at Ellesmere Primary School

- Headteacher	A Everett
- Deputy Headteacher	K Mort
- Chair of Local Governing Board	S Knox
- Accounting Officer	S Docking

Company secretary

Oliver & Co Secretarial Services Limited

Company registration number

08852553 (England and Wales)

NORTH WEST ACADEMIES TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Principal address

Cedar House
91 Hoole Road
Chester
Cheshire
CH2 3NG

Registered office

Cedar House
91 Hoole Road
Chester
Cheshire
CH2 3NG

Academies operated

Oak View Academy
Ellesmere Primary School

Location

Winsford
Ellesmere, Shropshire

Principal

F Rimmer
A Everett

Independent auditor

White & Company (UK) Limited
6th Floor
Blackfriars House
Parsonage
Manchester
M3 2JA

Bankers

Lloyds Bank Group PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Oliver & Co Solicitors Limited
Douglas House
117 Foregate Street
Chester
Cheshire
CH1 1HE

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The governors of the Northwest Academies Trust present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust currently operates two academy schools, Oak View Academy and Ellesmere Primary School. On 1 September 2016, Ellesmere Primary School converted to Academy status. Ellesmere Primary School was previously operated under Shropshire County Council. Details of the conversion are included in note 25 to the financial statements.

Oak View Academy operates for pupils aged 3 - 11 serving a designated catchment area in Cheshire West and Chester. It has a pupil capacity of 210 school places and 26 nursery places, 236 in total, and had a roll of 146 in Autumn term 2014 increasing to a roll of 190 in the school census dated 22 May 2017.

Ellesmere Primary School operates for pupils aged 3 - 11 serving a designated catchment area in Shropshire. It has a pupil capacity of 420 school places and 34 nursery places, 454 in total, and had a roll of 379 (including nursery) in Autumn term 2016 increasing to a roll of 394 in the school census dated 5 October 2017.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors are the trustees of North West Academies Trust Limited and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The governors and trustees carry full directors liability insurance.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of governors

The trustees are appointed and inducted in accordance with the provisions set out in the Memorandum and Articles of Association.

Each school within the Trust also has its own local Governing body and the trust has a place on each Governing board.

The number of directors shall not be less than three.

All governors shall upon their appointment give a written undertaking to the Foundation members/ trustees to uphold the object of the Academy Trust.

The members as designated in the articles of association may appoint up to ten governors. They may appoint staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of governors.

The parent governors at each academy shall be elected by parents of the registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time that they are elected. There must be at least two parent governors.

The Secretary of State may appoint such additional governors as he thinks fit if he has given the governors a warning notice and the governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

Policies and procedures adopted for the induction and training of governors

All governors are subject to a formal training and induction process. Training can take place internally or involving external organisations. The principal also fully briefs all governors on the daily operation of the school.

A review of the training needs of the trustees has been carried out during the period and the necessary requirements for further training and the induction of any new trustees will be considered in each period.

Governors training is comprehensive and reviewed regularly.

Organisational structure

Subject to the provisions of the Companies Act 2006, the Articles of Association and any directions given by special resolution, the business of the Academy Trust is managed by the governors who may exercise all the powers of the Academy Trust as delegated in the terms of reference. The governors also have the power to expend the funds of the Academy Trust in such manner as they consider most beneficial and enter into contracts on behalf of the Academy Trust should they deem it to be necessary. Subject to correct accounting procedures as determined by the Trust in accordance with the academies financial handbook.

Arrangements for setting pay and remuneration of key management personnel

Each year the Governors approve the trusts pay policy which stipulates pay and conditions for all staff. The trust follows teachers pay and conditions for all teaching staff. The teachers pay scales are clearly set out in the pay policy. The academy follows the NJC pay scales for all support staff and these grades are listed as an appendix in the pay policy. For senior staff on the leadership pay scale, pay is determined relevant to school size and budgetary constraints. Currently there are only four members of staff on this pay scale who are the Principal and Deputy Principal at Oak View Academy and the Principal and Deputy Principal at Ellesmere Primary School. The pay of all staff is linked to yearly appraisal and all pay awards are subject to satisfactory performance in relation to targets that are set as part of the appraisal process. The Principal's appraisal targets are set by an external school improvement partner who offers support and guidance to the Governors on both the schools and Principals performance in the workplace.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Related parties and other connected charities and organisations

North West Academies Trust Limited is connected to The Delamere CE Primary Academy by virtue that the principal of the school, Steve Docking, operates as CEO of the Trust. In addition to this, Brendan Wignall and Adrian Walmsley are directors and trustees of St Martin's Academy and Steve Docking is also a director of St Martin's Academy.

In addition, W J Timpson a director and trustee of The Delamere Church of England Primary Academy, provides an annual Bursary to North West Academies Trust Limited.

Objectives and activities

Objects and aims

The Academy Trust's object is specifically restricted in the Articles of Association to the following; to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

The main objectives of the Trust during the period ended 31 August 2017 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with the local community; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties under the Charities Act 2006.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

The North West Academies Trust is a multi academy trust and also a sponsor of failing schools. The trust operate two schools and is growing. Both schools are currently rated good by Ofsted. NWAT are also in pre-opening for The Ledsham Manor Academy a brand new free school in Ellesmere Port.

The Oak View Primary Academy, in Winsford Cheshire, was a failing school that the Trust were brokered to sponsor in April 2014. In 2014 the school was rated as the second worst school in the country in terms of its Key Stage 2 results. The trust, working in partnership with the leadership and management of the school, has transformed the school and it was rated as good by Ofsted in March 2014. This was the first time the school had received a good rating in over 12 years. The school is one of the best performing schools in Winsford and it results at the end of key stage two are now consistently above floor targets and also it's progress scores place it in the top 5% of schools nationally. The school is performing well and offers exceptional value to money to its pupils.

Ellesmere Primary Academy, in Ellesmere Shropshire, elected to join the North West Academies Trust in September 2016. The finances of the school had been poorly managed prior to joining the trust and they had incurred a historic deficit of £250,352. They joined the trust with this deficit which has to be repaid out of future income. Further details can be found in note 14. The school has worked hard under the support and guidance of the trust to balance their finances going forward. The school educational performance has also improved significantly with results moving from below floor to above this in only twelve months. The school operates in the centre of Ellesmere and is of above average size. It has a mixed catchment of children and a disproportionate number of EAL pupils, in comparison to other schools locally, due to the nature of employment in the area. The school is in the process of submitting a bid to refurbish the current site and in order to meet the future needs of the pupils. Historically this schools has suffered from minimal investment and our aim as an organisation is to make it an outstanding school for the community it serves.

From October 1st 2017, The Delamere CE Primary School and St Martin's Academy Chester will join the trust. This will further strengthen NWAT. The trust is also in the process of recruiting other schools and should grow over the coming years.

Key performance indicators

The strategic goals relating to achievement, progress, engagement and provision are monitored closely by the governors and the Trust directors.

Most of the Academy's income is obtained from the Department of Education via the EFA in the form of recurrent grants, the use of which is restricted for a particular purpose. The grants received and the associated expenditure are shown as restricted funds in the statement of financial activities.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The financial statements have been prepared in accordance with current statutory requirements and the Academy's governing documents and are fully compliant with all aspects of the EFA Financial Academies Handbook.

The grants and sponsorship received during the year and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy remains dependent on the provision of grants from the EFA.

During the year ended 31 August 2017, the deficit of income over expenditure for the year (before recognised gains and losses and excluding capital restricted funds and funds inherited on conversion) equated to £143k (2016: deficit £32k) represented by total expenditure of £3,015k (2016: £1,102k) against income (excluding capital grants and inherited funds) of £2,927 (2016: £1,070k).

The governors and directors are diligent in monitoring all financial transactions and ensuring the school receives the best value for money.

On 31 August 2017 the net book value of fixed assets was £7,231k (2016: £2,430k) and movements in tangible fixed assets are shown in note 12 to the financial statements. The academy were subject to a revaluation gain during the period based on the advice of a chartered surveyor. The Trust employed a chartered surveyor during the period to assess the property valuation of Oak View Academy who operate under the MAT, this has a material impact on the carrying value and had increased the overall carrying value of fixed assets by £623k. On the 01 September 2016, Ellesmere Primary School transferred into the MAT from Shropshire Council, the transfer assumed the acquisition of a leasehold interest, which was independently valued by a chartered surveyor. The fair value of the leasehold interest on acquisition was valued at £4,194k, which has been recognised within the carrying value of fixed assets. The assets were used exclusively for providing education and the associated support services of the pupils of the Academy.

Reserves policy

The governors review the level of reserves on an annual basis. The reserves of the Academy consist of both general unrestricted funds and restricted funds. The governors consider the present level of reserves adequate for the needs of the organisation.

The policy of the trust for all schools within the Trust is to maintain general restricted reserves of approximately three months expenditure at any point in time. This ensures that there are adequate reserves to cover day to day running costs should there be a fluctuation in income or costs.

Furthermore, it also provides adequate resources should there be significant expenditure required on the school that is out of the ordinary such as emergency repairs.

Ellesmere Primary School

On the 1st September 2016 Ellesmere Primary School came into the trust. The school had a retained deficit of approximately £250,000 on conversion. This deficit has been recognised within reserves this financial year. Accordingly the trust now has a retained deficit at 31 August 2017.

Ellesmere Primary School has a deficit recovery plan to eliminate this deficit over the next three years, concentrating on reducing costs and increasing revenue by increasing pupil numbers.

Oak View Academy

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The policy of the trust is to maintain general restricted reserves of approximately three months expenditure at any point in time. This ensures that there are adequate reserves to cover day to day running costs should there be a fluctuation in income or costs.

Furthermore it also provides adequate resources should there be significant expenditure required on the school that is out of the ordinary such as emergency repairs.

Oak View Academy produced a loss in the year ended 31 August 2017, with the difference between income received and expenditure made being paid for by deposit savings. The school and trust are confident that this situation will be addressed by September 2018 as pupil numbers and associated revenues increase.

Investment policy and powers

The governors have the ability to invest to funds of the Trust as they see fit. Currently the Trust does not have any long term investments with the cash reserves of the Trust being held in bank accounts. The governors have no plans for any long term investment purchases in the near future.

Principal risks and uncertainties

The Trust is exposed to a variety of financial risks including interest rate and cash flow risk.

The governors have delegated the responsibility of monitoring financial risk management to a sub-committee of the board or the Governor body at Oak View. Termly finance meetings are held with the school and regular reviews of spending under tight financial control take place with the Headteacher, CEO, the school business manager and the school local governing board. The school is supported by the Principal Financial officer of the trust and the Trusts accountant oversees and ensures that all spend is compliant with financial policies and in accordance with the Financial Academies Handbook. The policies set by the board by the Trust are implemented effectively by The Principal.

The financial and risk management objectives have been set out in the respective policies which are reviewed and updated on an annual basis.

The Academy Trust has exposure to a number of financial risks including credit, cash flow and liquidity risks. However, given the nature of the Academy Trust, the 'Financial instruments' that they deal with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. Consequently, trustees and governors are of the opinion that the financial risks will not be material to the assessment of the Trust's assets, liabilities, financial position and its results.

One of the risks facing the Academy is in relation to the Local Government Pension Scheme (LGPS), the costs of which are largely outside the control of the Academies.

Hymans Robertson were instructed by Cheshire West and Chester, the Administering Authority to the Pension Fund, to undertake pension expense calculations in respect of pension benefits provided by the LGPS to employees of Oak View Academy as at 31 August 2017. The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2007/08, as amended. It is contracted out of the State Second Pension.

Mercer were instructed by Shropshire Council, the Administering Authority to the Pension Fund, to undertake pension expense calculations in respect of pension benefits provided by the LGPS to employees of Ellesmere Primary School as at 31 August 2017. The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2007/08, as amended. It is contracted out of the State Second Pension.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

The Trust currently has two schools within it Oak View and Ellesmere and one school in pre opening in Ledsham Manor Academy in Ellesmere Port. As from 1st October 2017 The Delamere CE Primary Academy and St Martin's Academy in Chester will join the trust. As a trust we have also been brokered to support a failing school in Winsford and have three other schools in discussions to join the trust from September 2018. This should see our trust expand over the next twelve months and grow significantly. Our aim over no precise time period is to grow to around twenty schools by taking on failing schools and also good or outstanding schools to improve capacity within the trust.

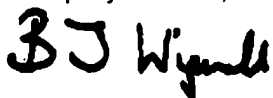
Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that White & Company (UK) Limited be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 22 December 2017 and signed on its behalf by:



B Wignall
Chairman/Director/Trustee

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that North West Academies Trust Limited 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 governors has delegated the day-to-day responsibility to the principal, 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 North West Academies Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' Responsibilities. The board of governors at each academy school has formally met three times during the period. The Trust Board have also formally met three times during the year. Attendance during the period at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
NWAT Board Meetings		
S Docking (Director/Trustee/CEO)	3	3
M Forber (Vice Chair/Director/Trustee)	3	3
B Wignall (Chairman/Director/Trustee)	3	3
A Walmsley (Director/Trustee)	3	3
Oak View LGB		
D Chapman (Parent)	2	3
R Clark (Deputy Headteacher)	3	3
S Buxton (Parent)	3	3
J Halstead (Vice Chair)	3	3
K Hassett (Governor)	1	3
S Livemor (Parent)	3	3
F Rimmer (Headteacher)	3	3
M Baynham (Governor)	2	3
V Ratchford (Chair)	3	3
Ellesmere LGB		
K Poynton (Parent)	2	3
S Thornton (Governor)	1	1
D Martin (Governor)	2	3
L Winter (Governor)	3	3
L Else (Parent)	2	2
A Everett (Headteacher)	3	3
S Jarvis (Governor)	3	3
K Mort (Deputy Headteacher)	3	3
S Knox (Chair)	3	3

The structure is split into three with the main board meetings for NWAT taking place termly. The LGB meets termly and also each local Governing body operates both a Finance Committee and an Education Committee. Meetings are all minuted by an independent clerk appointed by NWAT. The meetings are responsible for ensuring good governance takes place and this in turn leads to great outcomes for children. Each meeting, Governors are presented with outcome focused reports and from these and visits to the school Governors and Directors determine best value. Data is also gathered from a range of other sources including key performance indicators such as the league tables and progress reports by external advisors to the school.

NWAT have evaluated the structure of Governance and have made changes to its Governance structure from September 1st 2017. Our next review of Governance will take place in September 2018. Oak View also received an Ofsted report in March 2017 and this rated Governance as good in all areas.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The finance and general purposes committee is a sub-committee of the main board of governors. Its purpose is to:

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Oakview Finance Committee		
S Docking (Director/Trustee/CEO)	3	4
K Hassett (Governor)	3	3
S Livemore (Parent)	2	3
F Rimmer (Headteacher)	3	3
Ellesmere Finance Committee		
S Thornton (Governor)	2	2
D Martin (Governor)	2	4
L Else (Parent)	2	2
A Everett (Headteacher)	4	4
K Mort (Deputy Headteacher)	1	1
S Knox (Chair)	4	4

Review of value for money

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

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

- Consistently benchmarking our costs against our collaboration of schools considering how we learn from each other in achieving best value for money both in terms of outcomes for our pupils and spending of our resources.

Achieving value for money based on pupil outcomes is one of our highest priorities. During the year we took on Ellesmere Primary School which had been operating at a deficit. We have turned this round and moved the school into surplus enhancing value for all the pupils at the school. The school results have moved from the bottom third to the top third of results in Shropshire.

We continue to invest in our other school Oak View Academy to further enhance provision. The results at Oak View give some of the highest progress scores by children in the country.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in North West Academies Trust Limited for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and general purposes 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 governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the governors have appointed Sandie Jones as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

On a termly basis, the RO reports to the board of governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors. No material control issues were identified.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

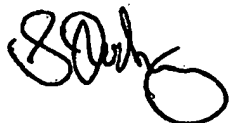
Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

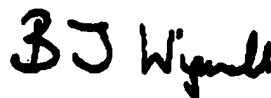
- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 22 December 2017 and signed on its behalf by:



S Docking
Director/Trustee/CEO



B Wignall
Chairman/Director/Trustee

NORTH WEST ACADEMIES TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of North West Academies Trust Limited I have considered my responsibility to notify the Academy Trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

I confirm that I and the Academy Trust's board of governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



S Docking
Accounting Officer

22 December 2017

NORTH WEST ACADEMIES TRUST LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The governors (who act as trustees for North West Academies Trust Limited and are also the directors of North West Academies Trust Limited for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

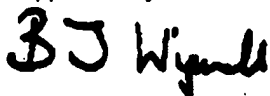
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on 22 December 2017 and signed on its behalf by:



B Wignall
Chairman/Director/Trustee

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH WEST ACADEMIES TRUST LIMITED

Opinion

We have audited the accounts of North West Academies Trust Limited for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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 governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH WEST ACADEMIES TRUST LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' Report including the incorporated 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 the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH WEST ACADEMIES TRUST LIMITED (CONTINUED)



**Emma Abbott-Rattray (Senior Statutory Auditor)
for and on behalf of White & Company (UK) Limited**

**Chartered Accountants
Statutory Auditor**

22 DECEMBER 2017
.....

6th Floor
Blackfriars House
Parsonage
Manchester
M3 2JA

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH WEST ACADEMIES TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 December 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North West Academies Trust Limited during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of North West Academies Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of North West Academies Trust Limited's funding agreement with the Secretary of State for Education dated 1 April 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH WEST ACADEMIES TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

White & Company (UK) Limited

Reporting Accountant

White & Company (UK) Limited
6th Floor
Blackfriars House
Parsonage
Manchester
M3 2JA

Dated: 22 December 2017

NORTH WEST ACADEMIES TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from:						
Donations and capital grants	4	174	2	-	176	64
Donations - transfer from local authority on conversion	25	-	(1,390)	4,233	2,843	-
Charitable activities:						
- Funding for educational operations	6	-	2,625	-	2,625	973
Other trading activities	5	126	-	-	126	33
Total income and endowments		<u>300</u>	<u>1,237</u>	<u>4,233</u>	<u>5,770</u>	<u>1,070</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	59	2,956	55	3,070	1,135
Total expenditure	7	<u>59</u>	<u>2,956</u>	<u>55</u>	<u>3,070</u>	<u>1,135</u>
Net income/(expenditure)		241	(1,719)	4,178	2,700	(65)
Transfers between funds		(281)	250	31	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	259	-	259	(298)
Revaluation of fixed assets	12	-	-	623	623	-
Net movement in funds		<u>(40)</u>	<u>(1,210)</u>	<u>4,832</u>	<u>3,582</u>	<u>(363)</u>
Reconciliation of funds						
Total funds brought forward		40	(387)	2,366	2,019	2,382
Total funds carried forward		<u>-</u>	<u>(1,597)</u>	<u>7,198</u>	<u>5,601</u>	<u>2,019</u>

NORTH WEST ACADEMIES TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total 2016 £'000
Income and endowments from:					
Donations and capital grants	4	64	-	-	64
Charitable activities:					
- Funding for educational operations	6	-	973	-	973
Other trading activities	5	33	-	-	33
Total income and endowments		<u>97</u>	<u>973</u>	<u>-</u>	<u>1,070</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	19	1,083	33	1,135
Total expenditure	7	<u>19</u>	<u>1,083</u>	<u>33</u>	<u>1,135</u>
Net income/(expenditure)		78	(110)	(33)	(65)
Transfers between funds		(38)	6	32	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	19	-	(298)	-	(298)
Net movement in funds		<u>40</u>	<u>(402)</u>	<u>(1)</u>	<u>(363)</u>
Reconciliation of funds					
Total funds brought forward		-	15	2,367	2,382
Total funds carried forward		<u>40</u>	<u>(387)</u>	<u>2,366</u>	<u>2,019</u>

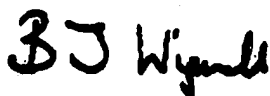
NORTH WEST ACADEMIES TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017	2016
	Notes	£'000	£'000
Fixed assets			
Tangible assets	12	7,231	2,430
Current assets			
Debtors	13	93	64
Cash at bank and in hand		388	215
		481	279
Current liabilities			
Creditors: amounts falling due within one year	14	(356)	(123)
Net current assets		125	156
Total assets less current liabilities		7,356	2,586
Creditors: amounts falling due after more than one year	15	(160)	-
Net assets excluding pension liability		7,196	2,586
Defined benefit pension liability	19	(1,595)	(567)
Net assets		5,601	2,019
Funds of the Academy Trust:			
Restricted funds	17		
- Fixed asset funds		7,198	2,366
- Restricted income funds		(2)	180
- Pension reserve		(1,595)	(567)
Total restricted funds		5,601	1,979
Unrestricted income funds	17	-	40
Total funds		5,601	2,019

The accounts set out on pages 22 to 49 were approved by the board of governors and authorised for issue on 22 December 2017 and are signed on its behalf by:



B Wignall
Chairman/Director/Trustee

Company Number 08852553

NORTH WEST ACADEMIES TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	£'000	2016 £'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	20		(160)		(47)
Cash funds transferred on conversion	25		43		-
			<u>(117)</u>		<u>(47)</u>
Cash flows from investing activities					
Payments to acquire tangible fixed assets		-		(23)	
		<u>-</u>		<u>(23)</u>	
			-		(23)
Cash flows from financing activities					
Repayment of other loan		266		-	
Capital element of hire purchase and finance leases		25		-	
Finance costs		(1)		-	
		<u>290</u>		<u>-</u>	
			290		-
Change in cash and cash equivalents in the reporting period			173		(70)
Cash and cash equivalents at 1 September 2016			215		285
Cash and cash equivalents at 31 August 2017			<u>388</u>		<u>215</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

North West Academies Trust Limited is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

1.1 Basis of preparation

The accounts 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

North West Academies Trust Limited meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Conversion of Ellesmere Primary School

The conversion from a state maintained school to an Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. 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 Ellesmere Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

1.4 Income

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

Grants receivable

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

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

The property occupied by Oak View Academy was recognised at the date of conversion on the balance sheet as a fixed asset with a corresponding entry as a gift in kind to the restricted fixed asset fund. This is then depreciated on a straight line basis over the term of the lease.

The property occupied by Ellesmere Primary School was recognised at the date of conversion on the balance sheet as a fixed asset with a corresponding entry as a gift in kind to the restricted fixed asset fund. This is then depreciated on a straight line basis over the term of the lease.

Transfer of assets from existing academies

Where assets are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within donations and capital grant income.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Governance costs

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

1.6 Tangible fixed assets and depreciation

Assets with an estimated useful economic life of two years or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold land and buildings	On a straight line basis over the term of the lease (125 years)
Fixtures, fittings & equipment	25% reducing balance

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.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 are recognised in the period to which they relate.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Income

Income receipts are calculated by reference to the amounts received to date and grant, sponsorship other other guarantee agreements. Amounts recognised as income but not yet received are included in prepayments and accrued income. Amounts received but not recognised as income are included in accruals and deferred income.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the Trust have exceeded these limits during the year ended 31 August 2017.

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Private sponsorship	50	-	50	50
Other donations	124	2	126	14
	<u>174</u>	<u>2</u>	<u>176</u>	<u>64</u>

5 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	27	-	27	9
Other income	99	-	99	24
	<u>126</u>	<u>-</u>	<u>126</u>	<u>33</u>

6 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	2,014	2,014	718
Start up grants	-	11	11	-
Other DfE / ESFA grants	-	309	309	124
	<u>-</u>	<u>2,334</u>	<u>2,334</u>	<u>842</u>
Other government grants				
Local authority grants	-	291	291	131
	<u>-</u>	<u>291</u>	<u>291</u>	<u>131</u>
Total funding	<u>-</u>	<u>2,625</u>	<u>2,625</u>	<u>973</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations					
- Direct costs	1,722	-	153	1,875	727
- Allocated support costs	526	171	498	1,195	408
	<u>2,248</u>	<u>171</u>	<u>651</u>	<u>3,070</u>	<u>1,135</u>
Total expenditure	<u>2,248</u>	<u>171</u>	<u>651</u>	<u>3,070</u>	<u>1,135</u>

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Fees paid to auditor for audit services	6	6
Operating lease rentals	4	4
Depreciation of tangible fixed assets	55	33
	<u>65</u>	<u>43</u>

Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;

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

6.5% Government Annual Grant

The amounts charged during the year were as follows:

	Total £'000
Oak View Academy	45
Ellesmere Primary School	83
	<u>128</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	59	1,816	1,875	727
Support costs - educational operations	-	1,195	1,195	408
	<u>59</u>	<u>3,011</u>	<u>3,070</u>	<u>1,135</u>
			2017 £'000	2016 £'000
Analysis of support costs				
Support staff costs			526	115
Depreciation and amortisation			55	33
Technology costs			41	33
Premises costs			224	93
Other support costs			195	50
Governance costs			154	84
			<u>1,195</u>	<u>408</u>

9 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	1,701	613
Social security costs	133	44
Operating costs of defined benefit pension schemes	399	117
Staff costs	<u>2,233</u>	<u>774</u>
Supply staff costs	3	-
Staff development and other staff costs	12	6
Total staff expenditure	<u>2,248</u>	<u>780</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

(Continued)

Staff numbers

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

	2017 Number	2016 Number
Teachers	31	11
Administration and support	75	25
Management	2	1
	<u>108</u>	<u>37</u>

Higher paid staff

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

	2017 Number	2016 Number
Over 60,000	<u>2</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £252,663 (2016: £121,395)

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Governors' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contract of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

The value of governors' remuneration and other benefits was as follows:

Fiona Rimmer (Headteacher - Oak View Academy) (Principal):

Remuneration £60,000 - £70,000 (2016: £60,000 - £70,000)

Employer's pension contributions paid £10,000 - £15,000 (2016: £5,000 - £10,000)

Richard Clark (Deputy Headteacher - Oak View Academy):

Remuneration £40,000 - £50,000 (2016: £40,000 - £50,000)

Employer's pension contributions paid £5,000 - £10,000 (2016: £5,000 - £10,000)

Kelsey Mort (Deputy Principal - Ellesmere Primary School):

Remuneration £40,000 - £50,000 (2015: £40,000 - £50,000)

Employer's pension contributions paid £5,000 - £10,000 (2016: £0 - £5,000)

Andrew Everett (Headteacher - Ellesmere Primary School)

Remuneration £60,000 - £70,000 (2015: £0 - £5,000)

Employer's pension contributions paid £10,000 - £15,000 (2016: £0 - £5,000)

Other related party transactions involving the governors are set out within the related parties note.

11 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust is part of the DFE's Risk Protection Insurance scheme to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this scheme is £25 per pupil (covering all insured risks, of which this risk is an inseparable part) with funding taken directly at source from the EFA.

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

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

	Leasehold land and buildings £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost			
At 1 September 2016	2,423	86	2,509
Transfer on conversion	4,194	74	4,268
Revaluation	557	-	557
	<u>7,174</u>	<u>160</u>	<u>7,334</u>
At 31 August 2017			
Depreciation			
At 1 September 2016	47	32	79
Transfer on conversion	-	35	35
Revaluation	(66)	-	(66)
Charge for the year	19	36	55
	<u>-</u>	<u>103</u>	<u>103</u>
At 31 August 2017			
Net book value			
At 31 August 2017	<u>7,174</u>	<u>57</u>	<u>7,231</u>
At 31 August 2016	<u>2,376</u>	<u>54</u>	<u>2,430</u>

The net book value of land and buildings comprises:

	2017 £'000	2016 £'000
Long leaseholds (over 125 years)	<u>7,174</u>	<u>2,376</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

(Continued)

The leasehold property relates to the school premises of Oak View Primary Academy and Ellesmere Primary School which is provided at a peppercorn rental rate from their local authorities. Ellesmere Primary School introduced their leasehold interest upon the conversion of the school to an academy on 1 September 2016 at a valuation of £4,193,500. The carrying value of Oak View Primary Academy's leasehold interest as at the reporting date was £2,357,000.

The leasehold interests were revalued in November 2017 by Halls Holdings Ltd, an external firm of independent RICS Chartered Surveyors, at £4,193,500 for Ellesmere Primary School and £2,980,000 for Oak View Primary School. The multi academy trust ("MAT") have decided to adopt a policy of revaluation due to the introduction of two additional academies into the MAT post year end, the revaluation policy is attributable to only the Land and Buildings asset class, the valuations have been performed based upon the market value of the properties in their physical conditions at the valuation date. Although the valuation was carried out post year end, the governors are of the opinion that the valuation of both properties between the reporting date and the date of valuation will not materially differ from one another. All other asset classes continue to be carried at historical cost.

The net impact of the revaluation in respect of both properties is the increase the net book value of fixed assets by £4,816,721. The element attributable to Ellesmere Primary's transfer into the MAT has been treated as a donation, and recognised directly in the restricted fixed asset fund. The Oak View element has been recognised in other gains and losses within the Statement of Financial Activities. Both treatments are in line with FRS102 and the Academies Accounts Direction 2016/17.

The directors consider the depreciated valuation of land and buildings disclosed above to be a true reflection of the value of the property at the balance sheet date given the outcome of the revaluation in November 2017.

The Trust have undertaken a full assets and inventory register for all fixed assets at Oak View Academy and Ellesmere Primary School.

Finance leases and hire purchase contracts

Fixtures, fittings and equipment held under finance lease have a net carrying value of £14,058 and depreciation was charged during the year totalling £24,099.

13 Debtors

	2017 £'000	2016 £'000
Trade debtors	7	1
VAT recoverable	30	24
Prepayments and accrued income	56	39
	<u>93</u>	<u>64</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 Creditors: amounts falling due within one year	2017 £'000	2016 £'000
ESFA : abatement	106	-
Net obligations under finance lease and hire purchase contracts	25	-
Trade creditors	90	74
Other taxation and social security	29	13
Other creditors	35	13
Accruals and deferred income	71	23
	<u>356</u>	<u>123</u>

Ellesmere Primary School converted to Academy status on 1 September 2016. At this date, the school had accumulated a deficit of £250,352 which is required to be repaid to Shropshire, County Council. A repayment plan has been agreed over three years with the final repayment being due July 2020. The repayment plan is interest free with monthly payments of £6,954 per month.

The abatement has been secured over one of the properties held by North West Academies Trust Limited via a legal charge.

15 Creditors: amounts falling due after more than one year	2017 £'000	2016 £'000
EFSA : Abatement	<u>160</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	266	-
Less: included in current liabilities	(106)	-
	<u>160</u>	<u>-</u>
Amounts included above	<u>160</u>	<u>-</u>
Loan maturity		
Debt due in one year or less	106	-
Due in more than one year but not more than two years	160	-
	<u>266</u>	<u>-</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16	Deferred income	2017	2016
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	46	15
		<u>46</u>	<u>15</u>
	Deferred income at 1 September 2016	15	17
	Released from previous years	(15)	(17)
	Amounts deferred in the year	46	15
		<u>46</u>	<u>15</u>
	Deferred income at 31 August 2017	46	15
		<u>46</u>	<u>15</u>

At the balance sheet date the Academy Trust was holding funds received in advance for its 2017/18 academic year.

17	Funds	Balance at			Gains,	Balance at
		1 September			losses and	31 August
		2016	Income	Expenditure	transfers	2017
		£'000	£'000	£'000	£'000	£'000
	Restricted general funds					
	General Annual Grant	(74)	2,014	(2,813)	1,097	224
	Start up grants	-	11	-	(11)	-
	Other DfE / ESFA grants	130	309	-	(439)	-
	Other government grants	124	291	-	(415)	-
	Other restricted funds	-	(244)	-	18	(226)
		<u>180</u>	<u>2,381</u>	<u>(2,813)</u>	<u>250</u>	<u>(2)</u>
	Funds excluding pensions	180	2,381	(2,813)	250	(2)
	Pension reserve	(567)	(1,144)	(143)	259	(1,595)
		<u>(387)</u>	<u>1,237</u>	<u>(2,956)</u>	<u>509</u>	<u>(1,597)</u>
		<u>(387)</u>	<u>1,237</u>	<u>(2,956)</u>	<u>509</u>	<u>(1,597)</u>
	Restricted fixed asset funds					
	Transferred on conversion	2,366	4,233	-	-	6,599
	DfE / ESFA capital grants	-	-	(55)	654	599
		<u>2,366</u>	<u>4,233</u>	<u>(55)</u>	<u>654</u>	<u>7,198</u>
		<u>2,366</u>	<u>4,233</u>	<u>(55)</u>	<u>654</u>	<u>7,198</u>
	Total restricted funds	1,979	5,470	(3,011)	1,163	5,601
		<u>1,979</u>	<u>5,470</u>	<u>(3,011)</u>	<u>1,163</u>	<u>5,601</u>
	Unrestricted funds					
	General funds	40	300	(59)	(281)	-
		<u>40</u>	<u>300</u>	<u>(59)</u>	<u>(281)</u>	<u>-</u>
	Total funds	2,019	5,770	(3,070)	882	5,601
		<u>2,019</u>	<u>5,770</u>	<u>(3,070)</u>	<u>882</u>	<u>5,601</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the GAG. Of the carried forward amount up to 2% of the GAG can be used for general purposes at the discretion of the Academy but any balance over 2% must be used for capital purposes.

The Restricted Fixed Asset Fund comprises the deemed gifting of the school premises against which depreciation will be charged over the 125 year term of the lease. Also contained in the fund are grants for the extension of the school building against which depreciation will be charged on the additions over the remainder of the lease term.

The deficit arising on the GAG during the period was budgeted following a fall in pupil numbers as a result of the last OFSTED inspection. The Trust has incurred high levels of expenditure in order to improve the facilities, teaching provisions and IT equipment at Oakview in order to improve performance and increase pupil numbers. This has naturally created a deficit as expenditure exceeded income in the year, however the Trust held sufficient cash reserves to finance this position. The Trust expects to return to a surplus position by September 2018.

On the 1st September 2016 Ellesmere Primary School came into the trust. The school had a retained deficit of approximately £250,000 on conversion. This deficit has been recognised within reserves this financial year. Accordingly the trust now has a retained deficit at 31 August 2017.

Ellesmere Primary School has a deficit recovery plan to eliminate this deficit over the next three years, concentrating on reducing costs and increasing revenue by increasing pupil numbers.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	46	718	(1,099)	261	(74)
Other DfE / ESFA grants	130	124	-	(124)	130
Other government grants	124	131	-	(131)	124
	<u>300</u>	<u>973</u>	<u>(1,099)</u>	<u>6</u>	<u>180</u>
Funds excluding pensions					
Pension reserve	(285)	-	16	(298)	(567)
	<u>15</u>	<u>973</u>	<u>(1,083)</u>	<u>(292)</u>	<u>(387)</u>
Restricted fixed asset funds					
Transferred on conversion	2,385	-	-	(19)	2,366
DfE / ESFA capital grants	15	-	(33)	18	-
Capital expenditure from GAG	(33)	-	-	33	-
	<u>2,367</u>	<u>-</u>	<u>(33)</u>	<u>32</u>	<u>2,366</u>
Total restricted funds	<u>2,382</u>	<u>973</u>	<u>(1,116)</u>	<u>(260)</u>	<u>1,979</u>
Unrestricted funds					
General funds	-	97	(19)	(38)	40
Total funds	<u>2,382</u>	<u>1,070</u>	<u>(1,135)</u>	<u>(298)</u>	<u>2,019</u>

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2017 were allocated as follows:	
North West Academies Trust	(2)
Total before fixed assets fund and pension reserve	(2)
Restricted fixed asset fund	7,198
Pension reserve	(1,595)
Total funds	<u>5,601</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Oak View Academy	727	157	112	204	1,200
Ellesmere Primary School	975	343	58	269	1,645
Central services	20	27	-	134	181
	<u>1,722</u>	<u>527</u>	<u>170</u>	<u>607</u>	<u>3,026</u>

Funds analysis by academy - previous year

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £'000
Oak View Academy	220
Total before fixed assets fund and pension reserve	220
Restricted fixed asset fund	2,366
Pension reserve	(567)
Total funds	<u>2,019</u>

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2016 £'000
Oak View Academy	660	97	60	203	1,020
Central services	5	18	-	85	108
	<u>665</u>	<u>115</u>	<u>60</u>	<u>288</u>	<u>1,128</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	64	7,167	7,231
Current assets	-	450	31	481
Creditors falling due within one year	-	(356)	-	(356)
Creditors falling due after one year	-	(160)	-	(160)
Defined benefit pension liability	-	(1,595)	-	(1,595)
	-	(1,597)	7,198	5,601
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	(1)	-	2,431	2,430
Current assets	-	279	-	279
Creditors falling due within one year	41	(99)	(65)	(123)
Defined benefit pension liability	-	(567)	-	(567)
	40	(387)	2,366	2,019

19 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £32,939 (2016: £12,701) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 the TPS in the period amounted to £153,332 (2016: £55,853).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.7 to 19.1 per cent for employers and 5.5 to 5.8 per cent for employees. The estimated value of employer contributions for the forthcoming year is £44,000.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 25) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	149	44
Employees' contributions	40	14
Total contributions	189	58
Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	3.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1

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

	2017 Years	2016 Years
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.4
Retiring in 20 years		
- Males	23.9	24.1
- Females	26.5	26.7

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

	2017 Fair value £'000	2016 Fair value £'000
Equities	369	256
Bonds	280	189
Property	49	34
Cash	18	5
Other assets	20	-
Total market value of assets	736	484
Actual return on scheme assets - gain/(loss)	64	73

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost	257	60
Interest income	-	(58)
Interest cost	35	26
Benefit changes, curtailments and settlements gains or losses	(3)	-
Administration expenses	3	-
Total operating charge	292	28
Changes in the present value of defined benefit obligations	2017 £'000	2016 £'000
Obligations at 1 September 2016	1,051	638
Obligations acquired on conversion	1,144	-
Current service cost	254	60
Interest cost	47	26
Employee contributions	40	14
Actuarial (gain)/loss	(207)	313
Benefits paid	(1)	-
Effect of non-routine settlements and administration expenses	3	-
At 31 August 2017	2,331	1,051
Changes in the fair value of the Academy Trust's share of scheme assets	2017 £'000	2016 £'000
Assets at 1 September 2016	484	353
Interest income	12	15
Actuarial gain	52	58
Employer contributions	149	44
Employee contributions	40	14
Benefits paid	(1)	-
At 31 August 2017	736	484

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017 £'000	2016 £'000
Net income/(expenditure) for the reporting period	2,700	(65)
Adjusted for:		
Net surplus on conversion to academy	(3,132)	-
Finance costs payable	1	-
Defined benefit pension costs less contributions payable	108	16
Defined benefit pension net finance cost/(income)	35	(32)
Depreciation of tangible fixed assets	55	33
(Increase) in debtors	(29)	(16)
Increase in creditors	102	17
Net cash used in operating activities	(160)	(47)

21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £'000	2016 £'000
Amounts due in two and five years	19	15

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

22 Related party transactions

Owing to the nature of the Multi Academy Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:-

During the period, Timpson Limited, a company in which W J Timpson, a Governor in The Delamere Church of England Primary Academy, is a director, granted a bursary of £50,000 (2016: £50,000) to Oak View Academy, a school operated by the Academy Trust. This bursary has been recognised in full in the current period.

During the period, The Delamere Church of England Primary Academy recharged £50,000 (2016: £26,921) to North West Academies Trust Limited for school to school support. No amounts were due to The Delamere Church of England Primary Academy at the year end (2016: £nil).

During the period, North West Academies Trust Limited recharged £8,000 (2016: £8,000) to The Delamere Church of England Primary Academy for shared financial services and compliance provided to the school. Furthermore, North West Academies Trust Limited recharged £7,750 (2016: £4,311) for expenditure incurred on the Academy's behalf. No amounts were due from The Delamere Church of England Primary Academy at the year end (2016: £nil).

During the period, North West Academies Trust Limited recharged £10,000 (2016: £10,000) to St Martin's Academy for shared financial services and compliance provided to the school. Furthermore, North West Academies Trust Limited recharged £6,418 (2016: £4,258) for expenditure incurred on behalf of St Martin's Academy. An amount of £1,570 (2016: £806) was due from St Martin's Academy at the year end and is included within debtors.

During the period, Ellesmere College recharged £4,671 (2016: £nil) to North West Academies Trust Limited for expenditure incurred on behalf of North West Academies Trust Limited. No amounts were due to Ellesmere College at the year end (2016: £nil).

During the period, North West Academies Trust Limited recharged £19,898 (2016: £nil) to Ellesmere College for expenditure incurred on behalf of Ellesmere College. An amount of £nil (2016: £nil) was due from Ellesmere College at the year end.

In entering into the above transactions, the trust had complied with the requirements of the Academies Financial Handbook 2016.

23 Post balance sheet events

On 1 October 2017, two academies joined the multi-academy trust, Delamere Church of England Primary Academy, Tarporley and St Martin's Academy, Chester.

On 1 October 2017 a legal charge and guarantee was provided to Shropshire County Council in respect of the ESFA Creditor Abatement. Further details are provided in note 14.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

25 Conversion to an academy

On 1 September 2016, Ellesmere Primary School, Ellesmere, Shropshire converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to North West Academies Trust Limited from Shropshire Local Authority 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 values 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 as donations – transfer from local authority on conversion / charitable activities – 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.

Academy	Location	Date of conversion
Ellesmere Primary School	Ellesmere, Shropshire	1 September 2016

Net assets transferred:	2017 £'000
Leasehold land and buildings	4,194
Other tangible fixed assets	39
Cash	43
Borrowing obligations	(39)
LGPS pension deficit	(1,144)
Budget deficit on Local Authority funds	(250)
	<u>2,843</u>

	Unrestricted Funds £'000	Restricted funds:		Total 2017 £'000
Funds surplus/(deficit) transferred:	£'000	General £'000	Fixed asset £'000	£'000
Fixed assets funds	-	-	4,233	4,233
LA budget funds	-	43	-	43
LGPS pension funds	-	(1,144)	-	(1,144)
Other funds	-	(289)	-	(289)
	<u>-</u>	<u>(1,390)</u>	<u>4,233</u>	<u>2,843</u>