

**REGISTERED COMPANY NUMBER: 08852553 (England and Wales)**

Report of the Trustees and  
Financial Statements for the Year Ended 31st August 2019  
for

North West Academies Trust Limited

UHY Hacker Young  
St John's Chambers  
Love Street  
Chester  
Cheshire  
CH1 1QN



North West Academies Trust Limited

Contents of the Financial Statements  
for the Year Ended 31st August 2019

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	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 8
Governance Statement	9 to 11
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees Responsibilities	13
Report of the Independent Auditors	14 to 15
Independent Accountant's Report on Regularity	16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
Notes to the Financial Statements	21 to 45

North West Academies Trust Limited

Reference and Administrative Details  
for the Year Ended 31st August 2019

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**MEMBERS**

Sir John Timpson CBE  
Chester Diocesan BoE  
B J Wignall  
I Colledge

**TRUSTEES**

K Cobb  
K L Cook \*  
S E Docking (Accounting Officer) \*  
M J Forber  
D N Jones \*  
E M Ollman  
J Roberts-Joyce  
A P Walmsley (Chair of Finance Committee)  
B J Wignall (Chairman)

\* members of the finance and general purpose committee

**COMPANY SECRETARY**

Oliver & Co Secretarial Services Limited

**SENIOR MANAGEMENT TEAM**

A Roslin (Head - Rudheath)  
J Clayton (Head - Delamere)  
J Price (Head of School - Weaverham) (appointed 1.9.19)  
R Clark (Head of School - Grosvenor Park) (appointed 1.9.19)  
W Smith (Exec Head - St Martin's, Grosvenor Park)  
S E Docking (CEO)  
F Whittaker (Head - Oak View & Weaverham)  
S Roberts (Head - Ellesmere)

**REGISTERED OFFICE**

The Coach House  
Union Street  
Chester  
Cheshire  
CH1 1QP

**REGISTERED COMPANY NUMBER**

08852553 (England and Wales)

**AUDITORS**

UHY Hacker Young  
St John's Chambers  
Love Street  
Chester  
Cheshire  
CH1 1QN

North West Academies Trust Limited

Reference and Administrative Details  
for the Year Ended 31st August 2019

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**BANKERS**

Lloyds Bank Group PLC  
25 Gresham Street  
London  
EC2V 7HN

**SOLICITORS**

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

Report of the Trustees  
for the Year Ended 31st August 2019

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2019. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust operates 8 (Acresfield joined our Trust 1/10/2019) primary academies in Cheshire West and Chester and Shropshire. Its academies have a combined pupil capacity of 1844 (1/11/2019) and had a roll of 1541 in the academy census in the summer term 2019.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

The 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 our academies and those with a designated Church of England religious character by offering a broad and balanced curriculum.

We aim to ensure that all children who attend any of the academies have a right to an outstanding education. The trust is responsible for ensuring that each academy is compliant with their statutory obligations but in addition to this the trust staff offer support and challenge in equal measure to the individual academy leadership. This is delivered through a 'bottom up' approach from the trust not through 'top down' control.

### **Significant activities**

The main objectives of the MAT during the year ended 31 August 2019 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, guidance and care;
- To continue to raise the standard of educational achievement and attainment of all pupils, ensuring that each child achieves to the best of their ability;
- To improve the effectiveness of each 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 Diocese (in our Church Academies), the local community and other key stakeholders involved in supporting each of our academies.
- To conduct the business of the academy trust in accordance with the highest standards of integrity, probity and openness following the seven principles of public life.

### **Public benefit**

The trust strives to promote and support the advancement of education within the local area. Each academy within the MAT provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport.

Wherever possible each academy also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example to:

- Local sports clubs
- After academy activities
- Third parties i.e. clubs

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

Report of the Trustees  
for the Year Ended 31st August 2019

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**STRATEGIC REPORT**

**Achievement and performance**

*Charitable activities*

The Trust currently operates eight academies, there were 7 in 2018/19. They are:

**The Delamere CE Primary Academy, Delamere :**

Delamere is rated outstanding, has consistently some of the highest performance data of all schools in Cheshire West and Chester and provides an excellent all-round education for all its pupils. The school is full at 168 pupils and oversubscribed on entry.

**St Martin's Academy, Chester:**

St Martin's opened in September 2013 and is rated outstanding. It has outstanding pupil performance in all years, a rich broad curriculum and is four times oversubscribed on entry. The school opened with one class of 25 pupils and is now full at 175 pupils in total.

**The Oak View Primary Academy, Winsford:**

Oak View joined the trust in April 2014 and was officially rated the second worst school in the country based on SATS results that year. The turnaround has been very successful. The school is now rated good, it has good SATS results in Year 6 and progress scores that are consistently above average. The school is full with 27 children in each class, and has expanded its nursery provision and age range to cater for 2 year olds upwards.

**The Ellesmere Primary Academy, Ellesmere, Shropshire:**

Ellesmere joined the Trust in September 2016. It joined with over £250,000 of historic debt and is now in the final year of its debt repayment recovery plan. The school was Ofsted inspected in July 2019 and received a good rating. The school's performance is variable but under the new Head teacher is showing a greater strategic direction and is improving its pupil performance accordingly.

The trust expanded in in academic year 2018/19. We accepted a request from the DFE to accept three former UCAT (University of Chester Academies Trust) schools into our trust. The schools were renamed to reflect the communities they serve. They are;

**The Rudheath Senior Academy, Northwich:**

This is our first secondary school for 11-16 year olds, currently rated Ofsted Good. This school has faced significant difficulties in recent years including a serious arson attack that destroyed 2/3rds of the school buildings. On joining the trust Rudheath's pupil capacity was 363/840, it was overstaffed and we implemented an immediate restructure program saving over £600,000 in staff salaries. A new Head teacher was appointed in February 2019 and a new senior leadership team was also appointed around the Head teacher. The school's standards are not good enough and there is considerable work to do to improve the outcomes for children and make sure Rudheath is the high school the community deserves.

**The Weaverham Primary Academy, Weaverham:**

This school has also faced significant difficulties with its reputation locally and has seen a decline in pupil numbers from 350 at its peak, to 115. The school currently operates 5 classes and has mixed age teaching. On joining our trust we undertook a restructure to both teaching and support staff which saw savings made to staffing costs. Standards at the school are below national averages in all areas but will improve over time.

**The Grosvenor Park Primary Academy, Chester:**

This school opened as brand new free school at the same time as St Martin's in September 2013. The school has had inconsistent leadership and four Headteacher's in five years. In addition to this it only moved into its permanent premises in September 2016, three years after opening. The school was overstaffed with temporary support staff and has undergone a significant restructure to address its staffing difficulties. The school operates 7 classes and is approximately one cohort short in terms of pupil numbers across the seven year groups. The school is rated Ofsted good but standards of attainment and progress could be better throughout school.

Under the previous Trust, all three schools shared similar character traits of poor financial management coupled with overstaffing. Through addressing these issues, we have managed to make each school financial stable whilst we build up pupil numbers in each one to full capacity.

Report of the Trustees  
for the Year Ended 31st August 2019

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## **STRATEGIC REPORT**

### **Achievement and performance**

#### *Key financial performance indicators*

The trust aims for all academies within the trust to achieve the annual agreed performance set by the LGB prior to the start of the financial year. Furthermore, the trust requires all academies to operate balanced budgets unless the deficit budget is required for investment and reserves are available to cover this budget.

The trust also requires each academy to maintain adequate reserves to cover the day to day running of each academy. This is usually set at one months running costs.

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the period for Delamere, St Martin's, Oak View and Ellesmere. The new schools to the trust that were formally part of UCAT, have successfully reduced debt, streamlined their finances and are working towards this position.

### **Financial review**

#### *Financial position*

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2019, total expenditure of £10,025,000 was covered by income funding from the ESFA together with other incoming resources (exc Donations and Capital Grants) of £10,202,000.

At 31 August 2019, the net book value of fixed assets was £20,351,000 and movements in tangible fixed assets are shown in the notes to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the academies within the trust.

#### *Investment policy and objectives*

The Trust does not have any long-term investments with the cash reserves of the Trust being held in bank accounts. The Trust has no plans for any long-term investment purchases.

#### *Reserves policy*

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's cost. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long-term sickness where unforeseen costs are incurred.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

The balance on the restricted general fund (excluding pensions and fixed asset reserve) plus the balance on the unrestricted fund at 31st August 2019 amounted to £716,000. Total reserves amounted to £ 18,800,000.

#### *Going concern*

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

### **Fundraising**

The Trust does not do any fundraising. All schools within the trust operate Parent Teacher Associations or equivalent parent support bodies, who fundraise on behalf of each individual school. Funds raised are donated directly to the school in question.

Report of the Trustees  
for the Year Ended 31st August 2019

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## **STRATEGIC REPORT**

### **Principal risks and uncertainties**

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the academy trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the academy trust's financial position, including revenue streams, cost control and cash management.

The risks to which the academy trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

### **Future plans**

On 1 October 2019 Acresfield Primary school joined the North West Academies Trust and there are plans to expand the trust further this year. Acresfield is an outstanding school and by joining the trust it is their desire to work with likeminded partners and impact further on educational improvements in schools that need support.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Charity 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 trustees of North West Academies Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as North West Academies Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details.

### **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 cease to be a member.

### **Trustees' Indemnities**

The academy trust maintains Governors' and officers' liability insurance through the RPA scheme which gives appropriate cover for any legal action brought against its Governors. The academy trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 236 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the academy trust.

The academy trust is a member of the Risk Protection Scheme for academies.

### **Recruitment and appointment of new trustees**

Under the terms of our Articles:

- The members may appoint by ordinary resolution up to 10 trustees.
- The total number of trustees including the Chief Executive Officer, if they so choose to act as a trustee, who are employees of the academy trust shall not exceed one third of the total number of trustees.
- In circumstance where the trustees have not appointed local governing bodies in respect of academies, there shall be a minimum of two parent trustees.
- Parent trustees and parent local governors shall be elected, or appointed by interview, if the number of parents or individuals exercising parental responsibility standing for election is less than the number of vacancies.
- The trustees may appoint co-opted trustees. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees.



Report of the Trustees  
for the Year Ended 31st August 2019

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Organisational structure**

The organisational structure consists of three levels: the trustees, the local governing board (LGB) and the academy leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. Responsibilities are delegated through our scheme of delegation.

The trustees are responsible for setting general policy and dealing with compliance. The LGB create an annual plan for their academy and budget accordingly. They monitor the academy by the use of performance reports and budgets. They make major decisions about the direction of the academy, capital expenditure and senior staff appointments and this is delegated through the scheme of delegation. Overall responsibility for ensuring value for money and challenging the academies on how they spend their delegated budgets to improve outcomes for children rests with the CEO.

The senior leadership team is different in each academy. These managers control the academy at an executive level implementing the policies laid down by the trustees and the LGB then reporting back to them. As a group the senior leadership team are responsible for the authorisation of spending up to a level delegated to them, within agreed budgets, and the appointment of staff, although appointment boards for posts in the senior leadership team always contain a trustee. Some spending control is devolved to members of the middle management team, with limits, above which a member of the senior leadership team must countersign.

The middle management team includes curriculum area leaders and heads of year. Along with the senior management team these managers are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

### **Induction and training of new trustees**

The training and induction provided for new trustees depends on their previous experience. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a trustee. New trustees may attend an induction if relevant and have access to a full programme of courses which they will choose to attend, based on their role and experience. Trustees can and do visit all academies within the trust and meetings are held at each of the academies on a rota basis.

### **Key management remuneration**

The key management personnel of the academy trust comprise the trustees, CEO and senior leadership team as disclosed on the Reference and Administrative page.

The pay policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the CEO and following guidance from the relevant professional pay review bodies. The CEO is not involved in setting their own remuneration.

Only staff trustees, including the relevant academy leader at each academy and the CEO, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in notes to the financial statements.

The day to day running of the remuneration policy is delegated to the CEO and academy leaders at each academy and monitored by the LGB and finance and resources committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked closely to pay spines, helping trustees conclude that each individual's remuneration is at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at the specific approved rates.

The board always bear in mind the charitable status of the academy trust and in recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in the notes to the financial statements.

## North West Academies Trust Limited

### Report of the Trustees for the Year Ended 31st August 2019

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Related parties**

The academy trust is fortunate to benefit from two bursaries provided by The Timpson Foundation. The Timpson Foundation is a Charitable Trust operated by Sir John Timpson, one of the Members. The bursaries are given to Oak View Academy and Delamere Academy. Both are for the provision of extra curricular activities such as educational trips and visits.

The academy trust also benefits from discounted legal services from Oliver and Co, Solicitors, based in Chester. Kay Cook is a Trustee of the Academy Trust and also a Director and shareholder of Oliver and Co.

All academies encourage parents to form active PTA's both to encourage parental involvement and raise academy funds. All academies within the academy trust have a PTA.

##### **Trade union facility time**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

##### **Percentage of time spent on facility time**

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

Percentage of pay bill spent on facility time	
Total cost of facility time	NIL
Total pay bill	N/A
Percentage of total pay bill spent on facility time	0%

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	NIL

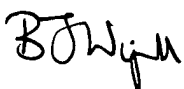
#### **FUNDS HELD AS CUSTODIAN FOR OTHERS**

The Trust does not hold any funds as custodian for others.

#### **AUDITORS**

The auditors, UHY Hacker Young, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13th December 2019 and signed on the board's behalf by:



B J Wignall - Chairman

## North West Academies Trust Limited

### Governance Statement for the Year Ended 31st August 2019

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#### **Scope of Responsibility**

As trustees, 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the CEO, 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 trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
B J Wignall	6	6
S E Docking	6	6
K L Cook	6	6
D N Jones	5	6
J Roberts-Joyce	5	6
K Cobb	3	6
A P Walmsley	5	6
M J Forber	4	6
E M Ollman	5	6

The following members also attended certain trustees meetings:

J Timpson 2 out of a possible 2  
I Colledge 1 out of a possible 1  
C Penn (Diocese rep) 1 out of a possible 1

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the academy effectively, and to ensure the academy provides a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring.

Attendance at the Finance and General Purpose Committee meetings in the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Walmsley*	3	3
K Cook	3	3
D Jones	2	3
S Docking	3	3

\* Chair of Finance

#### **Review of Value for Money**

As accounting officer, the Chief Executive, Steve Docking, 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.

Governance Statement  
for the Year Ended 31st August 2019

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**Review of Value for Money**

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by ensuring that excellent education is provided for all with targeted intervention to achieve the best use of staff resources, robust review of spending decisions and benchmarking of spending across all academies in the Trust to ensure that best practice is shared and acted upon.

**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 charitable company 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 1st September 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1st September 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

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

- To appoint UHY Hacker Young. In the period 2018/19 two internal audits took place

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

**Review of Effectiveness**

As accounting officer, Steve Docking 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 peer reviewer;
- the work of the external auditor;
- 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 ensure continuous improvement of the system is in place.

North West Academies Trust Limited

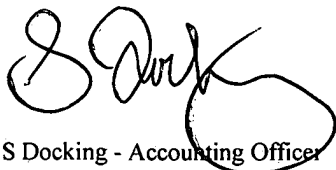
Governance Statement  
for the Year Ended 31st August 2019

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Approved by order of the members of the board of trustees on 13th December 2019 and signed on its behalf by:



B J Wignall - Chairman



S Docking - Accounting Officer

North West Academies Trust Limited

Statement on Regularity, Propriety and Compliance  
for the Year Ended 31st August 2019

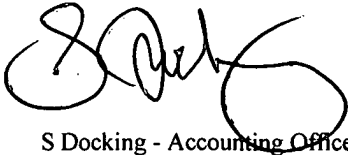
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As accounting officer of North West Academies Trust Limited I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 2018.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

During the year, services amounting to £12,892 were provided by a related party. These services were not provided at cost, exceeded the £2,500 threshold and were not disclosed to the ESFA in accordance with the regularity rules of the Academies Financial Handbook.



S Docking - Accounting Officer

13th December 2019

North West Academies Trust Limited

Statement of Trustees Responsibilities  
for the Year Ended 31st August 2019

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees 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 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

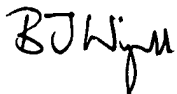
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 13th December 2019 and signed on its behalf by:



B J Wignall - Chairman

### **Opinion**

We have audited the financial statements of North West Academies Trust Limited (the 'charitable company') for the year ended 31st August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2019 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 Academies Accounts Direction 2018 to 2019.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.



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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

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

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

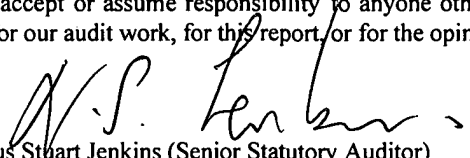
**Our responsibilities for the audit of the financial statements**

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

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

**Use of our 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 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicolaus Stuart Jenkins (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young  
St John's Chambers  
Love Street  
Chester  
Cheshire  
CH1 1QN

13th December 2019

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, 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 1st September 2018 to 31st August 2019 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to North West Academies Trust Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than North West Academies Trust Limited and the 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 and the Academies Financial Handbook, extant from 1st September 2018, 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 2018 to 2019. 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 1st September 2018 to 31st August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

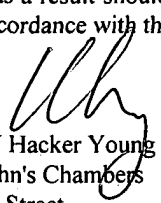
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the charitable company's income and expenditure.

**Conclusion**

In the course of our work, except for the matter listed below nothing has come to our attention which suggests that in material respects the expenditure disbursed and income received during the year ended 31st August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Exception Matter**

Services totalling £12,892 were provided by a trustee's related party. These services exceed the 'at cost' De minimis of £2,500 and as a result should have been provided 'at cost' to the academy trust. In addition, these services were not reported to the ESFA in accordance with the disclosure requirements of the Academies Finance Handbook.

  
UHY Hacker Young  
St John's Chambers  
Love Street  
Chester  
Cheshire  
CH1 1QN

13th December 2019

North West Academies Trust Limited

Statement of Financial Activities  
for the Year Ended 31st August 2019

	Notes	Unrestricted fund £'000	General restricted funds £'000	Restricted fixed asset funds £'000	31.8.19 Total funds £'000	31.8.18 Total funds £'000
<b>INCOME AND</b>						
<b>ENDOWMENTS FROM</b>						
Donations and capital grants	3	58	(2,280)	13,523	11,301	3,615
<b>Charitable activities</b>						
Funding for the academy's educational operations	4	2,098	8,087	-	10,185	4,310
Other trading activities	5	17	-	-	17	20
<b>Total</b>		<u>2,173</u>	<u>5,807</u>	<u>13,523</u>	<u>21,503</u>	<u>7,945</u>
<b>EXPENDITURE ON</b>						
Raising funds		-	-	-	-	7
<b>Charitable activities</b>						
Academy's educational operations		<u>1,393</u>	<u>8,295</u>	<u>337</u>	<u>10,025</u>	<u>4,744</u>
<b>Total</b>	6	<u>1,393</u>	<u>8,295</u>	<u>337</u>	<u>10,025</u>	<u>4,751</u>
<b>NET</b>						
<b>INCOME/(EXPENDITURE)</b>		<u>780</u>	<u>(2,488)</u>	<u>13,186</u>	<u>11,478</u>	<u>3,194</u>
<b>Transfers between funds</b>	20	<u>(162)</u>	<u>84</u>	<u>78</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(1,806)</u>	<u>-</u>	<u>(1,806)</u>	<u>332</u>
<b>Net movement in funds</b>		<u>618</u>	<u>(4,210)</u>	<u>13,264</u>	<u>9,672</u>	<u>3,526</u>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>98</u>	<u>(1,610)</u>	<u>10,640</u>	<u>9,128</u>	<u>5,602</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>716</u></u>	<u><u>(5,820)</u></u>	<u><u>23,904</u></u>	<u><u>18,800</u></u>	<u><u>9,128</u></u>

All of the charitable company's activities derive from acquisitions in the current year.

The notes form part of these financial statements

North West Academies Trust Limited

Balance Sheet  
At 31st August 2019

	Notes	31.8.19 £'000	31.8.18 £'000
<b>FIXED ASSETS</b>			
Tangible assets	12	20,351	10,642
<b>CURRENT ASSETS</b>			
Debtors	13	4,672	120
Cash at bank		840	499
		<u>5,512</u>	<u>619</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(897)	(447)
<b>NET CURRENT ASSETS</b>		<u>4,615</u>	<u>172</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>24,966</b>	<b>10,814</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(346)	(76)
<b>PENSION LIABILITY</b>	21	(5,820)	(1,610)
<b>NET ASSETS</b>		<u><u>18,800</u></u>	<u><u>9,128</u></u>
<b>FUNDS</b>	20		
Unrestricted funds		716	98
Restricted funds		<u>18,084</u>	<u>9,030</u>
<b>TOTAL FUNDS</b>		<u><u>18,800</u></u>	<u><u>9,128</u></u>

The financial statements were approved by the Board of Trustees on 13th December 2019 and were signed on its behalf by:



B J Wignall -Chairman

The notes form part of these financial statements

North West Academies Trust Limited

Cash Flow Statement  
for the Year Ended 31st August 2019

	Notes	31.8.19 £'000	31.8.18 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(3,084)	13
<b>Net cash provided by (used in) operating activities</b>		<u>(3,084)</u>	<u>13</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(207)	(32)
Capital grants from DfE/ESFA		<u>3,687</u>	<u>25</u>
<b>Net cash provided by (used in) investing activities</b>		<u>3,480</u>	<u>(7)</u>
<b>Cash flows from financing activities:</b>			
New loans in year		348	-
Loan repayments in year		<u>(83)</u>	<u>(107)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>265</u>	<u>(107)</u>
<b>Cash from existing academies transferred in</b>	24	<u>(320)</u>	<u>212</u>
<b>Change in cash and cash equivalents in the reporting period</b>		341	111
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>499</u>	<u>388</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>840</u></u>	<u><u>499</u></u>

The notes form part of these financial statements

North West Academies Trust Limited

Notes to the Cash Flow Statement  
for the Year Ended 31st August 2019

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**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.8.19	31.8.18
	£'000	£'000
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>11,478</b>	<b>3,194</b>
<b>Adjustments for:</b>		
Depreciation	338	163
Capital grants from DfE/ESFA	(3,687)	(25)
Transfers in of existing academies	(7,513)	(3,502)
Increase in debtors	(4,552)	(27)
Increase in creditors	455	7
Difference between pension charge and cash contributions	397	203
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>(3,084)</b>	<b>13</b>
	<hr/>	<hr/>

Notes to the Financial Statements  
for the Year Ended 31st August 2019

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**1. ACCOUNTING POLICIES**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

**Going concern**

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

## **2. ACCOUNTING POLICIES - continued**

### **Critical accounting judgements and key sources of estimation uncertainty**

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

**(1) The "McCloud/Sargeant judgement"**. This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by a percentage of annualised pensionable pay over the accounting period ending 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in the notes.

There will also be an increase in the cost of benefits from 1 September 2019.

**(2) Guaranteed Minimum Pension (GMP)**. GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

**(3) Discount rates**. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

**(4) Mortality assumptions**. Details of the changes in mortality assumptions are shown in note 21. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

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**2. ACCOUNTING POLICIES - continued**

**Critical accounting judgements and key sources of estimation uncertainty**

Critical areas of judgement

Income receipts are calculated by reference to the amounts received to date and grant, sponsorship by 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.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 charity 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 it is probable that the income will be received and the amount can be measured reliably.

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the charity 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**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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 charity's accounting policies.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

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**2. ACCOUNTING POLICIES - continued**

**Expenditure**

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Raising funds**

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

**Charitable activities**

Costs of charitable activities are incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity 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' meeting and reimbursed expenses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Straight line over 125 years, Straight line over 60 years and Straight line over 50 years
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

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**2. ACCOUNTING POLICIES - continued**

**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 as detailed in the notes. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes. 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.

**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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## **2. ACCOUNTING POLICIES - continued**

### **Pension costs and other post-retirement 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.

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments.

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

### **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.

### **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.

### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

North West Academies Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**3. DONATIONS AND CAPITAL GRANTS**

	31.8.19	31.8.18
	£'000	£'000
Donations	46	33
Grants	3,687	25
Private sponsorship	55	55
Transfer In - Existing academies	7,513	3,502
	<u>11,301</u>	<u>3,615</u>

Grants received, included in the above, are as follows:

	31.8.19	31.8.18
	£'000	£'000
Devolved formula capital	122	25
Capital Improvement Fund	3,541	-
Free School Capital Grant	24	-
	<u>3,687</u>	<u>25</u>

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	31.8.19 Total funds £'000	31.8.18 Total funds £'000
Other income from the academy trust's educational operations	903	-	903	397
Insurance claims	1,195	-	1,195	-
Grants	-	8,087	8,087	3,913
	<u>2,098</u>	<u>8,087</u>	<u>10,185</u>	<u>4,310</u>

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	31.8.19 Total funds £'000	31.8.18 Total funds £'000
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	6,322	6,322	3,174
Other DfE/ESFA grants	-	1,273	1,273	436
	-	7,595	7,595	3,610
<b>Other government grant</b>				
Local authority grants	-	492	492	303
	-	8,087	8,087	3,913

North West Academies Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**5. OTHER TRADING ACTIVITIES**

	31.8.19	31.8.18
	£'000	£'000
Hire of facilities	10	11
Other income	7	9
	<u>17</u>	<u>20</u>

**6. EXPENDITURE**

				31.8.19	31.8.18
	Staff costs	Non-pay expenditure			
	£'000	Premises	Other costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
<b>Raising funds</b>					
<b>Costs of fundraising</b>					
Direct costs	-	-	-	-	7
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	5,290	-	507	5,797	2,955
Allocated support costs	1,625	1,050	1,553	4,228	1,789
	<u>6,915</u>	<u>1,050</u>	<u>2,060</u>	<u>10,025</u>	<u>4,751</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.19	31.8.18
	£'000	£'000
Auditors remuneration	8	7
Other non-audit services	6	4
Depreciation - owned assets	337	157
Other operating leases	3	5
	<u>354</u>	<u>323</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:

- 4% to 6.5% based on GAG
- Flat amount

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**6. EXPENDITURE - continued**

The amounts charges during the year were as follows:

	Total £'000 2019	Total £'000 2018
Oak View Academy	50	48
Ellesmere Primary School	74	85
St Martin's Academy	17	15
Delamere CofE Academy	23	15
Grosvenor Park Academy	8	-
Weaverham Academy	11	-
Rudheath Senior Academy	51	-
	<u>234</u>	<u>163</u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	31.8.19 Total funds £'000	31.8.18 Total funds £'000
<b>Direct costs</b>	1,298	4,499	5,797	2,955
<b>Support costs</b>	95	4,133	4,228	1,789
	<u>1,393</u>	<u>8,632</u>	<u>10,025</u>	<u>4,744</u>

	31.8.19 Total £'000	31.8.18 Total £'000
<b>Analysis of support costs</b>		
Support staff costs	1,625	834
Depreciation	-	58
Technology costs	132	49
Premises costs	1,050	376
Other support costs	1,273	395
Governance costs	148	77
<b>Total support costs</b>	<u>4,228</u>	<u>1,789</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

S Docking (CEO, Accounting Officer & Trustee)

- Remuneration £100,000 - £105,000 (2018: £75,000 - £80,000 )
- Employers pension contributions paid £15,000 - £20,000 (2018: £10,000 - £15,000)

**Trustees' expenses**

During the period ended 31st August 2019, travel and subsistence expenses totalling £NIL (2018: £2,800) were reimbursed to trustees.



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**9. STAFF COSTS**

	31.8.19	31.8.18
	£'000	£'000
Wages and salaries	5,000	2,572
Social security costs	422	209
Operating costs of defined benefit pension schemes	<u>1,260</u>	<u>669</u>
	6,682	3,450
Supply teacher costs	205	6
Staff training & development	<u>28</u>	<u>29</u>
	<u><u>6,915</u></u>	<u><u>3,485</u></u>

Included with Wages and Salary are Redundancy costs amounting to £94,000

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.19	31.8.18
Teachers	84	48
Administrative and support	189	122
Management	<u>7</u>	<u>4</u>
	<u><u>280</u></u>	<u><u>174</u></u>

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

	31.8.19	31.8.18
£60,001 - £70,000	-	1
£70,001 - £80,000	2	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u><u>3</u></u>	<u><u>2</u></u>

**Key management personnel**

The key management personnel of the Academy Trust comprise the governors and the senior management team as listed on the reference and administrative page. The total amount of employee benefits (including employers pension contributions and employers national insurance contributions) received by key management personnel for their service to the Academy Trust was £561,547 (2018: £364,448).

**10. TRUSTEES' AND OFFICERS' INSURANCE**

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

North West Academies Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	General restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	55	6	3,554	3,615
<b>Charitable activities</b>				
Funding for the academy's educational operations	397	3,913	-	4,310
Other trading activities	20	-	-	20
<b>Total</b>	<u>472</u>	<u>3,919</u>	<u>3,554</u>	<u>7,945</u>
<b>EXPENDITURE ON</b>				
Raising funds	-	7	-	7
<b>Charitable activities</b>				
Academy's educational operations	170	4,417	157	4,744
<b>Total</b>	<u>170</u>	<u>4,424</u>	<u>157</u>	<u>4,751</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>302</u>	<u>(505)</u>	<u>3,397</u>	<u>3,194</u>
<b>Transfers between funds</b>	<u>(204)</u>	<u>160</u>	<u>44</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	332	-	332
<b>Net movement in funds</b>	<u>98</u>	<u>(13)</u>	<u>3,441</u>	<u>3,526</u>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	-	(1,597)	7,199	5,602
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>98</u></u>	<u><u>(1,610)</u></u>	<u><u>10,640</u></u>	<u><u>9,128</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**12. TANGIBLE FIXED ASSETS**

	Long leasehold £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
<b>COST</b>				
At 1st September 2018	10,560	321	20	10,901
Additions	101	106	-	207
Transfer in of existing academies	<u>10,557</u>	<u>675</u>	<u>-</u>	<u>11,232</u>
At 31st August 2019	<u>21,218</u>	<u>1,102</u>	<u>20</u>	<u>22,340</u>
<b>DEPRECIATION</b>				
At 1st September 2018	99	153	7	259
Charge for year	243	88	6	337
Reclassification/transfer	<u>880</u>	<u>513</u>	<u>-</u>	<u>1,393</u>
At 31st August 2019	<u>1,222</u>	<u>754</u>	<u>13</u>	<u>1,989</u>
<b>NET BOOK VALUE</b>				
At 31st August 2019	<u>19,996</u>	<u>348</u>	<u>7</u>	<u>20,351</u>
At 31st August 2018	<u>10,461</u>	<u>168</u>	<u>13</u>	<u>10,642</u>

A breakdown of assets transferred into the Trust is shown within the notes to the financial statements, under transfer of existing academies.

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.19 £'000	31.8.18 £'000
Trade debtors	35	11
Other debtors	4,264	-
VAT	209	42
Prepayments and accrued income	<u>164</u>	<u>67</u>
	<u>4,672</u>	<u>120</u>

North West Academies Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.19	31.8.18
	£'000	£'000
Other loans (see note 16)	78	83
Trade creditors	408	98
Social security and other taxes	103	55
Other creditors	109	57
Accruals and deferred income	199	154
	<u>897</u>	<u>447</u>

**Deferred Income**

	2019	2018
	£'000	£'000
Deferred income at 1 September 2018	108	46
Released from previous years	(108)	(46)
Resources deferred in year	140	108
Deferred Income at 31 August 2019	<u>140</u>	<u>108</u>

At the balance sheet date the academy trust was holding funds received in advance for Nursery Income, Universal Infant Free School Meals and trips.

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.8.19	31.8.18
	£'000	£'000
Other loans (see note 16)	<u>346</u>	<u>76</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**16. LOANS**

An analysis of the maturity of loans is given below:

	31.8.19 £'000	31.8.18 £'000
Amounts falling due within one year on demand:		
ESFA Abatement	76	83
Salix Loan	2	-
	<u>78</u>	<u>83</u>
Amounts falling due between two and five years:		
ESFA Abatement	320	76
Salix Loan	14	-
	<u>334</u>	<u>76</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Salix Loan	<u>12</u>	<u>-</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 year with the final repayment being due July 2020. The repayment plan in interest free with monthly payments of £6,954.

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

Grosvenor Park & Weaverham Academy were transferred into the trust with accumulated deficits of £170,000 and £150,000 totalling £320,000. A repayment plan has yet to be agreed with the ESFA, other than it is to be fully repaid by 2024.

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.19 £'000	31.8.18 £'000
Within one year	7	4
Between one and five years	60	29
	<u>67</u>	<u>33</u>

**18. 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 whilst she 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 31st August 2019

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

	Unrestricted fund £'000	General restricted funds £'000	Restricted fixed asset funds £'000	31.8.19 Total funds £'000
Fixed assets	-	-	20,351	20,351
Current assets	829	1,100	3,583	5,512
Current liabilities	(113)	(780)	(4)	(897)
Long term liabilities	-	(320)	(26)	(346)
Pension liability	-	(5,820)	-	(5,820)
	<u>716</u>	<u>(5,820)</u>	<u>23,904</u>	<u>18,800</u>

Comparative information in respect of the preceeding period is as follows:

	Unrestricted fund £'000	General restricted funds £'000	Restricted fixed asset funds £'000	31.8.18 Total funds £'000
Fixed assets	-	-	10,642	10,642
Current assets	98	521	-	619
Current liabilities	-	(445)	(2)	(447)
Long term liabilities	-	(76)	-	(76)
Pension liability	-	(1,610)	-	(1,610)
	<u>98</u>	<u>(1,610)</u>	<u>10,640</u>	<u>9,128</u>

**20. MOVEMENT IN FUNDS**

	At 1.9.18 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.19 £'000
<b>Unrestricted funds</b>				
General fund	98	780	(162)	716
<b>Restricted funds</b>				
General Annual Grant	-	(84)	84	-
Fixed Asset Fund - Transferred on conversion	7,126	(62)	-	7,064
Fixed Asset Fund - DfE/ESFA capital grants	56	3,667	-	3,723
Fixed Asset Fund - Transfer in of existing academies	3,458	9,592	-	13,050
Fixed Asset Fund - Capital Expenditure from GAG & Other	-	(11)	78	67
Pension Fund	(1,610)	(4,210)	-	(5,820)
	<u>9,030</u>	<u>8,892</u>	<u>162</u>	<u>18,084</u>
<b>TOTAL FUNDS</b>	<u>9,128</u>	<u>9,672</u>	<u>-</u>	<u>18,800</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**20. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	2,173	(1,393)	-	780
<b>Restricted funds</b>				
General Annual Grant	6,003	(6,087)	-	(84)
Other DfE/ESFA grants	1,764	(1,764)	-	-
Other restricted funds	45	(45)	-	-
Fixed Asset Fund - Transferred on conversion	1	(63)	-	(62)
Fixed Asset Fund - DfE/ESFA capital grants	3,687	(20)	-	3,667
Fixed Asset Fund - Transfer in of existing academies	9,835	(243)	-	9,592
Pension Fund	(2,005)	(399)	(1,806)	(4,210)
Fixed Asset Fund - Capital Expenditure from GAG & Other	-	(11)	-	(11)
	19,330	(8,632)	(1,806)	8,892
<b>TOTAL FUNDS</b>	<u>21,503</u>	<u>(10,025)</u>	<u>(1,806)</u>	<u>9,672</u>

**Comparatives for movement in funds**

	At 1.9.17 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.18 £'000
<b>Unrestricted Funds</b>				
General fund	-	302	(204)	98
<b>Restricted Funds</b>				
General Annual Grant	224	(187)	(37)	-
Other restricted funds	(226)	29	197	-
Fixed Asset Fund - Transferred on conversion	6,599	(61)	588	7,126
Fixed Asset Fund - DfE/ESFA capital grants	600	-	(544)	56
Fixed Asset Fund - Transfer in of existing academies	-	3,458	-	3,458
Pension Fund	(1,595)	(15)	-	(1,610)
	5,602	3,224	204	9,030
<b>TOTAL FUNDS</b>	<u>5,602</u>	<u>3,526</u>	<u>-</u>	<u>9,128</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**20. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	472	(170)	-	302
<b>Restricted funds</b>				
General Annual Grant	3,287	(3,474)	-	(187)
Other DfE/ESFA grants	437	(437)	-	-
Other restricted funds	29	-	-	29
Other government grants	303	(303)	-	-
Fixed Asset Fund - Transferred on conversion	(1)	(60)	-	(61)
Fixed Asset Fund - DfE/ESFA capital grants	21	(21)	-	-
Fixed Asset Fund - Transfer in of existing academies	3,534	(76)	-	3,458
Pension Fund	(137)	(210)	332	(15)
	<u>7,473</u>	<u>(4,581)</u>	<u>332</u>	<u>3,224</u>
<b>TOTAL FUNDS</b>	<u><u>7,945</u></u>	<u><u>(4,751)</u></u>	<u><u>332</u></u>	<u><u>3,526</u></u>



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**20. MOVEMENT IN FUNDS - continued**

The specific purpose for which the fund 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 on of a school building against which depreciation is charge over the remainder of the lease term. Fixtures and fittings are also included within the fun and depreciated in accordance with the Trust's policy.

**Total fund analysis by academy**

Fund balances at 31st August 2019 were allocated as follows:

	2019 £'000	2018 £'000
North West Academies Trust (Central Services)	182	17
Oak View Academy	20	28
Ellesmere Primary School	(20)	(33)
St Martins Academy	(38)	64
Delamere CE Academy	(34)	22
Grosvenor Park CE Primary	(71)	N/A
Weaverham Primary	88	N/A
Rudheath Senior Academy	589	N/A
	<u>716</u>	<u>98</u>
Restricted fixed asset fund	23,904	10,639
Pension fund	(5,820)	(1,610)
	<u>18,800</u>	<u>9,127</u>
Total Funds	<u>18,800</u>	<u>9,127</u>

**Total cost analysis by academy**

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Direct Educational supplies & services £'000	Other costs excluding depreciation £'000	Total 2019 £'000	Total 2018 £'000
Oak View Academy	782	200	86	157	1,225	1,171
Ellesmere Primary School	1,108	402	72	284	1,866	1,622
St Martin's Academy	438	129	89	161	817	667
Delamere CE Academy	528	131	65	254	978	854
Grosvenor Park Primary	515	90	55	127	787	N/A
Weaverham Primary	395	92	37	128	652	N/A
Rudheath Senior	1,403	479	100	395	2,377	N/A
NWAT - Central Services	147	76	3	760	986	280
	<u>5,316</u>	<u>1,599</u>	<u>507</u>	<u>2,266</u>	<u>9,688</u>	<u>4,594</u>

## **21. PENSION 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 The Cheshire Pension Fund & The Shropshire County Pension Fund. Both are multi-employer defined benefit schemes.

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 £107,000 were payable to the schemes at 31 August 2018 (2018: £52,000) and are included within creditors.

### **Teachers' pension scheme**

#### *Introduction*

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

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

#### *Valuation of the Teachers' Pension Scheme*

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with the directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increase contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the period amounted to £505,000 (2018: £240,000).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £457,000 (2018: £267,000), of which employer's contributions totalled £365,000 (2018: £212,000) and employees' contributions totalled £92,000 (2018: £55,000). The agreed contribution rates for future years are 15.7 to 23.3 per cent for employers (2019/2020) and 5.5 to 12.5 per cent for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Present value of funded obligations	(11,081)	(3,145)
Fair value of plan assets	5,261	1,535
	<u>(5,820)</u>	<u>(1,610)</u>
Deficit	<u>(5,820)</u>	<u>(1,610)</u>
Liability	<u><u>(5,820)</u></u>	<u><u>(1,610)</u></u>

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

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Current service cost	570	381
Net interest from net defined benefit asset/liability	92	43
Past service cost	102	-
Benefit Charges	3	(4)
Administrative Charges	-	3
	<u>767</u>	<u>423</u>
Actual return on plan assets	<u><u>472</u></u>	<u><u>51</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Defined benefit obligation	3,145	2,331
Current service cost	570	381
Past service cost	102	-
Contributions by scheme participants	92	55
Interest cost	208	77
Benefits paid	(65)	(4)
Transfer In obligation	4,867	625
Actuarial (gains)/losses from changes in financial assumptions	2,162	(320)
	<u>11,081</u>	<u>3,145</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Fair value of scheme assets	1,535	736
Remeasurement & Admin	-	2
Contributions by employer	365	212
Contributions by scheme participants	92	55
Interest	116	34
Actuarial gains/(losses)	356	-
Benefits paid	(65)	(4)
Transfer In Asset	2,862	488
Return on plan assets (excluding interest income)	-	12
	<u>5,261</u>	<u>1,535</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Actuarial (gains)/losses from changes in financial assumptions	(2,162)	320
Return on plan assets (excluding interest income)	-	12
Benefit & Admin Charges	6	-
	<u>(2,156)</u>	<u>332</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
Equities	44%	50%
Bonds	43.3%	38%
Property	7.5%	7%
Cash	2%	2%
Other assets	3.2%	3%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.8.19	31.8.18
Discount rate	1.8%	2.8%
Future salary increases	2.7%	2.9%
Future pension increases	2.4%	2.3%

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

	2019 Year	2018 Years
Retiring today		
Males	22.4	22.5
Females	24.8	25.0
Retiring in 20 years		
Males	24.1	24.3
Females	26.8	27.0

**Sensitivity analysis**

	2019 £'000	2018 £'000
Discount rate - 0.1%	285	84
Mortality assumption + 0.1%	224	72
CPI rate + 0.1%	93	42

**22. CAPITAL COMMITMENTS**

	31.8.19 £'000	31.8.18 £'000
Contracted but not provided for in the financial statements	4,438	-

Included within the above commitments is £896,000 relating to revenue expenditure.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

**23. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Sir John Timpson CBE - Member

During the period Timpson Ltd, a company in which Sir John Timpson is a director, granted a bursary of £55,000 (2018 : £55,000) to the Trust. This bursary has been recognised in full in the current period.

The Trust also purchased goods amounting to £20 from Timpson Ltd.

B Wignall - Member & Trustee

During the period Ellesmere College Ltd, a company in which B Wignall is Chief Executive, provided support to the trust in return for the use of facilities. This amounted to £18,423 (2018: £26,186).

K Cook - Trustee

During the period Oliver & Co Solicitors, a firm in which K Cook is a Partner, provided professional services amounting to £37,582 (2018: £20,598). These services were provided by a separate Partner within the firm and thus compliance with the academies financial handbook.

M Forber - Trustee

During the period Somerville Federation, in which M Forber is a Ex Officio, received £1,350 (2018: £NIL) for services provided to the trust.

S Roberts - Senior Management

During the period Lia Roberts Counselling, a business related party of S Roberts, provided services amounting to £12,982 (2018: £4,207).

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses are already disclosed in the notes.

**24. TRANSFERS OF EXISTING ACADEMIES IN TO THE ACADEMY TRUST**

On 1st November 2018, the following academy schools transferred into the trust. The assets, liabilities and fair value adjustments are shown below:

**Weaverham Primary (Formerly known as University Primary Academy Weaverham)**

	Values reported by transferring trust £'000	Fair Value adjustment £'000	Transfer in recognised £'000
<b>Tangible Fixed Assets</b>			
Leasehold land & building	1,133	-	1,133
Fixtures, fitting & equipment	8	-	8
<b>Other assets</b>			
Debtors due in less than one year	24	-	24
<b>Liabilities</b>			
Creditors due in less than one year	(168)	-	(168)
Accruals & Deferred Income	(6)	-	(6)
<b>Pensions</b>			
Pension scheme assets	525	-	525
Pension scheme liabilities	(676)	-	(676)

North West Academies Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2019

Net assets	840	-	840
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**Rudheath Senior Academy (Formerly known as University of Chester Academy Northwich)**

	Values reported by transferring trust £'000	Fair Value adjustment £'000	Transfer in recognised £'000
<b>Tangible Fixed Assets</b>			
Leasehold land & building	4,480	-	4,480
Fixtures, fitting & equipment	58	-	58
<b>Other assets</b>			
Debtors due in less than one year	195	-	195
<b>Liabilities</b>			
Creditors due in less than one year	-	-	-
Accruals & Deferred Income	(195)	-	(195)
<b>Pensions</b>			
Pension scheme assets	2,056	-	2,056
Pension scheme liabilities	(3,825)	-	(3,825)
Net assets	2,769	-	2,769

On 1st December 2018, the following academy schools transferred into the trust. The assets, liabilities and fair value adjustments are shown below:

**Grosvenor Park CE Academy (Formerly known as University Church Free School)**

	Values reported by transferring trust £'000	Fair Value adjustment £'000	Transfer in recognised £'000
<b>Tangible Fixed Assets</b>			
Leasehold land & building	4,063	-	4,063
Fixtures, fitting & equipment	96	-	96
<b>Other assets</b>			
Debtors due in less than one year	42	-	42
<b>Liabilities</b>			
Creditors due in less than one year	(170)	-	(170)
Accruals & Deferred Income	(42)	-	(42)
<b>Pensions</b>			
Pension scheme assets	281	-	281
Pension scheme liabilities	(366)	-	(366)
Net assets	3,904	-	3,904