

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 10
<b>Governance Statement</b>	11 - 13
<b>Statement on Regularity, Propriety and Compliance</b>	14
<b>Statement of Trustees' Responsibilities</b>	15
<b>Independent Auditors' Report on the Financial Statements</b>	16 - 18
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	19 - 20
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	21
<b>Balance Sheet</b>	22
<b>Statement of Cash Flows</b>	23
<b>Notes to the Financial Statements</b>	24 - 48

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

<b>Members</b>	I J Mayers R Woolf A P Ferguson T Allen (appointed 24 August 2017)
<b>Trustees</b>	A D Rowley, Chair of Trustees L Tarabay, Vice Chair (appointed 7 December 2017) S Ferguson (resigned 24 July 2018) P A Devonish, Chief Executive V A Warren (resigned 9 November 2018) M Davey D J Allen (resigned 4 October 2018) A R Long R Lindley (appointed 7 December 2017) S Frost (appointed 8 February 2018)
<b>Company registered number</b>	10596096
<b>Company name</b>	Mid Norfolk Academy Trust
<b>Principal and registered office</b>	Dereham Neatherd High School Norwich Road Dereham Norfolk NR20 3AX
<b>Senior management team</b>	P Devonish, Headteacher E Wright, CFO C Smith, Deputy Headteacher J Mallett, Deputy Headteacher D Humphreys, Assistant Headteacher N O'Brien, Assistant Headteacher S Manning, Assistant Headteacher
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR
<b>Bankers</b>	Lloyds Bank Plc 38 Market Place Dereham Norfolk NR19 2AT

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

<b>Solicitors</b>	Stone King LLP Thirty Station Road Cambridge CB1 2RE
-------------------	---

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Mid Norfolk Academy Trust - MNAT (The Trust or the Charitable Company) for the financial year to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates one secondary Academy serving a catchment area in mid-Norfolk. The Academy has a capacity of 1130 and had a roll of 1119 in the 2018 census.

During the year, the Trust has attempted to expand by recruiting additional academies and schools. In strategy update papers, presented to the Board of Trustees by the CEO, it became clear that these attempts were not likely to be fruitful in the short term. To mitigate longer term risk associated with the viability of an 'Empty MAT', opportunities to merge with other Trusts were also explored. Trustees are delighted that, following due diligence, a very good fit for MNAT has materialised in ieTrust. In October 2018, the Regional Schools Commissioner has given the proposed merger approval following a Headteachers' Board meeting. Current activity is around successfully forming the new, merged Trust, to be known as Enrich Learning Trust, with a proposed start date of January 2019.

### **Structure, Governance and Management**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academy:

- Dereham Neatherd High School            converted on 01/03/2017

The operation of The Trust's Academy and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance & Audit Committee. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the MGB and the term Governor to a member of an LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

### **Members' Liability**

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

### **Trustees and Officers' Indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Method of Recruitment and Appointment or Election of Trustees**

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the MGB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 11 Trustees.

**Policies and Procedures Adopted for the Induction and Training of Trustees and Governors**

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The MGB meets on at least 6 occasions per year and its 1 sub committee Finance & Audit at least 3 times per year. The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Team (SLT's) controls the Academy at an executive level implementing policies and reporting to their LGB. SLT is responsible for the day to day operation of the Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Senior Management Team (SMT) looks across the Trust and aligns local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

**Arrangements for setting pay and remuneration of key management personnel**

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the MGB.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is possible that from time to time transactions will take place with organisations in which members of the MGB may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

**Trade union time**

During the year the Trust participated in the trade union local authority-run joint facility; however no cost was incurred in the year in this respect.

**Objectives and Activities**

**Objects and Aims**

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 11 and 18.

**Objectives, Strategies and Activities**

During the year the Trust has worked towards these aims by:

- Maximising the educational achievements of students
- Providing an accessible & broad curriculum for all students
- Ensuring adequate staffing levels
- Recruiting & developing a senior leadership team, teachers and support staff of the highest quality
- Maintaining the best possible physical environment

Our success in fulfilling our aims can be measured by:

- Student exam success at the end of Year 11
- Post-16 student destinations
- Recruitment levels into Year 7
- Low levels of staff turnover
- Parent and Student survey data

**Public Benefit**

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Strategic Report**

**Achievements and Performance**

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

Specific achievements were as follows:

- Our main aim was to raise achievement of our students so that they are making significant progress. The new examination system for GCSEs which began with English and Maths last year extended to the majority of subjects in 2018. Our students achieved 68% 'good pass' rate in English and Maths. This was 6% above the comparative figure for 2017. Overall progress was excellent with a Progress 8 score of +0.34 ranking us within the top 20% of schools nationally and fifth in the county.
- A core focus for 2017-18 was the performance of pupil premium students and boys. Our aim was to close the attainment gap between Pupil Premium students and their peers. In 2018 gap narrowed again from 16% to 13% with 46% of Pupil Premium students attaining a 'good pass' in English and Maths. Additionally, while progress of Pupil Premium students was negative, -0.23 it is better than the national picture of -0.39. Also we have narrowed our gap whilst it has grown nationally. Boy progress was excellent at +0.23 compared to the national of -0.21.
- We also set a target of ensuring progress was being made in all other year groups. We set a benchmark that at least 70% of students in each year group should be achieving three levels of progress in English and Maths from their starting points. Year 7 have made excellent progress; both English and Maths exceeding this figure. In Years 8 and 9 maths progress is excellent whereas English is slightly below the threshold. Year 10 had an excellent first year of GCSE study. They are on track to achieve 70% 'good pass' in English and Maths.
- We are satisfied that the school has good systems in place to minimise absence and hence improve outcomes for individual students. Student absence data was below the national and Norfolk average at the time of the Spring Census. The school absence rate is under 5% compared with 5.6% locally and 5.2% nationally. Likewise, Persistent Absence (10% or more) figures were below National and local figures standing at 10.7% compared with 14.3% locally and 13.1% nationally.

**Key Performance Indicators**

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2018 were 1,119 against a forecast of 1,136.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2017/18 this was between 80 - 84% against set parameters of 75 - 80%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

The Finance & Audit Committee also monitors premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the MGB.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Going Concern**

On 6 September 2018), the trustees passed a resolution in order to progress with the transfer of Mid Norfolk Academy Trust's operating activities, assets and liabilities to another multi-academy trust, ieTrust, with the intended transfer expected to happen on 1 January 2019. Mid Norfolk Academy Trust will cease operating on this date.

The trustees' approval is subject to any amendments required to finalise the documents that may come from either of the trusts' solicitors and the ESFA/DfE. The final transfer agreement is expected to be approved on the same day that the trustees sign these financial statements. At the point of transfer, the Academy Trust will cease its operating activities with all assets and liabilities transferring to ieTrust at their carrying amounts.

As a result of the above, the financial statements have been prepared on the basis that the Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Dereham Neatherd High School will continue to operate from within the receiving multi-academy trust.

**Financial Review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (ESFA). For the period ended 31 August 2018 the Trust received £5,638,060 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £6,108,229 on expenditure. The carry forward for 17/18 is £6,842 restricted funding, £12,317,159 of fixed asset funds, (£1,620,000) of pension deficit and £380,039 of unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,620,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Reserves Policy**

The Trust will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning. The current policy is for the Trust to hold revenue reserves equivalent to one month's General Annual Grant funding. All revenue reserves are controlled by the Board of Trustees including those transferred in upon conversion and cannot be spent without the approval of the Board.

The Trust will build and maintain a capital reserve fund in line with the reserves approved by the Board from time to time.

Reserve funds will be held on deposit in an interest bearing account in a UK regulated bank or in other instruments and investments as agreed from time to time by the Board.

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £380,040, compared to a target of £419,000. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

The Trustees have made a decision to designate unrestricted balances of £10,694, which relate to income generated by departments prior to conversion.

The Trustees have also made a decision to set an objective of unrestricted balances of 5 - 8% for future capital projects, and is holding other unrestricted funds to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds £211,000 for in year contingencies and always plans to have a carry forward of between 5% and 8% to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 was £386,882.

The cash balance of the Trust has been healthy for all of the period, ending the year with a balance of £526,733. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £211,000 to cover short term cash flow variances.

### **Investment Policy**

An Investment Policy was approved by the MGB on 7 March 2017. Any investments will be in line with the Trust Constitution.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

### **Principal Risks and Uncertainties**

The Trust works with the LGB in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB via the Finance & Audit Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees by the CEO and an expert Member. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed the Executive Headteacher to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash, trade creditors, and a finance lease for the 3G pitch, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and the Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**Plans for Future Periods**

Trustees' plans for the forthcoming period are to work with the Regional Schools Commissioner, the Local Authority in Norfolk and ieTrust to progress the proposed merger leading to the establishment of the combined Enrich Learning Trust with effect from 1st January 2019. At the point of merger, MNAT will cease to be an employer, but will continue to exist as a legal entity until the required governance processes have been completed and the residual organisation has been formally wound up and removed from the register of companies.

Planning is also underway to recruit a new Headteacher for Dereham Neatherd High School, as the current Headteacher/CEO will become Director of Education for the combined Enrich Learning Trust.

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is 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 Auditor is aware of that information.

**MID NORFOLK ACADEMY TRUST  
(A Company Limited by Guarantee)**

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2018 and signed on its behalf by:

**A D Rowley  
Chair of Trustees**

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Mid Norfolk Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Mid Norfolk Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
A D Rowley	4	6
L Tarabay, Vice Chair	4	5
S Ferguson	6	6
P A Devonish, Chief Executive	6	6
V A Warren	4	6
M Davey	2	6
D J Allen	2	6
A R Long	6	6
R Lindley	0	4
S Frost	2	4

The Finance and Audit committee is a sub-committee of the main Board of Trustees. Its purpose is laid out in Appendix 7 on the MNAT Constitution. In summary the committee provides financial strategy & oversight across the Trust. The purpose and remit of the Finance and Audit Committee is to develop a financial strategy for the Trust and consider policies, procedures or plans required to realise such strategy and uphold sound principles of governance. The Committee considers the Trust's indicative funding, once notified by the ESFA, and to assess its implications for the Trust, in consultation with the Senior Executive Leader and the Chief Finance Officer, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees. The Committee monitors and reviews income and expenditure throughout the year.

The committee met 6 times between 1 September 2017 and 31 August 2018.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Ferguson	2	3
D J Allen	2	6
A R Long	6	6
P A Devonish	6	6
V A Warren	5	6
A D Rowley	6	6
L Tarabay	4	4

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

**Competitive Tendering**

The Academy seeks competitive quotes from at least three suppliers for all purchases over £5k and makes use of framework and other group purchasing arrangements where these available. During the year, such quotes were obtained for new IT devices required to support a move to a more up to date operating platform and server software, based on a detailed specification. This resulted in a higher number of devices being procured for the available budget than otherwise might be the case.

**Site Management**

The Trust employs a team who maintain the school premises in an excellent condition and who work to support the development of the site in line with the vision in the premises management plans. During the year, significant savings were achieved by the in house team undertaking the construction of a canopy over an external courtyard from component parts, compared to the cost of a supply and install solution from an external contractor. In addition, this work was carried out over the main summer vacation period at no additional labour costs and without any disruption to school activities.

**Day to day price checking and scrutiny**

The Finance Team takes a proactive approach to price checking, taking advantage of discounts, price breaks and online purchase options to ensure that curriculum expenditure offers best value. For example, there is now a fully developed market in good quality used educational supplies, such as books, which are suitable for use, but are available at a much lower price than new.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**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 Audit 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 not to appoint an internal auditor.

Instead, during the year, an external Financial Management and Governance (FMGS) review was carried out in Autumn 2017. The FMGS review confirmed that the Trust has financial management and governance arrangements in place to ensure any instances of irregularity, impropriety or funding non-compliance can be identified. The review comprised a self-assessment supported by evidence as well as a validation visit to the school.

Reviews are carried out annually. The next review will be carried out in the next 12-month period.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Executive Headteacher 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on their behalf, by:

**A D Rowley**  
**Chair of Trustees**

**P A Devonish, Chief Executive**  
**Accounting Officer**

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Mid Norfolk Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

**P A Devonish**  
**Accounting Officer**

Date: 13 December 2018

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:

**A D Rowley**  
**Chair of Trustees**

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID  
NORFOLK ACADEMY TRUST**

**OPINION**

We have audited the financial statements of Mid Norfolk Academy Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

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

**EMPHASIS OF MATTER**

We draw attention to note 1.2 in the financial statements, which describes the basis of preparation of the financial statements. The Trust will transfer its operations, assets and liabilities to ieTrust on 1 January 2019 and this Mid Norfolk Academy Trust will cease operating. As required by UK accounting standards, the trustees have prepared the financial statements on the basis that the Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities will transfer to ieTrust at their carrying amounts. Our opinion is not modified in respect of this matter.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID  
NORFOLK ACADEMY TRUST**

**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID  
NORFOLK ACADEMY TRUST**

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
Norfolk  
NR7 0HR  
18 December 2018

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MID  
NORFOLK ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mid Norfolk Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF MID NORFOLK ACADEMY TRUST'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Mid Norfolk Academy Trust's funding agreement with the Secretary of State for Education dated 28 February 2017, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

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

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

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

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

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MID  
NORFOLK ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

**CONCLUSION**

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

**Price Bailey LLP**

Reporting Accountant

Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
Norfolk  
NR7 0HR

18 December 2018

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Assets transferred on conversion	2	-	-	-	-	11,419,788
Other donations and capital grants	2	14,853	8,604	21,989	45,446	77,074
Charitable activities	3	-	5,543,604	-	5,543,604	2,725,116
Other trading activities	4	48,625	-	-	48,625	50,366
Investments	5	385	-	-	385	545
<b>TOTAL INCOME</b>		<u>63,863</u>	<u>5,552,208</u>	<u>21,989</u>	<u>5,638,060</u>	<u>14,272,889</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		18,424	5,702,623	387,182	6,108,229	3,145,680
<b>TOTAL EXPENDITURE</b>	6	<u>18,424</u>	<u>5,702,623</u>	<u>387,182</u>	<u>6,108,229</u>	<u>3,145,680</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between funds	18	45,439 8,413	(150,415) (124,783)	(365,193) 116,370	(470,169) -	11,127,209 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		53,852	(275,198)	(248,823)	(470,169)	11,127,209
Actuarial gains/(losses) on defined benefit pension schemes	22	-	465,000	-	465,000	(38,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>53,852</u>	<u>189,802</u>	<u>(248,823)</u>	<u>(5,169)</u>	<u>11,089,209</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		326,188	(1,802,961)	12,565,982	11,089,209	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>380,040</u>	<u>(1,613,159)</u>	<u>12,317,159</u>	<u>11,084,040</u>	<u>11,089,209</u>

The notes on pages 24 to 48 form part of these financial statements.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 10596096**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		12,608,809		12,896,193
<b>CURRENT ASSETS</b>					
Debtors	14	172,419		453,078	
Cash at bank and in hand		526,733		322,423	
		<u>699,152</u>		<u>775,501</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(339,394)		(436,293)	
<b>NET CURRENT ASSETS</b>			<u>359,758</u>		<u>339,208</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,968,567</u>		<u>13,235,401</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		(264,527)		(311,192)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>12,704,040</u>		<u>12,924,209</u>
Defined benefit pension scheme liability	22		(1,620,000)		(1,835,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>11,084,040</u></u>		<u><u>11,089,209</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	18	6,841		32,039	
Restricted fixed asset funds	18	12,317,159		12,565,982	
Restricted income funds excluding pension liability		<u>12,324,000</u>		<u>12,598,021</u>	
Pension reserve		(1,620,000)		(1,835,000)	
Total restricted income funds			<u>10,704,000</u>		<u>10,763,021</u>
Unrestricted income funds	18		380,040		326,188
<b>TOTAL FUNDS</b>			<u><u>11,084,040</u></u>		<u><u>11,089,209</u></u>

The financial statements on pages 21 to 48 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

**A D Rowley**  
**Chair of Trustees**

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	31 August 2018 £	6 months ended 31 August 2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	275,476	325,191
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		385	545
Purchase of tangible fixed assets		(99,798)	(29,144)
Capital grants from DfE Group		28,247	25,831
<b>Net cash used in investing activities</b>		<b>(71,166)</b>	<b>(2,768)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>204,310</b>	<b>322,423</b>
Cash and cash equivalents brought forward		322,423	-
<b>Cash and cash equivalents carried forward</b>	21	<b>526,733</b>	<b>322,423</b>

The notes on pages 24 to 48 form part of these financial statements.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

Mid Norfolk Academy Trust constitutes a public benefit entity as defined by FRS 102.

Mid Norfolk Academy Trust is a company limited by guarantee, incorporated in the UK and registered at the following address: Dereham Neatherd High School, Norwich Road, Dereham, NR20 3AX.

The financial statements are prepared in pounds sterling and are rounded to the nearest pound.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

As noted in the post balance sheet event note (note 26), the Trust will transfer its operations, assets and liabilities to ieTrust on 1 January 2019 and Mid Norfolk Academy Trust will cease trading on this date. The academy school will continue to operate from within the receiving multi-academy trust. As required by UK accounting standards, the trustees have prepared the financial statements on the basis that the Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities will transfer to ieTrust at their carrying amounts.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised 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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long Term Leasehold Property	-	Over the term of the lease for the land element, and between 25 years and 41 years for the buildings element.
3G pitch	-	5% straight line
Furniture and fixtures	-	15% reducing balance
Motor vehicles	-	15% reducing balance
Computer equipment	-	25% straight line

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

**1.6 Leasing and hire purchase**

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

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.8 Debtors**

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

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.9 Cash at Bank and in hand**

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

**1.10 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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 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.

**1.11 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 note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.12 Taxation**

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

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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 incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.14 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.15 Redundancy and termination payments**

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Academy Trust is demonstrably committed to either:

- terminate the employment of an employee or group of employees before normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Assets transferred on conversion	-	-	-	-	11,419,788
Donations	14,853	8,604	-	23,457	51,243
Capital grants	-	-	21,989	21,989	25,831
Subtotal	14,853	8,604	21,989	45,446	77,074
	14,853	8,604	21,989	45,446	11,496,862
Total 2017	406,567	(1,637,143)	12,727,438	11,496,862	

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,023,325	5,023,325	2,474,786
Other DfE / ESFA grants	-	237,447	237,447	96,116
	-	5,260,772	5,260,772	2,570,902
<b>Other government grants</b>				
Local authority grants	-	129,735	129,735	82,444
GTP/Trainee teacher income	-	9,898	9,898	2,850
	-	139,633	139,633	85,294
<b>Other funding</b>				
Trip income	-	143,199	143,199	68,920
	-	143,199	143,199	68,920
	-	5,543,604	5,543,604	2,725,116
Total 2017	-	2,725,116	2,725,116	

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental Income	38,702	-	38,702	18,733
Other Income	5,368	-	5,368	30,363
Other Trading Income	4,555	-	4,555	1,270
	<u>48,625</u>	<u>-</u>	<u>48,625</u>	<u>50,366</u>
Total 2017	<u>50,366</u>	<u>-</u>	<u>50,366</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank Interest	385	-	385	545
Total 2017	<u>545</u>	<u>-</u>	<u>545</u>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of Education:					
Direct costs	3,939,601	-	451,335	4,390,936	2,321,906
Support costs	814,550	599,657	303,086	1,717,293	823,774
	<u>4,754,151</u>	<u>599,657</u>	<u>754,421</u>	<u>6,108,229</u>	<u>3,145,680</u>
Total 2017	<u>2,398,978</u>	<u>294,827</u>	<u>485,318</u>	<u>3,179,123</u>	

In 2018, of the total expenditure, £19,995 was to unrestricted funds (2017: 131,290), £5,701,052 was to restricted funds (2017: £2,823,790) and £387,182 was to restricted fixed asset funds (2017: £190,600).

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Analysis of support costs**

	2018 £	2017 £
Support staff costs	814,550	363,873
Depreciation	387,182	168,150
Technology costs	45,956	14,924
Premises costs	212,475	126,677
Other support costs	245,890	138,265
Governance costs	11,240	11,885
<b>Total</b>	<b><u>1,717,293</u></b>	<b><u>823,774</u></b>

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Provision of Education	4,390,936	1,717,293	6,108,229	3,145,680
<b>Total 2017</b>	<b><u>2,321,906</u></b>	<b><u>823,774</u></b>	<b><u>3,145,680</u></b>	

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

This is stated after charging:

	31 August 2018 £	6 months ended 31 August 2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	368,569	181,293
- held under finance leases	18,613	9,307
Auditors' remuneration - audit	6,480	6,275
Auditors' remuneration - other services	4,760	4,960
Operating lease rentals	8,526	13,236
	<b><u>368,569</u></b>	<b><u>181,293</u></b>

**9. CENTRAL SERVICES**

No central services were provided by the Trust to its academy during the year and no central charges arose.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	31 August 2018 £	6 months ended 31 August 2017 £
Wages and salaries	3,555,079	1,783,584
Social security costs	337,925	169,164
Operating costs of defined benefit pension schemes	804,676	393,930
	4,697,680	2,346,678
Agency staff costs	43,220	33,443
Staff restructuring costs	13,251	18,857
	4,754,151	2,398,978

Staff restructuring costs comprise:

	31 August 2018 £	6 months ended 31 August 2017 £
Severance payments	13,251	18,857
	13,251	18,857

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory, non-contractual severance payments totalling £8,000 (2017: £16,000). This is one individual payment which was paid on 19 December 2017. Other severance payments are in line with statutory requirements.

**c. Staff numbers**

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

	31 August 2018 No.	6 months ended 31 August 2017 No.
Teachers	61	62
Administration and support	70	69
Management	7	5
	138	136

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**10. STAFF COSTS (continued)**

**d. Higher paid staff**

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

	31 August 2018 No.	6 months ended 31 August 2017 No.
In the band £60,001 - £70,000	2	0
In the band £100,001 - £110,000	1	0

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust during the period was £535,512 (2017 - £236,712).

Included in the above are employer's national insurance contributions of £49,912 (2017 - £22,005) and employer pension contributions of £62,094 (2017 - £30,874).

**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		31 August 2018 £	6 months ended 31 August 2017 £
Peter Devonish	Remuneration	100,000-105,000	45,000-50,000
	Pension contributions paid	15,000-20,000	5,000-10,000

During the year ended 31 August 2018, expenses totalling £846 (2017 - £NIL) were reimbursed to 2 Trustees (2017 - 0).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**13. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Property £	3G Pitch £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2017	12,441,000	372,268	19,199	149,207	105,119	13,086,793
Additions	44,450	-	-	13,516	41,832	99,798
At 31 August 2018	<u>12,485,450</u>	<u>372,268</u>	<u>19,199</u>	<u>162,723</u>	<u>146,951</u>	<u>13,186,591</u>
<b>Depreciation</b>						
At 1 September 2017	157,403	9,307	1,440	11,191	11,259	190,600
Charge for the year	314,994	18,613	2,664	20,929	29,982	387,182
At 31 August 2018	<u>472,397</u>	<u>27,920</u>	<u>4,104</u>	<u>32,120</u>	<u>41,241</u>	<u>577,782</u>
<b>Net book value</b>						
At 31 August 2018	<u>12,013,053</u>	<u>344,348</u>	<u>15,095</u>	<u>130,603</u>	<u>105,710</u>	<u>12,608,809</u>
At 31 August 2017	<u>12,283,597</u>	<u>362,961</u>	<u>17,759</u>	<u>138,016</u>	<u>93,860</u>	<u>12,896,193</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
3G Pitch	<u>344,348</u>	<u>362,961</u>

**14. DEBTORS**

	2018 £	2017 £
Trade debtors	201	32,163
VAT	62,321	67,146
Prepayments and accrued income	109,897	353,769
	<u>172,419</u>	<u>453,078</u>

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	46,696	44,850
Trade creditors	112,639	99,433
Other taxation and social security	85,002	84,311
Other creditors	514	74,394
Accruals and deferred income	94,543	133,305
	339,394	436,293
	339,394	436,293
	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	72,120	-
Resources deferred during the year	41,902	72,120
Amounts released from previous years	(72,120)	-
	41,902	72,120
	41,902	72,120

The deferred income held at 31 August 2018 related to educational visits taking place post year end as well as deferred grant income.

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

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	264,527	311,192
	264,527	311,192
Creditors include amounts not wholly repayable within 5 years as follows:		
	2018 £	2017 £
Repayable by instalments	57,335	112,328
	57,335	112,328
Obligations under finance leases and hire purchase contracts, included above, are payable as follows:		
	2018 £	2017 £
Between one and five years	207,192	198,864
After five years	57,335	112,328
	264,527	311,192
	264,527	311,192

The creditor falling due after more than one year relates to a finance lease taken out on the school's 3G pitch. This is being repaid over 6 years at a rate of 4.19%.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**17. FINANCIAL INSTRUMENTS**

	31 August 2018 £	6 months ended 31 August 2017 £
Financial assets measured at amortised cost	571,929	660,718
Financial liabilities measured at amortised cost	478,588	591,054

Financial assets measured at amortised cost comprise trade debtors, bank balances and accrued income

Financial liabilities measured at amortised cost comprise trade creditors, pension creditor, finance lease and accruals.

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**18. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Designated funds</b>						
Designated Funds	10,694	-	-	-	-	10,694
<b>General funds</b>						
General Funds	315,494	63,863	(18,424)	8,413	-	369,346
Total Unrestricted funds	326,188	63,863	(18,424)	8,413	-	380,040
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	4,997,087	(4,898,953)	(98,134)	-	-
Pupil Premium	-	218,188	(218,188)	-	-	-
Other DfE/ESFA grants	-	28,488	(28,488)	-	-	-
Other government grants	-	156,642	(156,642)	-	-	-
Donations	660	8,604	(7,033)	-	-	2,231
School fund	31,259	133,559	(133,559)	(26,649)	-	4,610
Other restricted	120	9,640	(9,760)	-	-	-
Pension reserve	(1,835,000)	-	(250,000)	-	465,000	(1,620,000)
	(1,802,961)	5,552,208	(5,702,623)	(124,783)	465,000	(1,613,159)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	12,512,769	-	(372,610)	73,066	-	12,213,225
DfE/ESFA capital grants	25,831	21,989	-	(28,247)	-	19,573
Capital expenditure from GAG	27,382	-	(14,572)	71,551	-	84,361
	12,565,982	21,989	(387,182)	116,370	-	12,317,159
Total restricted funds	10,763,021	5,574,197	(6,089,805)	(8,413)	465,000	10,704,000
Total of funds	11,089,209	5,638,060	(6,108,229)	-	465,000	11,084,040

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

**General Annual Grant**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

The transfer from GAG relates to the contribution from GAG funding towards the purchase of capital assets during the period.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Pupil premium**

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Other DfE/ESFA grants**

This represents rates relief received.

**Other government grants**

This represents other funding from the government towards the provision of education.

**Income from other schools**

Income from other schools is made up of SEN Cluster funding.

**School fund**

This mainly represents contributions made by parents to the running of educational visits for the pupils of the Academy Trust and the associated costs of running these trips.

**Other restricted**

This represents funding received from other bodies towards a specific purpose.

**Restricted fixed asset fund**

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose.

**Amounts transferred on conversion**

These represent the amounts received from the council on conversion to Academy status.

**DfE/ESFA capital grants**

Capital grants, in particular Devolved Formula Capital, is received by the Trust to use to maintain and improve its buildings and facilities.

**Pension reserve**

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 22 based on the period end actuarial valuation.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Dereham Neatherd High School	385,310	358,227
Restricted fixed asset fund	12,317,159	12,565,982
Pension reserve	(1,620,000)	(1,835,000)
Total	<u>11,082,469</u>	<u>11,089,209</u>

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Dereham Neatherd High School	<u>3,896,381</u>	<u>814,550</u>	<u>494,555</u>	<u>515,561</u>	<u>5,721,047</u>	<u>2,977,530</u>

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 February 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated Funds	-	10,694	-	-	-	10,694
<b>General funds</b>						
General Funds	-	49,603	(131,290)	397,181	-	315,494
Amounts transferred on conversion	-	397,181	-	(397,181)	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	2,462,815	(2,433,671)	(29,144)	-	-
Pupil Premium	-	96,116	(96,116)	-	-	-
Other DfE/ESFA grants	-	11,971	(11,971)	-	-	-
Other government grants	-	57,420	(57,420)	-	-	-
Income from other schools	-	27,874	(27,874)	-	-	-
Donations	-	3,307	(2,647)	-	-	660
School fund	-	38,550	(7,291)	-	-	31,259
Other restricted	-	68,920	(68,800)	-	-	120
Pension reserve	-	(1,679,000)	(118,000)	-	(38,000)	(1,835,000)
	-	1,087,973	(2,823,790)	(29,144)	(38,000)	(1,802,961)
<b>Restricted fixed asset funds</b>						
Fixed assets	-	-	(188,838)	12,701,607	-	12,512,769
Transfer on conversion	-	12,701,607	-	(12,701,607)	-	-
DfE/ESFA capital grants	-	25,831	-	-	-	25,831
Capital expenditure from GAG	-	-	(1,762)	29,144	-	27,382
	-	12,727,438	(190,600)	29,144	-	12,565,982
Total restricted funds	-	13,815,411	(3,014,390)	-	(38,000)	10,763,021
Total of funds	-	14,272,889	(3,145,680)	-	(38,000)	11,089,209

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	12,608,809	12,608,809
Current assets	380,040	299,539	19,573	699,152
Creditors due within one year	-	(292,698)	(46,696)	(339,394)
Creditors due in more than one year	-	-	(264,527)	(264,527)
Provisions for liabilities and charges	-	(1,620,000)	-	(1,620,000)
	<u>380,040</u>	<u>(1,613,159)</u>	<u>12,317,159</u>	<u>11,084,040</u>

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	12,896,193	12,896,193
Current assets	645,511	104,159	25,831	775,501
Creditors due within one year	(319,323)	(72,120)	(44,850)	(436,293)
Creditors due in more than one year	-	-	(311,192)	(311,192)
Provisions for liabilities and charges	-	(1,835,000)	-	(1,835,000)
	<u>326,188</u>	<u>(1,802,961)</u>	<u>12,565,982</u>	<u>11,089,209</u>

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

	31 August 2018 £	6 months ended 31 August 2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(470,169)	11,127,209
<b>Adjustment for:</b>		
Depreciation charges	387,182	190,600
Dividends, interest and rents from investments	(385)	(545)
Decrease/(increase) in debtors	280,659	(453,078)
(Decrease)/increase in creditors	(143,564)	391,443
Capital grants from DfE and other capital income	(28,247)	(25,831)
Defined benefit pension scheme obligation inherited	-	1,679,000
Defined benefit pension scheme cost less contributions payable	202,000	94,000
Defined benefit pension scheme finance cost	48,000	24,000
Net (loss) on assets and liabilities from local authority on conversion	-	(13,057,649)
Finance lease on conversion	-	356,042
<b>Net cash provided by operating activities</b>	<b>275,476</b>	<b>325,191</b>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	31 August 2018 £	6 months ended 31 August 2017 £
Cash at bank and in hand	526,733	322,423
Total	<b>526,733</b>	<b>322,423</b>

**22. PENSION COMMITMENTS**

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - £73,864) and are included within creditors.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**22. PENSION COMMITMENTS (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £399,122 (2017 - £204,186).

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

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

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**22. PENSION COMMITMENTS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £262,696 (2017 - £125,038), of which employer's contributions totalled £203,554 (2017 - £95,814) and employees' contributions totalled £59,142 (2017 - £29,224). The agreed contribution rates for future years for employers are 20.3% to 31 March 2019 and 21.3% to March 2020. The agreed future contribution rate for employees is tiered based on salary levels between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

The commutation rate of 50 relates to pre April 2008 service and increased to 75% for post April 2008 service.

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

As at the 31 August 2018 the Trust had a pension liability of £1,620,000 (2017 - £1,835,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

<b>Sensitivity movement</b>	At 31 August	6 months ended
	2018	At 31 August
	£	2017
		£
Discount rate +0.1%	(103,456)	(99,360)
Discount rate -0.1%	103,456	99,360
Mortality assumption - 1 year increase	25,864	24,840
Mortality assumption - 1 year decrease	(25,864)	(24,840)
CPI rate +0.1%	77,592	68,310
CPI rate -0.1%	(77,592)	(68,310)

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**22. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	822,600	787,400
Bonds	548,400	317,500
Property	193,600	139,700
Cash	48,400	25,400
	<u>1,613,000</u>	<u>1,270,000</u>
Total market value of assets	<u>1,613,000</u>	<u>1,270,000</u>

The actual return on scheme assets was £86,000 (2017 - £68,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	31 August 2018 £	6 months ended 31 August 2017 £
Current service cost	(405,000)	(190,000)
Interest income	35,000	15,000
Interest cost	(83,000)	(39,000)
	<u>(453,000)</u>	<u>(214,000)</u>
Total	<u>(453,000)</u>	<u>(214,000)</u>

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

	31 August 2018 £	6 months ended 31 August 2017 £
Opening defined benefit obligation	3,105,000	-
Upon conversion	-	2,761,000
Current service cost	405,000	190,000
Interest cost	83,000	39,000
Employee contributions	59,000	29,000
Actuarial (gains)/losses	(414,000)	91,000
Benefits paid	(5,000)	(5,000)
	<u>3,233,000</u>	<u>3,105,000</u>
Closing defined benefit obligation	<u>3,233,000</u>	<u>3,105,000</u>

**MID NORFOLK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**22. PENSION COMMITMENTS (continued)**

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

	31 August 2018 £	6 months ended 31 August 2017 £
Opening fair value of scheme assets	1,270,000	-
Upon conversion	-	1,082,000
Interest income	35,000	15,000
Actuarial losses	51,000	53,000
Employer contributions	203,000	96,000
Employee contributions	59,000	29,000
Benefits paid	(5,000)	(5,000)
	1,613,000	1,270,000
	1,613,000	1,270,000

**23. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	13,046	11,981
Between 1 and 5 years	7,397	13,805
	20,443	25,786
	20,443	25,786

**24. MEMBERS' LIABILITY**

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

**25. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**MID NORFOLK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**26. POST BALANCE SHEET EVENTS**

On 6 September 2018, the trustees passed a resolution in order to progress with the transfer of Mid Norfolk Academy Trust's operating activities, assets and liabilities to another multi-academy trust, ieTrust, with the intended transfer expected to happen on 1 January 2019. The trustees' approval was subject to any amendments required to finalise the documents that may come from either of the trusts' solicitors and the ESFA/DfE. The final transfer agreement is expected to be approved on the same day that the trustees sign these financial statements. At the point of transfer, the Academy Trust will cease its operating activities with all assets and liabilities transferring to ieTrust at their carrying amounts. No restatement of fixed assets, long term liabilities or provisions to current assets and liabilities is made as the amounts will transfer to the receiving trust under their respective classifications as presented. No material adjustments arise as a result of ceasing to apply the going concern basis.

Dereham Neatherd High School will continue to operate from within the receiving multi-academy trust.