

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

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2018**

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

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**MID NORFOLK ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

<b>Members</b>	I J Mayers R Woolf A P Ferguson T Allen
<b>Trustees</b>	A D Rowley, Chair of Trustees L Tarabay, Vice Chair P A Devonish V A Warren (resigned 9 November 2018) M Davey D J Allen (resigned 4 October 2018) A R Long S Frost (resigned 2 April 2019)
<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 PERIOD ENDED 31 DECEMBER 2018**

**Advisers (continued)**

**Solicitors**

Stone King LLP  
Thirty Station Road  
Cambridge  
CB1 2RE

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

**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

The Trustees present their Report together with the financial statements and Auditor's Report of Mid Norfolk Academy Trust - MNAT (The Trust or the Charitable Company) for the four month period to 31 December 2018.

The 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 1113 in the Spring 2019 census.

To mitigate longer-term risk associated with the viability of an 'Empty MAT', opportunities to merge with other Trusts were explored and following consideration and approval by the Trustees, the Regional Schools Commissioner approved a proposed merger with ieTrust. A new, merged Trust, known as Enrich Learning Trust, was successfully established from 1st January 2019.

Since that date, work has focussed on embedding new operational systems and building relationships and sharing best practice with other schools in the expanded Trust, which now comprises three secondary and two primary schools.

### **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.

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.

### **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.

**MID NORFOLK ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

**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.

**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.

**MID NORFOLK ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

**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 period 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 period the Trust has worked towards these aims by maximising the educational achievements of students and providing an accessible & broad curriculum for all. The Trust has ensured that it has adequate staffing levels and has recruited and developed a leadership team, teachers and support staff of the highest quality. Following a rigorous selection process, a new head teacher was recruited with effect from the 1st January 2019, as the former head teacher has taken on a wider role with the new merged Trust.

Success in fulfilling the Trust's aims can be measured by student exam and progress data, post 16 destination information as well as recruitment into year 7. The school is over-subscribed for September 2019 year 7 entry for the second year in succession, reflecting positive parental choice.

**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.

**Strategic Report**

**Achievements and Performance**

Specific achievements were as follows:

- 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. This focus on raising achievement has continued in the period with further work to continue to narrow the gap between Pupil Premium students and other student and maintain progress levels for boys.
- 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.
- Attendance has improved in the period with some year groups achieving attendance levels as high as 98% in some weeks. Persistent absence has also reduced in the period since September 2018.

**MID NORFOLK ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

**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 funded pupil numbers for 2018 were 1,119 against a forecast of 1,136.

A curriculum led financial planning exercise has been undertaken to inform staffing needs and to ensure that financial planning and use of resources supports the curriculum effectively and there is efficient allocation of staffing and use of premises. This work will continue with the merged Trust.

The Finance & Audit Committee reviewed and agreed key benchmark indicators at its meeting in September 2018 including cash days; cost of staffing, leadership and teaching staff as a percentage of expenditure as well as spend per pupil on non-pay expenditure lines compared to similar Trusts.

**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 transfer taking place on 1 January 2019. Consequently, ieTrust changed its name to Enrich Learning Trust.

At the point of transfer, the Academy Trust ceased its operating activities with all assets and liabilities transferring to ieTrust (subsequently named Enrich Learning Trust) 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 Enrich Learning Trust, which is 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 December 2018 the Trust received £1,850,740 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 £2,080,455 on expenditure.

The carry forward is £38,129 restricted funding, £12,185,584 of fixed asset funds, £1,774,000 of pension deficit and £310,612 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 £1,774,000. 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.

**MID NORFOLK ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

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 £310,612, compared to a target of £419,000.

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 December 2018 was £348,741.

The cash balance of the Trust has been healthy for all of the period, ending the year with a balance of £460,224. 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

As an academy school, 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;
- 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 - 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.

### **Fundraising**

The Academy Trust only held small fundraising events during the year including school discos and non-uniform days. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

### **Plans for Future Periods**

With effect from 1st January 2019, the effective date of the merger with ieTrust, Enrich Learning Trust was formed and MNAT ceased to be an employer, but continues 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. It is anticipated that this process will be completed by end of June 2019.

**MID NORFOLK ACADEMY TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 2 April 2019 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.

Following the merger of Mid Norfolk Academy Trust and ieTrust (subsequently renamed Enrich Learning Trust), effective 1 January 2019, the funding agreement between the Mid Norfolk Academy Trust and the Secretary of State for Education has ended.

**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 3 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A D Rowley	3	3
L Tarabay, Vice Chair	3	3
P A Devonish	3	3
V A Warren	1	2
M Davey	1	3
D J Allen	0	1
A R Long	3	3
S Frost	1	3

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 period, drawing any matters of significance or concern to the attention of the Trustees. The Committee has monitored and reviewed income and expenditure throughout the period.

The committee met twice between 1 September 2018 and 31 December 2018.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
D J Allen	0	0
A R Long	2	2
P A Devonish	1	2
V A Warren	1	1
A D Rowley	2	2
L Tarabay	2	2
S Frost	1	2

**MID NORFOLK ACADEMY TRUST**  
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**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 are available. During the period, such quotes were obtained for new teaching staff laptops. This resulted in a higher number of devices being procured for the available budget than otherwise might be the case.

**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 period 1 September 2018 to 31 December 2018 and up to the date of approval of the 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 period 1 September 2018 to 31 December 2018 and up to the date of approval of the report and financial statements. The Finance and Audit Committee reviewed a detailed and updated risk register at its November 2018 meeting.

**MID NORFOLK ACADEMY TRUST**  
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**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 in the 4 month period to 31 December 2018.

**REVIEW OF EFFECTIVENESS**

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

- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the Board of Trustees on 2 April 2019 and signed on their behalf, by:

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

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

**MID NORFOLK ACADEMY TRUST**  
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**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 2018.

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 2018.

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: 2 April 2019

**MID NORFOLK ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, 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 2 April 2019 and signed on its behalf by:

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

**MID NORFOLK ACADEMY TRUST**  
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**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 period ended 31 December 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 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the period 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 academy trust has transferred its operations, assets and liabilities to ieTrust, subsequently renamed Enrich Learning Trust, on 1 January 2019 and Mid Norfolk Academy Trust ceased operating on this date. As required by UK accounting standards, the trustees have prepared the financial statements on the basis that the academy 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 have been transferred to Enrich Learning Trust 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 have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the 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  
12 April 2019

**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 period 1 September 2018 to 31 December 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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 period 1 September 2018 to 31 December 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 period 1 September 2018 to 31 December 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

12 April 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds 4 months ended 31 December 2018 £	Restricted funds 4 months ended 31 December 2018 £	Restricted fixed asset funds 4 months ended 31 December 2018 £	Total funds 4 months ended 31 December 2018 £	Total funds Year ended 31 August 2018 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	9,252	217	-	9,469	45,446
Charitable activities	3	1,931	1,821,766	-	1,823,697	5,543,604
Other trading activities	4	17,414	-	-	17,414	48,625
Investments	5	160	-	-	160	385
<b>TOTAL INCOME</b>		<u>28,757</u>	<u>1,821,983</u>	<u>-</u>	<u>1,850,740</u>	<u>5,638,060</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		<u>98,185</u>	<u>1,850,695</u>	<u>131,575</u>	<u>2,080,455</u>	<u>6,108,229</u>
<b>TOTAL EXPENDITURE</b>	6	<u>98,185</u>	<u>1,850,695</u>	<u>131,575</u>	<u>2,080,455</u>	<u>6,108,229</u>
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial gains/(losses) on defined benefit pension schemes	22	(69,428)	(28,712)	(131,575)	(229,715)	(470,169)
		<u>-</u>	<u>(94,000)</u>	<u>-</u>	<u>(94,000)</u>	<u>465,000</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>(69,428)</u>	<u>(122,712)</u>	<u>(131,575)</u>	<u>(323,715)</u>	<u>(5,169)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>380,040</u>	<u>(1,613,159)</u>	<u>12,317,159</u>	<u>11,084,040</u>	<u>11,089,209</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>310,612</u></u>	<u><u>(1,735,871)</u></u>	<u><u>12,185,584</u></u>	<u><u>10,760,325</u></u>	<u><u>11,084,040</u></u>

The notes on pages 23 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 DECEMBER 2018**

	Note	£	31 December 2018 £	£	31 August 2018 £
<b>FIXED ASSETS</b>					
Tangible assets	13		12,482,613		12,608,809
<b>CURRENT ASSETS</b>					
Debtors	14	207,862		172,419	
Cash at bank and in hand		460,224		526,733	
		<u>668,086</u>		<u>699,152</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(351,847)		(339,394)	
<b>NET CURRENT ASSETS</b>			<u>316,239</u>		<u>359,758</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,798,852</u>		<u>12,968,567</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		(264,527)		(264,527)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>12,534,325</u>		<u>12,704,040</u>
Defined benefit pension scheme liability	22		(1,774,000)		(1,620,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>10,760,325</u>		<u>11,084,040</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	18	38,129		6,841	
Restricted fixed asset funds	18	12,185,584		12,317,159	
Restricted income funds excluding pension liability		<u>12,223,713</u>		<u>12,324,000</u>	
Pension reserve		(1,774,000)		(1,620,000)	
Total restricted income funds			<u>10,449,713</u>		<u>10,704,000</u>
Unrestricted income funds	18		310,612		380,040
<b>TOTAL FUNDS</b>			<u>10,760,325</u>		<u>11,084,040</u>

The financial statements on pages 20 to 48 were approved by the Trustees, and authorised for issue, on 2 April 2019 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 PERIOD ENDED 31 DECEMBER 2018**

	Note	31 December 2018 £	31 August 2018 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	(61,290)	275,476
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		160	385
Purchase of tangible fixed assets		(5,379)	(99,798)
Capital grants from DfE Group		-	28,247
<b>Net cash used in investing activities</b>		<b>(5,219)</b>	<b>(71,166)</b>
<b>Change in cash and cash equivalents in the period</b>		<b>(66,509)</b>	<b>204,310</b>
Cash and cash equivalents brought forward		526,733	322,423
<b>Cash and cash equivalents carried forward</b>	21	<b>460,224</b>	<b>526,733</b>

The notes on pages 23 to 48 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 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 has transferred its operations, assets and liabilities to ieTrust, subsequently named Enrich Learning Trust on 1 January 2019, and Mid Norfolk Academy Trust ceased operating on this date. The academy school continues 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 adjustments have been made to fixed assets or creditors due in more than one year, to current assets or current liabilities. All assets and liabilities have been transferred to Enrich Learning Trust at their carrying amounts. No material adjustments arose as a result of ceasing to apply the going concern basis.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 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.

**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 PERIOD ENDED 31 DECEMBER 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 PERIOD ENDED 31 DECEMBER 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 PERIOD ENDED 31 DECEMBER 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 PERIOD ENDED 31 DECEMBER 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 December 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 PERIOD ENDED 31 DECEMBER 2018**

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

	Unrestricted funds 4 months ended 31 December 2018 £	Restricted funds 4 months ended 31 December 2018 £	Restricted fixed asset funds 4 months ended 31 December 2018 £	Total funds 4 months ended 31 December 2018 £	Total funds Year ended 31 August 2018 £
Donations	9,252	217	-	9,469	23,457
Capital grants	-	-	-	-	21,989
	<u>9,252</u>	<u>217</u>	<u>-</u>	<u>9,469</u>	<u>45,446</u>
Total Year ended 31 August 2018	<u>14,853</u>	<u>8,604</u>	<u>21,989</u>	<u>45,446</u>	

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

	Unrestricted funds 4 months ended 31 December 2018 £	Restricted funds 4 months ended 31 December 2018 £	Total funds 4 months ended 31 December 2018 £	Total funds Year ended 31 August 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,673,878	1,673,878	5,023,325
Other DfE / ESFA grants	-	68,400	68,400	237,447
	-	1,742,278	1,742,278	5,260,772
<b>Other government grants</b>				
Local authority grants	-	46,163	46,163	129,735
GTP/Trainee teacher income	-	16,000	16,000	9,898
	-	62,163	62,163	139,633
<b>Other income from the academy trust's educational operations</b>				
Trip income	-	6,193	6,193	143,199
Non-governmental grants	-	11,132	11,132	-
Income from other schools	1,700	-	1,700	-
Other income	231	-	231	-
	1,931	17,325	19,256	143,199
	1,931	1,821,766	1,823,697	5,543,604
<b>Total Year ended 31 August 2018</b>	-	5,543,604	5,543,604	

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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 4 months ended 31 December 2018 £	Restricted funds 4 months ended 31 December 2018 £	Total funds 4 months ended 31 December 2018 £	Total funds Year ended 31 August 2018 £
Rental Income	16,480	-	16,480	38,702
Other Trading Income	934	-	934	9,923
	<u>17,414</u>	<u>-</u>	<u>17,414</u>	<u>48,625</u>
Total Year ended 31 August 2018	<u>48,625</u>	<u>-</u>	<u>48,625</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 4 months ended 31 December 2018 £	Restricted funds 4 months ended 31 December 2018 £	Total funds 4 months ended 31 December 2018 £	Total funds Year ended 31 August 2018 £
Bank Interest	160	-	160	385
	<u>385</u>	<u>-</u>	<u>385</u>	
Total Year ended 31 August 2018	<u>385</u>	<u>-</u>	<u>385</u>	

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**6. EXPENDITURE**

	Staff costs 4 months ended 31 December 2018 £	Premises 4 months ended 31 December 2018 £	Other costs 4 months ended 31 December 2018 £	Total 4 months ended 31 December 2018 £	Total Year ended 31 August 2018 £
Provision of Education:					
Direct costs	1,398,437	-	91,488	1,489,925	4,390,936
Support costs	248,513	203,340	138,677	590,530	1,717,293
	<u>1,646,950</u>	<u>203,340</u>	<u>230,165</u>	<u>2,080,455</u>	<u>6,108,229</u>
Total Year ended 31 August 2018	<u>4,754,151</u>	<u>599,657</u>	<u>754,421</u>	<u>6,108,229</u>	

In the 4 month period to 31 December 2018, of the total expenditure, £98,185 was to unrestricted funds (year to 31 August 2018 - £19,995), £1,850,695 was to restricted funds (year to 31 August 2018 - £5,701,052) and £131,575 was to restricted fixed asset funds (year to 31 August 2018 - £387,182).

**Analysis of support costs**

	31 December 2018 £	31 August 2018 £
Support staff costs	248,513	814,550
Depreciation	131,575	387,182
Technology costs	12,748	45,956
Premises costs	71,765	212,475
Other support costs	114,620	245,890
Governance costs	11,309	11,240
Total	<u>590,530</u>	<u>1,717,293</u>

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**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 4 months ended 31 December 2018 £	Support costs 4 months ended 31 December 2018 £	Total 4 months ended 31 December 2018 £	Total Year ended 31 August 2018 £
Provision of Education	1,489,925	590,530	2,080,455	6,108,229
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Year ended 31 August 2018	4,390,936	1,717,293	6,108,229	
	<u>                    </u>	<u>                    </u>	<u>                    </u>	

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

This is stated after charging:

	31 December 2018 £	31 August 2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	125,371	368,569
- held under finance leases	6,204	18,613
Auditors' remuneration - audit	6,995	6,480
Auditors' remuneration - other services	4,314	4,760
Operating lease rentals	5,285	8,526
	<u>                    </u>	<u>                    </u>

**9. CENTRAL SERVICES**

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

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	31 December 2018 £	31 August 2018 £
Wages and salaries	1,250,465	3,555,079
Social security costs	122,338	337,925
Operating costs of defined benefit pension schemes	257,511	804,676
	1,630,314	4,697,680
Agency staff costs	16,636	43,220
Staff restructuring costs	-	13,251
	1,646,950	4,754,151

Staff restructuring costs comprise:

	31 December 2018 £	31 August 2018 £
Severance payments	-	13,251
	-	13,251

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

Included in staff restructuring costs are non-statutory, non-contractual severance payments totalling £Nil (Year ended 31 August 2018, one amount of £8,000 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 period was as follows:

	31 December 2018 No.	31 August 2018 No.
Teachers	64	61
Administration and support	69	70
Management	7	7
	140	138

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**10. STAFF COSTS (continued)**

**d. Higher paid staff**

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

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

**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 £191,747 (31 August 2018 - £535,512).

Included in the above are employer's national insurance contributions of £18,185 (31 August 2018 - £49,912) and employer pension contributions of £22,202 (31 August 2018 - £62,094).

**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 December 2018 £	31 August 2018 £
Peter Devonish	Remuneration	30,000-35,000	100,000-105,000
	Pension contributions paid	5,000-10,000	15,000-20,000

During the period ended 31 December 2018, expenses totalling £484 (2018 - £846) were reimbursed to 1 Trustee (2018 - 2).

**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.

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**13. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Property £	3G Pitch £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2018	12,485,450	372,268	19,199	162,723	146,951	13,186,591
Additions	-	-	-	-	5,379	5,379
At 31 December 2018	<u>12,485,450</u>	<u>372,268</u>	<u>19,199</u>	<u>162,723</u>	<u>152,330</u>	<u>13,191,970</u>
<b>Depreciation</b>						
At 1 September 2018	472,397	27,920	4,104	32,120	41,241	577,782
Charge for the period	105,528	6,204	755	6,530	12,558	131,575
At 31 December 2018	<u>577,925</u>	<u>34,124</u>	<u>4,859</u>	<u>38,650</u>	<u>53,799</u>	<u>709,357</u>
<b>Net book value</b>						
At 31 December 2018	<u>11,907,525</u>	<u>338,144</u>	<u>14,340</u>	<u>124,073</u>	<u>98,531</u>	<u>12,482,613</u>
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>

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

	31 December 2018 £	31 August 2018 £
3G Pitch	<u>338,144</u>	<u>344,348</u>

**14. DEBTORS**

	31 December 2018 £	31 August 2018 £
Trade debtors	23	201
VAT	37,286	62,321
Prepayments and accrued income	170,553	109,897
	<u>207,862</u>	<u>172,419</u>

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

	31 December 2018 £	31 August 2018 £
Net obligations under finance leases and hire purchase contracts	46,696	46,696
Trade creditors	35,653	112,639
Other taxation and social security	95,119	85,002
Other creditors	5,002	514
Accruals and deferred income	169,377	94,543
	351,847	339,394
	31 December 2018 £	31 August 2018 £
<b>Deferred income</b>		
Deferred income at 1 September 2018	40,331	72,120
Resources deferred during the year	108,372	40,331
Amounts released from previous years	(40,331)	(72,120)
Deferred income at 31 December 2018	108,372	40,331

The deferred income held at 31 December 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**

	31 December 2018 £	31 August 2018 £
Net obligations under finance leases and hire purchase contracts	264,527	264,527
	264,527	264,527
Creditors include amounts not wholly repayable within 5 years as follows:		
	31 December 2018 £	31 August 2018 £
Repayable by instalments	57,335	57,335
	57,335	57,335

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

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	31 December 2018 £	31 August 2018 £
Between one and five years	207,192	207,192
After five years	57,335	57,335
	264,527	264,527
	264,527	264,527

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%.

**17. FINANCIAL INSTRUMENTS**

	31 December 2018 £	31 August 2018 £
Financial assets measured at amortised cost	515,490	571,929
	515,490	571,929
Financial liabilities measured at amortised cost	412,883	478,588
	412,883	478,588
	412,883	478,588

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.

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**18. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
<b>Designated funds</b>						
Designated Funds	10,694	-	-	-	-	10,694
<b>General funds</b>						
General Funds - all funds	369,346	28,757	(98,185)	-	-	299,918
Total Unrestricted funds	380,040	28,757	(98,185)	-	-	310,612
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	1,665,661	(1,636,392)	(29,269)	-	-
Pupil Premium	-	68,400	(57,834)	-	-	10,566
Other DfE/ESFA grants	-	8,217	(8,217)	-	-	-
Other government grants	-	46,282	(25,531)	-	-	20,751
Donations	2,231	217	(246)	-	-	2,202
School fund	4,610	6,193	(6,193)	-	-	4,610
Specialist resource base	-	27,013	(56,282)	29,269	-	-
Pension reserve	(1,620,000)	-	(60,000)	-	(94,000)	(1,774,000)
	(1,613,159)	1,821,983	(1,850,695)	-	(94,000)	(1,735,871)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	12,213,225	-	(126,575)	5,379	-	12,092,029
DfE/ESFA capital grants	19,573	-	-	(5,379)	-	14,194
Capital expenditure from GAG	84,361	-	(5,000)	-	-	79,361
	12,317,159	-	(131,575)	-	-	12,185,584
Total restricted funds	10,704,000	1,821,983	(1,982,270)	-	(94,000)	10,449,713
Total of funds	11,084,040	1,850,740	(2,080,455)	-	(94,000)	10,760,325

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 Specialist Resource Base.

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**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 December 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.

**Donations**

This represents restricted donations from non-government organisations.

**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.

**Specialist resource base**

This represents funding received from the government for the Specialist resource base.

**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.

**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.

**Capital expenditure from GAG**

This represents assets purchased from GAG funding.

**Designated funds**

There are amounts set aside from when the school originally converted to academy status in relation to drama and music.

**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.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 December 2018 were allocated as follows:

	Total 31 December 2018 £	Total 31 August 2018 £
Dereham Neatherd High School	348,741	386,881
Restricted fixed asset fund	12,185,584	12,317,159
Pension reserve	(1,774,000)	(1,620,000)
Total	<u>10,760,325</u>	<u>11,084,040</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 2018 £
Dereham Neatherd High School	<u>1,381,801</u>	<u>248,513</u>	<u>108,124</u>	<u>210,442</u>	<u>1,948,880</u>	<u>5,721,047</u>

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	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

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

	Unrestricted funds 4 months ended 31 December 2018 £	Restricted funds 4 months ended 31 December 2018 £	Restricted fixed asset funds 4 months ended 31 December 2018 £	Total funds 4 months ended 31 December 2018 £
Tangible fixed assets	-	-	12,482,613	12,482,613
Current assets	394,672	259,220	14,194	668,086
Creditors due within one year	(84,060)	(221,091)	(46,696)	(351,847)
Creditors due in more than one year	-	-	(264,527)	(264,527)
Provisions for liabilities and charges	-	(1,774,000)	-	(1,774,000)
	<u>310,612</u>	<u>(1,735,871)</u>	<u>12,185,584</u>	<u>10,760,325</u>

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

	Unrestricted funds Year ended 31 August 2018 £	Restricted funds Year ended 31 August 2018 £	Restricted fixed asset funds Year ended 31 August 2018 £	Total funds Year ended 31 August 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>

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

	2018 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(229,715)	(470,169)
<b>Adjustment for:</b>		
Depreciation charges	131,575	387,182
Dividends, interest and rents from investments	(160)	(385)
(Increase)/decrease in debtors	(35,443)	280,659
Increase/(decrease) in creditors	12,453	(143,564)
Capital grants from DfE and other capital income	-	(28,247)
Defined benefit pension scheme cost less contributions payable	45,000	202,000
Defined benefit pension scheme finance cost	15,000	48,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(61,290)</u>	<u>275,476</u>

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

	2018	2018
	£	£
Cash at bank and in hand	460,224	526,733
Total	<u>460,224</u>	<u>526,733</u>

**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.

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

**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%.

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**22. PENSION COMMITMENTS (continued)**

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 £145,883 (year ended 31 August 2018 - £399,122).

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.

**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 period ended 31 December 2018 was £85,467 (year ended 31 August 2018 - £262,696), of which employer's contributions totalled £66,628 (year ended 31 August 2018 - £203,554) and employees' contributions totalled £18,839 (year ended 31 August 2018 - £59,142). 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:

	At 31 December 2018	At 31 August 2018
Discount rate for scheme liabilities	2.90 %	2.80 %
Rate of increase in salaries	2.70 %	2.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.30 %
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:

	At 31 December 2018	At 31 August 2018
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

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**22. PENSION COMMITMENTS (continued)**

As at the 31 December 2018 the Trust had a pension liability of £1,774,000 (year ended 31 August 2018 - £1,620,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

<b>Sensitivity movement</b>	At 31 December 2018 £	At 31 August 2018 £
Discount rate +0.1%	(108,576)	(103,456)
Discount rate -0.1%	108,576	103,456
Mortality assumption - 1 year increase	27,144	25,864
Mortality assumption - 1 year decrease	(27,144)	(25,864)
CPI rate +0.1%	81,432	77,592
CPI rate -0.1%	(81,432)	(77,592)

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

	Fair value at 31 December 2018 £	Fair value at 31 August 2018 £
Equities	793,000	822,600
Bonds	583,000	548,400
Property	194,000	193,600
Cash	49,000	48,400
<b>Total market value of assets</b>	<u><u>1,619,000</u></u>	<u><u>1,613,000</u></u>

The actual return on scheme assets was £79,000 (year ended 31 August 2018 - £86,000).

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

	At 31 December 2018 £	At 31 August 2018 £
Current service cost	(112,000)	(405,000)
Interest income	15,000	35,000
Interest cost	(30,000)	(83,000)
<b>Total</b>	<u><u>(127,000)</u></u>	<u><u>(453,000)</u></u>

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**22. PENSION COMMITMENTS (continued)**

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

	At 31 December 2018 £	At 31 August 2018 £
Opening defined benefit obligation	3,233,000	3,105,000
Current service cost	112,000	405,000
Interest cost	30,000	83,000
Employee contributions	19,000	59,000
Actuarial gains	-	(414,000)
Benefits paid	(1,000)	(5,000)
	<u>3,393,000</u>	<u>3,233,000</u>
Closing defined benefit obligation	<u>3,393,000</u>	<u>3,233,000</u>

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

	2018 £	2018 £
Opening fair value of scheme assets	1,613,000	1,270,000
Interest income	15,000	35,000
Actuarial (losses)/gains	(94,000)	51,000
Employer contributions	67,000	203,000
Employee contributions	19,000	59,000
Benefits paid	(1,000)	(5,000)
	<u>1,619,000</u>	<u>1,613,000</u>
Closing fair value of scheme assets	<u>1,619,000</u>	<u>1,613,000</u>

**23. OPERATING LEASE COMMITMENTS**

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

	31 December 2018 £	31 August 2018 £
<b>Amounts payable:</b>		
Within 1 year	12,471	13,046
Between 1 and 5 years	22,021	7,397
	<u>34,492</u>	<u>20,443</u>
Total	<u>34,492</u>	<u>20,443</u>

**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.

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**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.

**26. POST BALANCE SHEET EVENTS**

On 1 January 2019 Mid Norfolk Academy Trust's operating activities, assets and liabilities transferred to ieTrust, subsequently renamed Enrich Learning Trust. At the point of transfer, the Academy Trust ceased its operating activities with all assets and liabilities transferring to Enrich Learning Trust at their carrying amounts. No restatement of fixed assets, long term liabilities or provisions to current assets and liabilities is made as the amounts transferred 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 continues to operate from within the receiving multi-academy trust.