

Waveney Valley Academies Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2019**

**Company Registration Number:
07682294 (England and Wales)**

Waveney Valley Academies Trust

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Waveney Valley Academies Trust

Reference and Administrative Details

Waveney Valley Academies Trust

Members

Mr M Chapman	Chair
Mr C Harrod	Vice Chair
Mr P Aldous	
Mr S Burton	

Trustees

Mr M Chapman	Chair
Mr C Harrod	Vice Chair
Mr J Rowe	Chief Executive Officer
Mrs L Munro	
Mrs C Ford	
Mr D Balls	
Mrs S Challinor	Resigned 7 June 2019
Mr S Alderson	
Mr D Cadman	
Mr J Brighton	Appointed 11 December 2018
Mr B Norman	Appointed 11 July 2019
Mrs D Carter	Resigned 12 September 2018

Accounting Officer

Mr J Rowe

Secretary

Mrs A O'Connor

Registered Office
(same as Principal Office)

1 September 2018 – 21 March 2019
First Floor Offices
6 St Mary's Street
Bungay
NR35 1AX

22 March 2019 – 31 August 2019
Prospect House
Loddon Business Park
Little Money Road
Loddon
NR14 6JD

Company Registration Number

07682294

Independent Auditor

Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Bankers

Lloyds TSB
16 Gentleman's Walk
Norwich
NR2 1LZ

Waveney Valley Academies Trust

Reference and Administrative Details

Solicitors

Stone King
Wellington House
East Road
Cambridge
CB1 1BH

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Duncan A Pickering LL.B. Solicitor
4 Southfields
Bourne
PE10 9TZ

Waveney Valley Academies Trust

Trustees' Report

The Trustees present their annual report together with the audited financial statements of the Academy Trust (Academy) for the period from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

Conversion to Multi Academy Trust

During the academic year 2015/16, the Trustees agreed that the school should make an application to the ESFA to convert to a Multi Academy Trust. The application was submitted in June 2016 and approval received from the ESFA on 18 August 2016. The conversion process was completed on 1 March 2017.

The Multi Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Multi Academy Trust.

Hereafter, the Multi Academy Trust (MAT) will be referred to as Waveney Valley Academies Trust.

The academies included within the MAT as at 31 August 2019 are, Sir John Leman High School, Roman Hill Primary School, Stowmarket High School (from 1 September 2018) and Alde Valley Academy (from 1 March 2019).

Structure, Governance and Management

Constitution

Members

The Members were approved by the DfE as part of the multi-academy trust application and conversion process

Waveney Valley Academies Trust Serving Members during the financial year ending 31 August 2019		<u>Appointed</u>	<u>Resigned</u>
Mr M Chapman	Chair of Trustees/Parent Trustee/ Member		
Mr C Harrod	Vice Chair of Trustees/Community Trustee/Member		
Mr P Aldous	Member		
Mr S Burton	Member		

The multi academy trust continues to actively seek an additional member to fill the vacancy created by the resignation of Mr Taylor.

Trustees

The Trustees were approved by the DfE as part of the multi-academy trust application process and were formally appointed by the members by ordinary resolution upon conversion.

The Trustees act for the charitable activities of Waveney Valley Academies Trust and are also the Directors of the Charitable Company for the purposes of company law.

Waveney Valley Academies Trust

Trustees' Report (continued)

Waveney Valley Academies Trust Serving Trustees during the financial year ending 31 August 2019		<u>Appointed</u>	<u>Resigned</u>
Mr M Chapman	Chair of Trustees/Trustee/Member		
Mr C Harrod	Vice Chair of Trustees/ Trustee/Member		
Mr J Rowe	Chief Executive Officer		
Mrs D Carter	Trustee/Local Governor		12 September 2018
Mrs C Ford	Trustee/Local Governor		
Mrs L Munro	Trustee/Local Governor		
Mr D Balls	Trustee		
Mr S Alderson	Co-opted Trustee		
Mrs S Challinor	Co-opted Trustee		7 June 2019
Mr M Cadman	Co-opted Trustee		
Mr J Brighton	Co-opted Trustee	11 December 2018	
Mr B Norman	Co-opted Trustee	11 July 2019	

Method of Recruitment and Appointment or Election of Trustees

At the time of conversion to a multi academy trust in 2017, the members appointed trustees including the Chief Executive Officer, as approved by the DfE as part of the application process.

Since conversion, Trustees have been appointed in accordance with the provisions detailed within the Articles of Association.

Trustees who have not themselves been co-opted, may appoint Co-opted Trustees. The number of co-opted Trustees will not exceed one third of the total number of Trustees.

The Chief Executive Officer is treated for all purposes as being an ex officio Trustee.

The number of Trustees shall not be less than three.

The total number of Trustees who are employees of the Trust (including the Chief Executive Officer) must not exceed one third of the total number of Trustees.

The term of office for any Trustee is four years (except the Chief Executive Officer).

Trustees can be re-elected or re-appointed assuming they maintain their eligibility.

Policies and Procedures Adopted for the Induction and Training of Trustees.

All Trustees will receive a Trustees' Handbook and a personal briefing from the Chair of Trustees. The Trustees' Handbook is an induction tool and is produced in-house allowing the contents to be updated as appropriate.

Trustees will be actively encouraged to visit schools. This is particularly useful as part of the induction process to support their role as a 'critical friend' of the Trust.

Trustees are encouraged to take part in training which is arranged for individuals and groups as appropriate.

Waveney Valley Academies Trust

Trustees' Report (continued)

Local Governing Bodies (now known as School Committees)

As a result of Trust growth, the Trustees agreed to undertake a review of the role of Local Governing Bodies within the governance structure. It was acknowledged that each school's Local Governing Body was approaching their responsibilities differently and, whilst all LGB agenda items and subsequent discussions were relevant, there was a need for consistency across the schools and clarity regarding the delegated responsibilities of the local groups.

The Trustees formed a working party to undertake this review on behalf of the board. The working party included Trustees, members of the Local Governing Bodies and the Chief Executive Officer. It was agreed that the local groups would be known as School Committees with the individuals within these groups being known as School Committee members. The resulting standard agendas for the half-termly School Committee meetings were reviewed by the Executive Leadership Team and subsequently approved by the Trustees on 11 July 2019. Amendments to the delegated responsibilities of the local groups will be reflected in the current review of the Scheme of Delegation, due to be included on the Trust Board agenda in December 2019.

Serving members of the Sir John Leman High School Local Governing Body (School Committee) during the financial year ending 31 August 2019		<u>Appointed</u>	<u>Resigned</u>
Mrs C Baylis	Chair of Local Governing Body (School Committee)		
Mrs C Ford	Trustee/Local Governor (School Committee member)		
Mrs L Munro	Trustee/Local Governor (School Committee member)		
Mrs D Thrower	Local Governor (School Committee member)		
Mrs K Walter	Local Governor (School Committee member)		
Mrs S Perrin	Local Governor (School Committee member)		
Mrs D Carter	Trustee/Local Governor (School Committee member)		12 Sep 2018

Serving members of the Roman Hill Primary School Local Governing Body (School Committee) during the financial year ending 31 August 2019		<u>Appointed</u>	<u>Resigned</u>
Mr M Cadman	Trustee/Chair of Local Governing Body (School Committee)		
Mrs R Doherty	Local Governor (School Committee member) STAFF		
Ms L Moon	Local Governor (School Committee member) PARENT	2 Oct 2018	
Mr D Rogers	Local Governor		1 Sep 2018
Ms J Baldwin	Local Governor		26 Mar 2019

Waveney Valley Academies Trust

Trustees' Report (continued)

Serving members of the Stowmarket High School Local Governing Body (School Committee) during the financial year ending 31 August 2019		<u>Appointed</u>	<u>Resigned</u>
Mr J Brighton	Trustee/Chair of Local Governing Body (School Committee) CO-OPTED	1 Sep 2018	
Ms C Bowen	Local Governor (School Committee member) CO-OPTED	1 Sep 2018	
Mr G Brown	Local Governor (School Committee member) CO-OPTED	1 Sep 2018	
Ms A Cogan	Local Governor (School Committee member) STAFF	1 Sep 2018	
Mrs L Hele	Local Governor (School Committee member) CO-OPTED	1 Sep 2018	
Mrs A Hueck	Local Governor (School Committee member) PARENT	1 Sep 2018	
Mrs L Smythe	Local Governor (School Committee member) PARENT	1 Sep 2018	

Serving members of the Alde Valley Academy Local Governing Body (School Committee) during the financial year ending 31 August 2019		<u>Appointed</u>	<u>Resigned</u>
Mr B Norman	Trustee/Chair of Local Governing Body (School Committee)	1 Mar 2019	
Ms TJ Haworth-Culf	Local Governor (School Committee member) PARENT	1 Mar 2019	
Mr A Quartermain	Local Governor (School Committee member) CO-OPTED	1 Mar 2019	
Ms C Chinery	Local Governor (School Committee member) PARENT	1 Mar 2019	
Ms E Gibson	Local Governor (School Committee member) CO-OPTED	1 Mar 2019	
Ms L Hill	Local Governor (School Committee member) CO-OPTED	1 Mar 2019	
Mr R Rainger	Local Governor (School Committee member) CO-OPTED	1 Mar 2019	

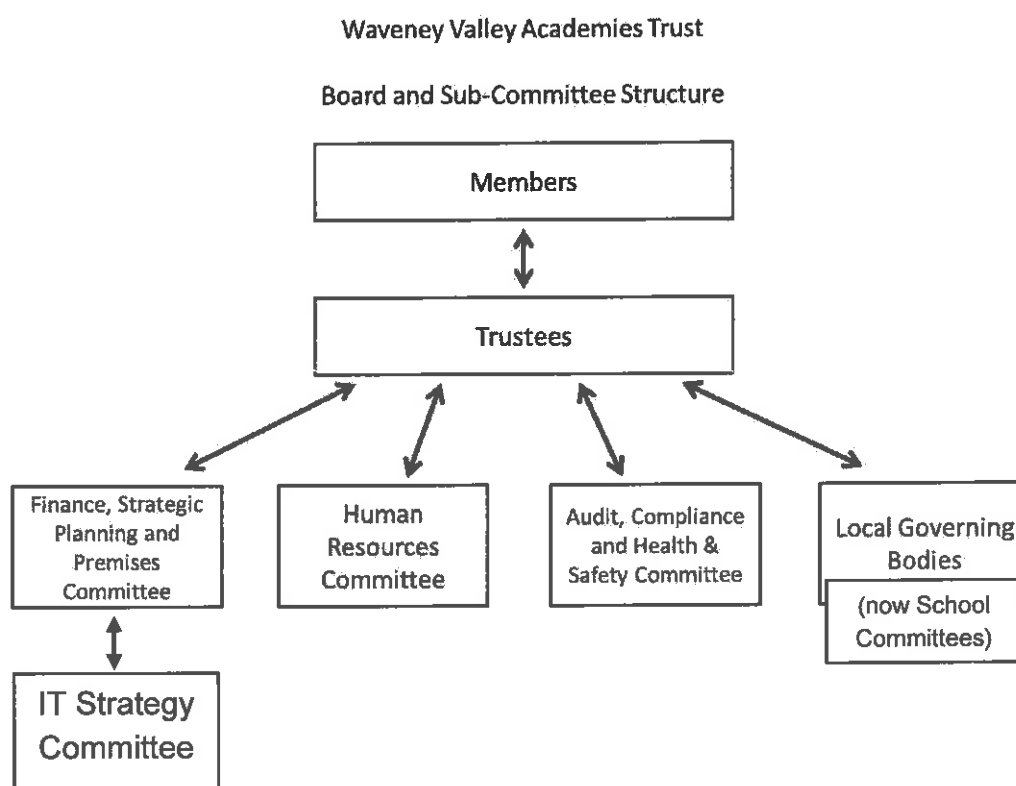
Organisational Structure

The Multi Academy Trust has established sub-committees and has determined the terms of reference, constitution, membership and proceedings of these committees in accordance with the Articles of Association. Details of the committee structure are included in the Governance Statement on page 23.

Waveney Valley Academies Trust

Trustees' Report (continued)

Governance



Membership of Trustees Sub-Committees for financial year ending 31 August 2019

	Trust Board	Finance, Strategic Planning and Premises	Audit, Compliance and Health & Safety	Human Resources	Appointed	Resigned
Mr M Chapman	Chair	✓				
Mr C Harrod	Vice - Chair	Chair				
Mr J Rowe	✓					
Mrs D Carter	✓			✓		12 Sep 2018
Mr S Alderson	✓		Chair	✓		
Mrs C Ford	✓		✓	✓		
Mrs L Munro	✓			Chair		

Waveney Valley Academies Trust

Trustees' Report (continued)

Mr D Balls	✓	✓				
Mr J Brighton	✓			✓	11 Dec 2018	
Mr M Cadman	✓	✓	✓			
Mr B Norman	✓				11 Jul 2019	
Mrs C Baylis				✓		
Mrs K Walter				✓		
Mrs D Thrower		✓				
Mrs S Challinor	✓	✓				7 Jun 2019

Effectiveness of Trustees' Sub-Committees for financial year ending 31 August 2019

Committee	Regularity of meetings	Attendance %	Challenges/work covered during financial year ending 31 August 2019
Trust Board	5 meetings per academic year (and when requested by Trustees or Members)	86%	<ul style="list-style-type: none"> • Provide strategic direction, support and challenge for the Trust • Recruit new Trustees in accordance with the Articles of Association • Consider recommendations and reports from all committees • Establish, review (at least annually) and monitor the implementation of The Terms of Reference, The Scheme of Delegation and other relevant policies and documentation • Monitor, for all academies within the Trust: <ul style="list-style-type: none"> ○ Assessment systems ○ Student progress ○ Pastoral and SEND support ○ Academy Improvement/Development Plan ○ Self-Evaluation Form ○ Community links
Finance, Strategic Planning and Premises	as required by Trustees (usually half-termly)	82%	<ul style="list-style-type: none"> • Lead the development of strategic plans and provide leadership on financial and premises related issues • Establish and maintain a 3 year financial plan for the Trust • Ensure that the Trust and all academies operate within financial regulations • Ensure regularity and propriety in the use of public funds • Consider acceptance of the Trust's budget prior to each financial year • Monitor budget position reports and financial procedures for all academies within the Trust • Establish, review (at least annually) and monitor the implementation of Finance and Premises Policies

Waveney Valley Academies Trust

Trustees' Report (continued)

Committee	Regularity of meetings	Attendance %	Challenges/work covered during financial year ending 31 August 2019
Audit, Compliance and Health & Safety	as required by Trustees	100%	<ul style="list-style-type: none"> Provide assurance over the suitability of, and compliance with, financial systems, operational controls, risk management and Health & Safety within the Trust and all academies Make recommendations to the Trust Board regarding External Auditors Establish and review insurance cover for the Trust Ensure that the Trust and all academies operate within financial regulations Consider, monitoring the implementation of agreed recommendations including the financial statements, internal audit reports and reports from Health & Safety groups in all academies Monitor risks to internal financial control, information published on websites, spending decisions, The Single Central Record and The Business Interest Register for all academies within the Trust Establish, review (at least annually) and monitor the implementation of The Risk Register, Risk Management and other relevant policies and documentation Provide Health & Safety, compliance and risk information to other committees within the Trust
Human Resources	(usually termly)	84%	<ul style="list-style-type: none"> Provide effective leadership on matters relating to the staff and volunteers of the Trust Make recommendations to the Trust Board regarding payroll and HR consultancy providers Establish, maintain and review a staffing structure for the Trust Consider personnel issues, including but not limited to, restructuring, pay grading and pay awards Ensure that the Trust and all academies demonstrate equality, diversity and inclusion, operate within relevant employment legislation and comply with Safeguarding requirements Monitor staff training opportunities, staff absence, working conditions and staff well-being for all academies within the Trust Establish, review (at least annually) and monitor the implementation of Staff Code of Conduct, Recruitment and Appointment of Staff and other relevant policies and documentation Provide human resources information to other committees within the Trust
Local Governing Bodies (School Committees)	Half-termly (and as requested by Trustees)	SJLHS 82% RHPS 100% SHS 86% AVA 80%	<ul style="list-style-type: none"> Oversee arrangements for individual members of the committee to take a leading role in specific departments within the academy Ensure that named individual Governor links are established for the academy in relation to Safeguarding and SEND Reporting to the Trust Board, establish, review (at least annually) and monitor the implementation of policy documents for the academy Provide information regarding the academy to other committees within the Trust to facilitate decisions Reporting to the Trust Board, consider: <ul style="list-style-type: none"> Examination results and student outcomes Comparison of results locally and nationally Academy Development/Improvement Plan Headteacher reports Link Governor reports SEF Department reviews Ofsted key issues Pastoral aspects of the academy
Members	Annually (and as requested by Members)	N/A	<ul style="list-style-type: none"> Oversee the Trust Board, holding Trustees to account and ensuring compliance with the Articles of Association Appoint or remove Members Appoint or remove Trustees Review and consider the work of the Trust Board and Committees, including Local Governing Bodies (School Committees) Respond to matters of particular difficulty, sensitivity or emergency, offering support and advice to Trustees, Chief Executive Officer, Chief Operating Officer and Headteachers

Waveney Valley Academies Trust

Trustees' Report (continued)

IT Strategy Committee

The Trustees have acknowledged that, over recent years, ongoing budgetary constraints have led to a decrease in focus and, subsequently, the resulting spend on IT equipment and infrastructures within the schools in the Trust. This has led to largely inadequate and unreliable facilities in many areas, impacting upon performance and staff wellbeing. The Trustees also consider that the ever-increasing dependency upon IT systems throughout schools, including within teaching and learning environments, demands a much higher level of strategic and staff succession planning at Trust level. There is also a need to explore, understand and challenge the perceived obligation schools have to individual IT suppliers due to the complex links between hardware, software and support contracts to which the Trust are committed. During the Summer of 2018, this was identified by the need to upgrade hardware equipment at Sir John Leman High School. It was perceived at the school that only RM Unify could supply the equipment and undertake the required installation. Whilst the Trustees did approve this spend due to the urgent nature of the upgrade, it was acknowledged that the lack of comparable quotes from other suppliers denied the Trustees the ability to ensure best value, a requirement of Trust policy and values as well as ESFA regulations.

In response to these issues and concerns, the Trustees formed an IT working party to agree a way forward. The working party was formed from the Finance, Strategic Planning and Premises Committee, the Chief Operating Officer and the Senior IT Technicians within each school. The working party concluded that the issues and concerns will continue into the foreseeable future and recommended to the Trust Board that an IT Strategy Committee (reporting to the Finance, Strategic Planning and Premises Committee) should form part of the Governance structure of the Trust. The Trust Board agreed and arrangements for the membership, meeting schedule and remit of this Committee are currently under consideration.

Executive Leadership Team

The Trustees have formed an Executive Leadership Team, to drive academy improvement forward, through effective communication and collaboration, working in partnership and sharing knowledge and experience.

Waveney Valley Academies Trust's Executive Leadership Team during financial year ending 31 August 2019	
Mr J Rowe	Chief Executive Officer
Mrs A O'Connor	Director of Business and Finance (1 Sep 2018 – 31 Jan 2019)
	Chief Operating Officer (from 1 Feb 2019)
Mr M Taylor	Headteacher, Sir John Leman High School
Mrs J Etteridge	Headteacher, Roman Hill Primary School
Mr D Lee-Allan	Headteacher, Stowmarket High School
Mr D Mayhew	Headteacher, Alde Valley Academy (associate member from 19 Nov 2018, full member from 1 Mar 2019)
Mrs S Gallagher	Headteacher, Snape Primary School (associate member from 19 Nov 2018)
Mr J White	Part time Director of Primary Education (from 1 June 2019) Headteacher, Oulton Broad Primary School (associate member from 1 June 2019)
Ms H Wilson	Part time Director of Secondary Education (from 1 June 2019) Headteacher, Thurston Community College (associate member from 1 June 2019)
Mrs L Hanger	Headteacher, Northgate Primary School (associate member from 1 Nov 2018, full member from 1 Nov 2019)
Mrs E Glendinning	Headteacher, Southtown Primary School (associate member from 14 Oct 2019)

Waveney Valley Academies Trust

Trustees' Report (continued)

Senior Leadership Teams

The Trustees have delegated the operational running of each academy to the Headteacher and Senior Leadership Team:-

Sir John Leman High School Senior Leadership Team during financial year ending 31 August 2019	
Mr M Taylor	Headteacher
Mrs R Gurney	Deputy Headteacher
Mr P Slater	Assistant Headteacher – KS4
Mrs S Silvers	Assistant Headteacher – KS5
Mr M Curtis	Assistant Headteacher
Miss S Woodhouse	Director of Teaching and Learning
Mr D Miles	Assistant Headteacher – Assessment, Data and Examinations
Mrs D Francis	Assistant Headteacher – KS3
Mr P Thurbon	Assistant Headteacher

Roman Hill Primary School Senior Leadership Team during financial year ending 31 August 2019	
Mrs J Etteridge	Headteacher
Mrs G Clarke	Assistant Headteacher
Ms R Davey	Assistant Headteacher

Stowmarket High School Senior Leadership Team during financial year ending 31 August 2019	
Mr D Lee-Allan	Headteacher
Mr K Rourke-Beasley	Deputy Headteacher
Mr S Smith	Assistant Headteacher
Ms C Broxton	Assistant Headteacher
Ms C Ferguson	Assistant Headteacher
Ms K Farrow	Assistant Headteacher

Alde Valley Academy Senior Leadership Team during financial year ending 31 August 2019 (transferred to WVAT on 1 Mar 2019)	
Mr D Mayhew	Headteacher
Mr N Ketteringham	Deputy Headteacher
Mrs T Short	Assistant Headteacher

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay and remuneration for key management personnel must be subject to approval by the Board of Trustees. At the start of each academic period a process of performance appraisal is undertaken to confirm management operational targets. At the end of each period performance is agreed against each of these targets and recommendations for pay and remuneration are presented to the Board for approval.

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.

Waveney Valley Academies Trust

Trustees' Report (continued)

Members' and Trustees' Indemnities

The Trust has obtained indemnity insurance to cover the liability of Members and Trustees in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust.

Insurer: Zurich Municipal
Limit of Indemnity: £1,000,000

Related Parties and Other Connected Charities and Organisations

During the financial year 2018/19, the Trust employed the spouse of one Trustee on a casual basis as an exam invigilator at Sir John Leman High School. It was also noted that three members of Senior Management have family members working within the Trust. It can be evidenced that all recruitment procedures undertaken by the Trust have been fair and transparent. The appropriateness of all employment arrangements are monitored on an ongoing basis through the work of the Human Resources Committee.

Trade Union Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, Waveney Valley Academies Trust pays for facility time for Union Officials within the academies.

Relevant union officials

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
3	2.74

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	-
1% - 50%	3
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

<i>Provide the total cost of facility time</i>	£879
<i>Provide the total pay bill</i>	£13,081,791
<i>Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100</i>	0.007%

Paid trade union activities

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</i>	None
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Waveney Valley Academies Trust

Trustees' Report (continued)

Objectives and Activities

Principal Activities

The objects are stated in the Articles of Association as:-

To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

To promote, for the benefit of the inhabitants of Beccles and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The objects remain unchanged from the Articles of Association of Sir John Leman High School, the founder school of the Trust. The Trustees have agreed that the objects should be reviewed, particularly regarding the reference to Beccles, to recognise the wider geographical area in which the organisation now undertakes its activities.

Objects and Aims

To challenge and support all students to the full realisation of their talents and potential within a happy and caring learning environment where all members of the school communities are personally valued and respected.

To enable students, through a demanding, broad and balanced curriculum, to achieve as high a level of success as possible at key assessment points.

To help students acquire attitudes, knowledge and skills relevant to their adult life including, but in no way limited to:-

- Independent thinking
- Physical and social skills
- Self-respect and self-control
- An understanding of health, hygiene and environmental issues
- Respect for others, regardless of differences of race, disability, sexuality, gender, culture or religion

To provide a pleasant, supportive and motivational working environment for all staff.

To provide and actively encourage staff to participate in high quality training and development opportunities.

To provide leisure and recreation opportunities to local communities through the letting of school facilities, supporting the wellbeing of local people regardless of their age, ability or economic circumstances.

To communicate openly and effectively with parents, carers, staff, outside agencies, partnership schools and all other stakeholders to ensure the best possible outcomes for all users of the multi academy trust's services.

Objectives, Strategies and Activities

Waveney Valley Academies Trust continually strives to further improve the quality of the services offered through the use of on-going monitoring, evaluation and improvement strategies, developed by the Executive Leadership Team, and the Trust Board.

Waveney Valley Academies Trust

Trustees' Report (continued)

The Trust:-

- will continue with the already successful strategies that lead to improved performance including intervention to tackle underachievement. Teaching staff will continue to assess student potential, setting and monitoring achievable yet aspirational targets through the use of Go4schools.
- operates a thorough and robust departmental review process to monitor and improve the quality of teaching and learning across the broad curriculum.
- is committed to narrowing the gap in attainment between different groups including those between looked after children, students from different social and ethnic groups and between boys and girls. Appropriate use of Pupil Premium funding will continue to be carefully monitored against the outcomes of individual students.
- will continue to offer a wide variety of inclusive extra-curricular activities across all year groups.
- will continue to develop and support all staff members through training opportunities and wellbeing services.
- takes every opportunity to seek the views of all stakeholders, implementing change as deemed appropriate, however challenging this may be. Waveney Valley Academies Trust will never settle for 'good enough' and striving for excellence is part of the everyday routine.

Strategic report

Achievements and Performance

Waveney Valley Academies Trust monitors performance through continuous evaluation of achievements against expectations using nationally published data and key performance indicators.

Key Performance Indicators

Sir John Leman High School

The school had 1,409 students in November 2019 across seven year groups (Year 7 – Year 13) and offers a broad and balanced curriculum.

The most recent set of examination results were received in August 2019.

In 2019, the school achieved a provisional Attainment 8 figure of 48.4 compared to 46.5 nationally even though the students collectively had lower than typical attainment upon entry. The school's Progress 8 figure is 0.21 compared to -0.03 nationally and this value is statistically significant. 67% of students achieved grade 4+ in both English and mathematics compared to 64% nationally. 49% of students achieved grade 5+ in both English and mathematics compared to 43% nationally. The Ebacc average point score of the school is 4.09 compared to 4.06 nationally.

In Key Stage 5, 37% of A level students achieved grades A* to B, 70% A* to C and 99% A to E. The average grade per A level entry was C. The Level 3 Value Added for A level qualifications is -0.07 but this figure is not statistically significant.

Sir John Leman High School is extremely proud of its non-academic achievements. Students are actively encouraged to participate in a vast array of extra-curricular activities across all subject areas regardless of differences of disability, gender, or economic circumstances.

Waveney Valley Academies Trust

Trustees' Report (continued)

Roman Hill Primary School

The school had 513 pupils in November 2019 across seven year groups (Reception – Yr6) as well as the nursery. The school offers children a wide range of experiences in school and beyond to enhance learning and to raise aspirations. There is also a strong nurturing ethos to develop the welfare of children alongside teaching and learning.

The most recent set of SATs results were received in July 2019.

72% of children in EYFS achieved GLD in 2019. The cohort had much lower than average attainment on entry and made accelerated progress during the year.

74% of Y1 children passed the phonics screening.

57% of children achieved EXS+ in Reading at the end of KS1 compared to 73% nationally.

49% of children achieved EXS+ in Writing at the end of KS1 compared to 69% nationally.

58% of children achieved EXS+ in Maths, compared to 76% nationally.

35% of Disadvantaged children in KS1 achieved. RWM combined compared to 50% nationally

At the end of KS2, 49% of children achieved EXS+ in RWM, which was the same percentage as in 2018. (National for 2019 was 65%)

75% of the year 6 cohort were disadvantaged. 52% of this group achieved EXS+ in RWM, compared to 51% nationally.

Progress from KS1 to KS2 was -1.9 for reading, -0.7 for writing and -1.9 for maths.

18% of children achieved Greater Depth in reading at the end of KS2, 16% achieved GDS in writing and 10% in maths.

Stowmarket High School

The school had 843 students in November 2019 across seven year groups (Yr7 – Yr13) and offers a broad and balanced curriculum.

The most recent set of examination results were received in August 2019.

The Key Stage 4 school performance measures were completely revamped in 2016 and further revisions were introduced in 2017 and 2018. In 2019, the school achieved a provisional Attainment 8 figure of 37.67 compared to 44.5 nationally. The students collectively had significantly lower than typical attainment upon entry. The school's Progress 8 figure is -0.36 compared to -0.03 nationally. 31% of students achieved grade 5+ in both English and mathematics compared to 39.8% nationally.

In Key Stage 5, 34% of A level students achieved grades A* to B, 49% A* to C and 95% A to E. The average grade per A level entry was D+.

Stowmarket High School will move into a brand new building in Easter 2020, as part of the Government's Priority Schools' Building Programme (2). The capacity of the school will then be 1125. Further building works are expected in the future due to the housing growth in the local area.

Waveney Valley Academies Trust

Trustees' Report (continued)

Stowmarket High has been developing an innovative 'Futures' programme which impacts students in every year, helping them understand potential career paths, the skills necessary for successful employment and opportunities to work on building strength in those specific areas.

Alde Valley Academy

The school had 380 students in September 2018 across five year groups (Yr7 – Yr11). In September 2019 the school has 430 students, including 62 in year transfers throughout the 2018/19 academic year most into Year 9 due to the school's broad and balanced curriculum. The indicative numbers for Year 7 September 2020 show that the school will be oversubscribed (PAN 112) for the first time in the school's history.

The most recent set of examination results were received in August 2019 were disappointing in terms of the number of students achieving a grade 5 or above in Maths.

The school's Progress 8 figure is -0.12 compared to -0.02 nationally but this value not statistically significant due to the small cohort size (67 students). 55% of students achieved grade 4+ in both English and mathematics compared to 64% nationally.

Alde Valley Academy is extremely proud of its non-academic achievements. Students are actively encouraged to participate in a vast array of extra-curricular activities across all subject areas regardless of differences of disability, gender, or economic circumstances. The student's achievements are widely publicised in the local community and the school's first formal Presentation Evening was held at Snape Maltings Concert Hall in May 2019. This event was funded by local businesses as well as large sponsors including EDF Energy Suffolk County Council and East Suffolk Council.

The School has set up a strategic transport plan for Year 7s as a response to the changes in local authorities Transport Plan where students are only eligible for free transport to their local school. The costs of the transport is met partly by parents and subsidised by the school as well as the use of a new school minibus bought by EDF Energy for this purpose.

Public Benefit

The Trustees have complied with their duty to pay due regard to guidance on public benefit published by the Charity Commission, in exercising their power and duties.

Going Concern

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

Per the Statement of Financial Activities the Academy has unrestricted general reserves of £1,288,000 and a restricted general fund balance of £676,000. The pension reserve of (£4,184,000), is payable out of future annual income and therefore does not cause any issues for the going concern of the Academy Trust.

Financial Review

The majority of Waveney Valley Academies Trust's income is obtained in the form of recurrent grants based on student numbers, the use of some of which is restricted to a particular purpose. The restricted grants during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 32. Between 1 September 2018 and 31 August 2019, these grants were received from the ESFA (Education and Skills Funding Agency).

Waveney Valley Academies Trust

Trustees' Report (continued)

During the year ending 31st August 2019, the Trust also received a number of small grants from the Local Authority and two devolved capital grants from the ESFA for each school. These capital grants included the 'Little Extras' grants allocated by the DfE to all schools to assist with repairs and maintenance.

During the year ended 31st August 2019, the total expenditure of £17,148,000 was largely covered by recurrent grant funding and other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and restricted pension reserve funds) was £972,000.

At 31st August 2019, the net book value of fixed assets was £22,596,189 which included £21,901,538 of assets gifted by the Local Authority at the time of:-

- Sir John Leman High School's conversion to Academy status in August 2011
- Roman Hill Primary School's conversion to Academy status in March 2018
- Stowmarket High School's conversion to Academy status in September 2018

The net book value of fixed assets also includes assets acquired as a result of Alde Valley Academy's transfer from the Bright Tribe Trust in March 2019.

Movements in tangible fixed assets are shown in note 12 to the financial statements.

Stowmarket High School and Alde Valley Academy joined the Trust during the financial year ended 31 August 2019, increasing the income received through grants.

Upon conversion of Stowmarket High School, £400,073 was received as a cash balance into the Trust's reserves. The transfer of Alde Valley Academy into the Trust was overseen by the DfE with an agreed zero balance.

At conversion in August 2011, Sir John Leman High School was obliged to reflect as a liability, the actuarial deficit of the existing defined benefit pension obligations for staff in the Local Government Pension Scheme. The actuary calculated the deficit attributable at conversion as £582,000. The deficit has been recalculated annually as follows:-

31 Aug 2012	£696,000
31 Aug 2013	£704,000
31 Aug 2014	£1,168,000
31 Aug 2015	£1,216,000
31 Aug 2016	£2,389,000
31 Aug 2017	£930,000
31 Aug 2018	£691,000
31 Aug 2019	£1,779,000

At conversion in March 2018, Roman Hill Primary School was obliged to reflect as a liability, the actuarial deficit of the existing defined benefit pension obligations for staff in the Local Government Pension Scheme. The actuary calculated the deficit attributable at conversion as £482,000. The deficit has been recalculated annually as follows:-

31 Aug 2018	£424,000
31 Aug 2019	£813,000

Waveney Valley Academies Trust

Trustees' Report (continued)

At conversion in September 2018, Stowmarket High School was obliged to reflect as a liability, the actuarial deficit of the existing defined benefit pension obligations for staff in the Local Government Pension Scheme. The actuary calculated the deficit attributable at conversion as £309,000. The deficit has been recalculated annually as follows:-

31 Aug 2019	£617,000
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At transfer in March 2019, Alde Valley Academy was obliged to reflect as a liability, the actuarial deficit of the existing defined benefit pension obligations for staff in the Local Government Pension Scheme. The actuary calculated the deficit attributable at transfer as £759,000. The deficit has been recalculated annually as follows:-

31 Aug 2019	£975,000
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Fundraising regulator

The Trust does not carry out significant fundraising activities, however, the Trust demonstrates its commitment to good fundraising practice and follows the Code of Fundraising Practice. The Trust does not use professional fundraising agencies. No complaints have been registered against the Trust during the year under review.

Investment and Reserves

The Trust has a policy in place that is reviewed regularly. The Trust aim that reserves should never be in deficit and no less than 3% of total incoming resources in accordance with ESFA guidance.

The Trust held fund balances at 31 August 2019 of £20,376,000 comprising restricted funds and unrestricted funds. The restricted fixed asset fund is £22,596,000, the pension fund deficit is £4,184,000 and the general restricted fund (excluding the pension fund deficit) is £676,000. The unrestricted funds amount to £1,288,000.

There are no investments held beyond cash deposits retained with the major UK clearing banks. Due to the nature of funding, the Trust may at times hold cash balances surplus to its short term requirements.

Principal Risks and Uncertainties

The key areas of risk to a multi academy trust are widely considered to be financial risk and compliance with legislation. The Trust has sought external professional assistance to ensure these and other risks are minimised to an acceptable level. The external services include:-

- Internal Auditors
- HR Consultancy
- Payroll Service
- External Auditors
- Specialist Educational Solicitors

Waveney Valley Academies Trust

Trustees' Report (continued)

Risk Management

Waveney Valley Academies Trust continually monitors and reviews its systems and procedures to ensure that major risks are identified and managed. Since the initial conversion to Academy status, we have continued to work in accordance with the policies, procedures, protocols and risk assessments of the predecessor school, reviewing these in a timely fashion and implementing appropriate amendments and/or additions as post-academy conversion levels of risk are identified. Risk is taken extremely seriously by the Trust Board and the Executive Leadership Team. Through their leadership and management this culture is extended through the entire staffing structure with risk being openly identified at source and reported through clear communication channels. All risks are assessed, minimised and managed at an appropriate level, dependent upon the level and nature of the risk.

Financial and Risk Management Objectives and Policies

The Trust Board take financial risk extremely seriously and use key controls to manage this effectively. These controls include but are not limited to:-

- A formal sub-committee structure with agreed terms of reference
- A central risk register to provide easily accessible assurance of successful risk management controls
- External Internal Auditors
- External Auditors
- Scheme of Delegation
- Record of Financial Responsibility detailing authorisation and approval levels
- Finance Policy, backed up by protocols and procedures
- Additional policies including Fraud, Fixed Assets, Gifts and Hospitality, VAT and Best Value
- Termly budget monitoring and reforecast reports

Plans for Future Periods

The Trust Board will continue to pursue its aims and objects, developing educational facilities and opportunities, maintaining financial stability within the constraints of current and anticipated funding levels, utilising monitoring resources to assist them to focus on:-

- | | |
|------------------------------------|--------------------------------|
| • Quality of Learning and Teaching | • Student Achievement/Outcomes |
| • Effectiveness of Leadership | • Value for Money |
| • Student Behaviour and Safety | • Quality of Provision |

Growth of the Multi Academy Trust

At the beginning of the 2017/18 academic year, only Sir John Leman High School were formally part of the multi academy trust although the academy conversion processes had commenced for both Stowmarket High School and Roman Hill Primary School, Lowestoft.

Roman Hill Primary School were the first to successfully convert to academy status and joined the Trust on 1 March 2018. After a challenging conversion, particularly relating to joint use of the leisure centre and the related legal requirements, Stowmarket High School converted and joined the Trust on 1 September 2018.

As a growing Trust, it was recognised by the Trust Board that the central Trust staff should be relocated to offices away from Sir John Leman High School. The staff moved to small offices in Bungay, Suffolk during the 2018 Easter break. The information held at Companies House was amended to reflect this amendment to the Registered Office address. These premises were leased for one year as it was acknowledged that, if anticipated growth was realised, the premises would not accommodate an appropriate level of central staffing and facilities.

During the 2017/18 and 2018/19 academic years, the CEO has actively promoted the Trust to schools and the Chair of Trustees and Director of Business & Finance/Chief Operating Officer have accompanied him to several Governing Body meetings and presentations. This continues to lead to interest in the Trust and provides a stronger presence and a good reputation both locally and nationally.

Waveney Valley Academies Trust

Trustees' Report (continued)

In the Summer of 2018, the Governing Body of Snape Primary School voted to join the Trust. Due diligence continues regarding this and is particularly centred around the local Parish Council's ownership of the land ensuring thorough and appropriate community consultation. The school is an Associate Member of the Trust and will retain this status until conversion is complete.

In October 2018, the Trust was given the opportunity by the DfE to submit an application for Alde Valley Academy, Leiston. This was part of a re-brokering process undertaken for five local schools who were formerly managed by another multi academy trust. The application process was successful and due diligence commenced in November 2018. The transfer to Waveney Valley Academies Trust was completed as planned, on 1 March 2019. The school became an Associate Member during the transfer process.

With the security of a third secondary school formally joining the Trust, the Trustees approved a five year lease of the current central offices at Loddon, Norfolk. The central team relocated on 22nd March 2019. The information held at Companies House was again amended to reflect this amendment to the Registered Office address. At this time, the Trustees also agreed to undertake a restructure of the central staff team to reflect the capacity required to provide appropriate levels of service to the schools in the Trust.

In February 2019, the Governing Body of Northgate Primary School voted to join the Trust. The conversion process ran smoothly and the school formally joined the Trust on 1st November 2019 following a period as an Associate member.

As a result of this continued growth, the Trust will meet the criteria of having 5 schools and over 3000 pupils at the time of the school census in January 2020. This, in turn, will lead to the Trust being awarded an SCA payment from the ESFA in 2020. This represents an important milestone for the Trust as the struggle continues with the poor condition of school buildings, particularly at Sir John Leman High School, Roman Hill Primary School and Alde Valley Academy.

Oulton Broad Primary School and Thurston Community College joined as Associate Members of the Trust on 1st June, initially for a period of one year whilst the headteachers of both schools are seconded as part time Directors of Primary and Secondary Education respectively.

The Governing Body of Southtown Primary School in Great Yarmouth voted in October 2019 to join the Trust. It is anticipated that the formal application will be considered by the Headteachers Board in December 2019 with a target conversion date of 1st April 2020. As with other joining schools, Southtown Primary is now working closely with the Trust as an Associate Member and will retain this status until conversion.

A new school building is under construction on the site of Stowmarket High School. It is anticipated that the Trust will take ownership of this building in April 2020 when the educational operations of the school will be relocated. Following this, the majority of the existing school buildings will no longer be the property of the Trust and will be subsequently demolished.

The Trust remains in conversation with other schools who are considering the benefits of joining a multi academy trust and it is anticipated that this, along with continued re-brokering processes, will lead to continued growth of the Trust at a manageable and sustainable level.

Waveney Valley Academies Trust

Trustees' Report (continued)

Membership of Waveney Valley Academies Trust as at 1st November 2019

Full Members

Academy name	Location	Pupils	Age range	Date joined
Sir John Leman High School	Beccles, Suffolk	1,409	Yrs 7 - 13	1 st March 2017
Roman Hill Primary School	Lowestoft, Suffolk	513	Reception – Yr 6 Plus Nursery	1 st March 2018
Stowmarket High School	Stowmarket, Suffolk	843	Yrs 7 – 13	1 st September 2018
Alde Valley Academy	Leiston, Suffolk	430	Yrs 7 – 11	1 st March 2019
Northgate Primary School	Great Yarmouth, Norfolk	414	Reception – Yr 6 Plus Nursery	1 st November 2019

Associate Members

Academy name	Location	Pupils	Age range	Date commenced
Snape Primary School	Snape, Suffolk	45	Reception – Yr 6	19 November 2018
Oulton Broad Primary School	Oulton Broad, Suffolk	322	Reception – Yr 6	1 June 2019
Thurston Community College	Thurston, Suffolk	1,674	Yrs 7 – 13	1 June 2019
Southtown Primary School	Great Yarmouth, Norfolk	200	Reception – Yr 6	14 October 2019

Associate members enjoy the benefits of working closely with the Trust, in particular with the headteacher working as part of the Executive Leadership Team, joining review teams and the opportunity to undergo a safeguarding audit. Associate Members are under no obligation to formally join the Trust and do not make financial contributions. The duration of an Associate Membership is negotiable between the Trustees and the Governing Body of the Associate Member school. The Trustees have approved this arrangement and remain committed to this structure which promotes the sharing of good practice with local schools who share the Trust's ethos and values. The offer of Associate Membership is aimed to give schools a 'flavour' of how Multi Academy Trusts operate and also ensures transparency and openness prior to Governing Bodies committing their school to Waveney Valley Academies Trust, providing both reassurance and a real insight into the workings of the Trust.

Waveney Valley Academies Trust

Trustees' Report (continued)

Funds held as Custodian Trustee on behalf of others

During the financial year ending 31st August 2019, Waveney Valley Academies Trust held no funds on behalf of others.

Employees

Waveney Valley Academies Trust communicates with all staff members through newsletters, staff briefings and e-mails. An ongoing policy review is being undertaken and ensures full consultation with all appropriate Trade Unions and Senior Leaders within the schools.

Waveney Valley Academies Trust ensures equality throughout all actions, systems and procedures. This includes but is not limited to:-

- the employment of disabled persons
- the continued employment and training of persons who become disabled
- the training, career development and promotion of disabled persons employed by the Trust.

Auditor

In so far 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.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 19 December 2019 and signed on the Board's behalf by:



Mr M Chapman
Chair

Waveney Valley Academies Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Mr J Rowe as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Waveney Valley Academies Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Review of Value for Money

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

The Accounting Officer considers how the 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 available.

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 the Academy Trust's 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 Waveney Valley Academies Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk and the Risk & Control Framework

The Trust's system of risk control is based on a framework of regular management information and administrative procedures including appropriate segregation of duties and a system of delegation and accountability.

All risks are assessed, minimised and managed at an appropriate level, dependent upon the level and nature of the risk. The culture is not one of blame but of sharing safe practice with a real commitment to reducing all risk to an absolute minimum.

All staff are made aware of the responsibilities in their role, including all procedures put in place to avoid risk of any kind. This includes protocols to protect against financial irregularity, well-rehearsed evacuation procedures in case of fire and an accident/incident/near miss reporting framework through the Health & Safety group. Appropriately qualified representatives within this group take responsibility for risk identification, assessment and notification within the following areas:-

- Financial Risk
- Premises Safety and Security
- Fire Safety
- First Aid, Medication and Medical Care
- Chemicals, Substances, Tools and Equipment
- Data Security

Waveney Valley Academies Trust

Governance Statement (continued)

- Student Safety
- Staff Safety
- School Trips and Visits

The group report directly to the Trust's Audit, Compliance and Health & Safety Committee.

The Trust commissioned an Internal Audit from an external provider during the Summer Term. The external provider's role included giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out across all the schools in the current period included:-

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of control accounts, cash and bank reconciliations;
- Testing of compliance with the scheme of delegation and internal controls;
- Testing of financial planning and monitoring.

During the financial year ending 31st August 2019, only minor recommendations were made by the Internal Auditor and the controls in place continued to be judged as 'outstanding' or 'good'.

Review of Effectiveness

As Accounting Officer, Jeremy Rowe has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by the work of internal and external parties:-

Internal

- Trust sub-committees
- Chief Operating Officer
- Finance Director
- Finance staff

External

- Internal Auditors
- Auditors

The Accounting Officer has been advised of all information resulting from the review framework during the financial year ending 31st August 2019 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board of Trustees have met 5 times a year, however the Board are satisfied that their responsibilities are met by the termly and half termly meetings of the sub committees and has maintained effective oversight of funds.

Approved by order of the Board of Trustees on 19 December 2019 and signed on its behalf by:



Mr M Chapman
Chair



Mr J Rowe
Accounting Officer

Waveney Valley Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Waveney Valley Academies Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the multi 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.

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.

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

- Irregular procurement expenditure in relation to alcohol
 - Purchased for use in Food Tech classes totalling £22
 - Offered at Music recitals and Christmas concerts totalling £98



.....
Mr J Rowe
Accounting Officer

19 December 2019

Waveney Valley Academies Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors for charitable activities and are also directors of Waveney Valley Academies Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction published by the Education and Skills Funding Agency.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 Trust will continue in operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust'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 are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Mr M Chapman
Chair

19 December 2019

Waveney Valley Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Waveney Valley Academies Trust

Opinion

We have audited the financial statements of Waveney Valley Academies Trust for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Annual Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Annual Accounts Direction 2018 to 2019 issued by the Education and 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Waveney Valley Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Waveney Valley Academies Trust (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 knowledge and understanding of the company 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, 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.

Waveney Valley Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Waveney Valley Academies Trust (continued)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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: <http://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Rumsey FCA (Senior Statutory Auditor)

Date: 20/12/19

For and on behalf of:

Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Waveney Valley Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to Waveney Valley Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Waveney Valley Academies Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Waveney Valley Academies Trust accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Waveney Valley Academies Trust funding agreement with the Secretary of State for Education dated 1 August 2011 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Waveney Valley Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to Waveney Valley Academies Trust and the Education and Skills Funding Agency (continued)

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.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2018 to 2019 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the academy trust's trustees.
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy Trust's process of independent checking of financial controls, systems, transactions and risks.

Conclusion

In the course of our work, except for the matters listed below, 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 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- Irregular procurement expenditure in relation to alcohol purchased for use in Food Tech classes, at music recitals and Christmas concerts, totalling £120.

Ensors Accountants LLP

Reporting Accountant

Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Date: 20/12/19

Waveney Valley Academies Trust

Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	2	41	6	243	290	43
Transfer from local authority on conversion		400	(309)	641	732	3,248
Transfer of existing academy		-	(759)	9,682	8,923	-
Charitable activities:	3					
Funding for the academy trust's educational operations		198	15,383	-	15,581	8,374
Hire of facilities		107	-	-	107	89
Other trading activities	4	160	237	-	397	250
Investments	5	1	-	-	1	1
Total income		907	14,558	10,566	26,031	12,005
Expenditure on:						
Raising funds	6	9	2	-	11	6
Charitable activities:						
Academy trust educational operations	7	120	15,393	1,035	16,548	8,920
Hire of facilities		89	-	-	89	92
Other trading activities		38	462	-	500	260
Total expenditure		256	15,857	1,035	17,148	9,278
Net income / (expenditure)		651	(1,299)	9,531	8,883	2,727
Transfers between funds	17	(32)	149	(117)	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	17,25	-	(1,566)	-	(1,566)	557
Net movement in funds		619	(2,716)	9,414	7,317	3,284
Reconciliation of funds						
Total funds brought forward		669	(792)	13,182	13,059	9,775
Total funds carried forward		1,288	(3,508)	22,596	20,376	13,059

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Waveney Valley Academies Trust

Statement of Financial Activities

for the year ended 31 August 2018 (comparative year)

(including Income and Expenditure Account)

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000
Income and endowments from:				
Donations and capital grants	4	1	38	43
Transfer from local authority on conversion	826	(482)	2,904	3,248
Charitable activities:				
Funding for the academy trust's educational operations	87	8,287	-	8,374
Hire of facilities	89	-	-	89
Other trading activities	118	132	-	250
Investments	1	-	-	1
Total	1,125	7,938	2,942	12,005
Expenditure on:				
Raising funds	6	-	-	6
Charitable activities:				
Academy trust educational operations	86	8,480	354	8,920
Hire of facilities	92	-	-	92
Other trading activities	34	226	-	260
Total	218	8,706	354	9,278
Net income / (expenditure)	907	(768)	2,588	2,727
Transfers between funds	(416)	302	114	-
Other recognised gains / (losses):				
Actuarial gains / (losses) on defined benefit pension schemes	-	557	-	557
Net movement in funds	(491)	91	2,702	3,284
Reconciliation of funds				
Total funds brought forward	178	(883)	10,480	9,775
Total funds carried forward	669	(792)	13,182	13,059

Waveney Valley Academies Trust

Balance Sheet as at 31 August 2019

Company Number 07682294

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	12		22,596		13,182
Current assets					
Stock	13	2		4	
Debtors	14	425		299	
Cash at bank and in hand		2,176		1,297	
		<u>2,603</u>		<u>1,600</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(639)		(608)	
Net current assets			<u>1,964</u>		<u>992</u>
Total assets less current liabilities			24,560		14,174
Creditors: Amounts falling due after more than one year	16		-		-
Net assets excluding pension liability			24,560		14,174
Defined benefit pension scheme liability	25		(4,184)		(1,115)
Total net assets			<u>20,376</u>		<u>13,059</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund		22,596		13,182	
. Restricted income fund		676		323	
. Pension reserve		(4,184)		(1,115)	
Total restricted funds			19,088		12,390
Unrestricted income funds			<u>1,288</u>		<u>669</u>
Total funds	17		<u>20,376</u>		<u>13,059</u>

The financial statements on pages 32-61 were approved by the trustees and authorised for issue on 19 December 2019 and are signed on their behalf by



Mr M Chapman
Chair

Waveney Valley Academies Trust

Statement of Cash Flows

for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	361	185
Cash flows from investing activities	22	118	(140)
Cash transferred on conversion to an academy trust	21	400	826
Change in cash and cash equivalents in the reporting period		879	871
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2018		1,297	426
Cash and cash equivalents at 31 August 2019		2,176	1,297

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019

1 Accounting policies

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

General information

Waveney Valley Academies Trust is a company limited by guarantee incorporated in England. The address of the registered office and company registration number is given in the Reference and Administrative Details given on page 1 of these financial statements and the principal place of business is Loddon, Beccles, Lowestoft, Stowmarket and Leiston. The nature of the academy trust's operations and principal activities are set out in the Trustees' Report and continue to be that of the provision of educational services.

Waveney Valley Academies Trust meets the definition of a public benefit entity under FRS 102.

Basis of preparation

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 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Per the Statement of Financial Activities the Academy Trust has restricted general reserves of (£3,508,000). This is due to the pension reserve of (£4,184,000) which is payable out of future annual income and therefore does not cause any issues for the going concern of the Academy Trust.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1 Statement of accounting policies (continued)

Incoming Resources

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is no unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards pass on to the academy trust.

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards pass on to the academy trust.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1 Statement of accounting policies (continued)

- **Donated fixed assets**

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

- **Donated goods, facilities and services**

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

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 proportion of the asset's use.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1 Statement of accounting policies (continued)

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Existing school land and buildings at the time of conversion have been valued at their fair value and have been recognised within fixed assets on the basis that substantially all the risks and rewards of ownership have been transferred to the Academy Trust. Long leasehold land and buildings have been valued at their fair value on the depreciated replacement cost basis.

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

• Long leasehold land and buildings	2%
• Fixtures, fittings and equipment	10-20%
• Computer hardware	33-50%
• Motor vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1 Statement of accounting policies (continued)

Provisions

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

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

Leased Assets

Rentals payable under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and shop stocks are valued at the lower of cost or net realisable value.

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 cost 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 instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1 Statement of accounting policies (continued)

Pensions Benefits

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

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

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

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

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.

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 Education and Skills Funding Agency and Department for Education.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1 Statement of accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The valuation of land and buildings is based on a number of factors including location, condition and replacement cost. The assumptions used in determining the land and buildings valuation will apply in an estimate of the useful economic life of these assets for the purposes of calculating depreciation.

The land and buildings at Stowmarket High School, which are due to be demolished following completion of their new build in 2020, have been accounted for at their valuation reflecting the useful life remaining of 1 year and 7 months.

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use a % of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are discussed in note 28.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	243	243	38
Other donations	41	6	47	5
Transfer from local authority on conversion	400	332	732	3,248
Transfer of existing academy	-	8,923	8,923	-
	<u>441</u>	<u>9,504</u>	<u>9,945</u>	<u>3,291</u>

3 Charitable income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Funding for the Academy Trust's educational operations				
DfE / ESFA grants				
General Annual Grant (GAG)	-	14,020	14,020	7,568
Other DfE/ESFA grants	62	1,164	1,226	624
	<u>62</u>	<u>15,184</u>	<u>15,246</u>	<u>8,192</u>
Other Government grants				
Local authority grants	136	199	335	182
Hire of facilities	107	-	107	89
	<u>305</u>	<u>15,383</u>	<u>15,688</u>	<u>8,463</u>

4 Other trading income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Other income from the academy trust's educational operations				
School shop sales	12	7	19	14
Fundraising	9	-	9	7
Student contributions to trips	-	193	193	107
Music income	28	-	28	20
Catering income	-	14	14	10
Other services provided	111	23	134	92
	<u>160</u>	<u>237</u>	<u>397</u>	<u>250</u>

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2019 £000	Total 2018 £000
		Premises £000	Other £000		
Expenditure on raising funds	-	-	11	11	6
Charitable Activities					
Academy Trust's educational operations:					
Direct costs	11,760	-	2,000	13,760	7,387
Allocated support costs	1,310	910	568	2,788	1,533
Hire of facilities	59	30	-	89	92
Other					
School shop costs	-	-	25	25	16
Music costs	12	-	-	12	15
Trip costs	-	-	274	274	110
Catering costs	-	-	189	189	119
	<u>13,141</u>	<u>940</u>	<u>3,067</u>	<u>17,148</u>	<u>9,278</u>

Net income/(expenditure) for the period includes:

	2019 £000	2018 £000
Operating lease rentals	41	18
Depreciation	1035	354
Fees payable to auditor for:		
- audit	12	9
- other services	<u>5</u>	<u>4</u>

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

7 Charitable activities – educational operations

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	13,760	7,387
Support costs – educational operations	2,788	1,533
	16,548	8,920

Analysis of support costs	Educational operations £000	Hire of facilities £000	Total 2019 £000	Total 2018 £000
Support staff costs*	1,310	-	1,310	442
Recruitment and support costs	17	-	17	10
Security and transport costs	171	-	171	151
Premises costs	880	30	910	374
Other support costs	233	-	233	403
Governance costs	147	-	147	153
Total support costs	2,758	30	2,788	1,533

* Support staff costs includes service and finance cost adjustments made in respect of defined benefit pension schemes totalling £1,079,000 (2018: £260,000).

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	SJLHS £000	RHPS £000	SHS £000	AVA £000	WVAT £000	Total 2019 £000	Total 2018 £000
Wages and salaries	4,527	1,595	2,787	692	316	9,917	5,458
Social security costs	421	120	270	62	33	906	490
Operating costs of defined benefit pension schemes	978	367	534	164	59	2,102	1,170
	5,926	2,082	3,591	918	408	12,925	7,118
Supply staff costs	24	21	111	25	-	181	33
Staff restructuring costs	-	-	-	-	-	-	14
Apprenticeship levy	14	5	12	3	1	35	6
	5,964	2,108	3,714	946	409	13,141	7,171

Staff restructuring costs comprise:

	2019	2018
Severance payments	-	14
	-	14

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £14,000). Individually, the amount was made up of nil (2018: 1) payments to individuals.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	320	227
Administration and support	75	73
Management	34	21
	429	321

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Staff (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	-
£80,001 - £90,000	-	1
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

6 (2018: 3) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £83,454 (2018: £42,801).

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 and national insurance) received by key management personnel for their services to the academy trust was £1,544,176 (2018: £328,015).

9 Related Party Transactions – Trustees' remuneration and expenses

One or more trustees have been paid remuneration or have 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 staff members under their contracts of employment.

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

J Rowe (headteacher and trustee):

Remuneration £115,001 - £120,000 (2018: £105,001 - £110,000)

Employer's pension contributions paid £15,001 - £20,000 (2018: £15,001 - £20,000)

During the period ended 31 August 2019, travel and subsistence expenses totalling £5,475 were reimbursed or paid directly to 8 trustees (2018: £3,500 to 2 trustees).

Other related party transactions involving the trustees are set out in note 26.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

10 Trustees and officers insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2019 was £190 (2018: £190). The cost of this insurance is included in the total insurance cost.

11 Central services

The academy trust has provided the following central services to its academies during the period:

- human resources
- payroll
- financial services
- insurance
- procurement
- clerking services
- principals and Business Leader costs
- educational support services

The trust charges for these services by charging 6% of total GAG received by each school.

The actual amounts charged during the period were as follows:

	2019	2018
	£000	£000
Sir John Leman High School	393	384
Roman Hill Primary School	134	68
Stowmarket High School	252	-
Alde Valley Academy	59	-
	<hr/> 838	<hr/> 452

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

12 Tangible fixed assets

	Long Leasehold Land and Buildings £000	Fixtures, Fittings and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost					
At 1 August 2018	15,088	80	290	76	15,534
Additions	5	56	65	-	126
Transfer on conversion	641	-	-	-	641
Transfer from existing academy	9,682	-	-	-	9,682
At 31 August 2019	25,416	136	355	76	25,983
Depreciation					
At 31 August 2018	1,955	52	279	66	2,352
Charged in year	997	9	22	7	1035
At 31 August 2019	2,952	61	301	73	3,387
Net book values					
At 31 August 2018	13,133	28	11	10	13,182
At 31 August 2019	22,464	75	54	3	22,596

On 1st August 2011, Suffolk County Council granted the Academy Trust a 125 year lease for the land and buildings at Sir John Leman High School, Beccles. In the opinion of the members, the substance of the position at 1st August 2011 was that the Academy Trust had control over the land and buildings and substantially all the significant risks and rewards associated with ownership had been transferred to the academy trust.

On 1st March 2018, Suffolk County Council granted the Academy Trust a 125 year lease for the land and buildings at Roman Hill Primary School, Lowestoft. In the opinion of the members, the substance of the position at 1st March 2018 was that the Academy Trust had control over the land and buildings and substantially all the significant risks and rewards associated with ownership had been transferred to the academy trust.

On 1st September 2018, Suffolk County Council granted the Academy Trust a 125 year lease for the land and buildings at Stowmarket High School, Stowmarket. In the opinion of the members, the substance of the position at 1st September 2018 was that the Academy Trust had control over the land and buildings and substantially all the significant risks and rewards associated with ownership had been transferred to the academy trust.

On 1st January 2015, Suffolk County Council granted Bright Tribe Academy Trust a 125 year lease for the land and buildings at Alde Valley Academy, Leiston. In the opinion of the members, the substance of the position on transfer in to the trust at 1st March 2019 was that the Academy Trust had control over the land and buildings and substantially all the significant risks and rewards associated with ownership had been transferred to the academy trust.

As such, the land and buildings have been recognised in the financial statements at their fair value at the date of conversion and depreciated thereon over the useful economic life of 50 years.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

13 Stock

	2019 £000	2018 £000
Shop stock	2	4
	<u>2</u>	<u>4</u>

The amount of stock recognised as an expense during the year was £22,385

14 Debtors

	2019 £000	2018 £000
Trade debtors	19	10
VAT recoverable	76	45
Other debtors	-	9
Prepayments and accrued income	330	235
	<u>425</u>	<u>299</u>

15 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	42	5
Other taxation and social security	239	135
Other creditors	136	317
Accruals and deferred income	222	151
	<u>639</u>	<u>608</u>

	2019 £000	2018 £000
Deferred income		
Deferred income at 31 August 2018	8	2
Released from previous years	(8)	(2)
Resources deferred in the year	82	8
Deferred Income at 31 August 2019	<u>82</u>	<u>8</u>

At the balance sheet date the academy trust was holding funds received in advance for trips booked for the 2019-20 school year.

16 Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Other creditors	-	-
	<u>-</u>	<u>-</u>

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
RESTRICTED					
Restricted general funds					
General Annual Grant (GAG)	(36)	14,191	(13,543)	(612)	-
Pupil Premium	102	929	(902)	-	129
Academic trips	(3)	193	(189)	-	1
Other grants	260	313	(144)	117	546
Pension reserve	(1,115)	(1,068)	(1,079)	(922)	(4,184)
	(792)	14,558	(15,857)	(1,417)	(3,508)
Restricted fixed asset funds					
Transfer on conversion	12,484	641	(711)	-	12,414
Transfer from existing academy trust	-	9,682	(194)	-	9,488
DfE/ESFA capital grants	26	243	(30)	(117)	122
Capital expenditure from GAG	672	-	(100)	-	572
	13,182	10,566	(1,035)	(117)	22,596
Total restricted funds	12,390	25,124	(16,892)	(1,534)	19,088
Total unrestricted funds	669	907	(256)	(32)	1,288
Total funds	13,059	26,031	(17,148)	(1,566)	20,376

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Fixed assets fund

These grants relate to funding received to purchase assets of a capital nature and buildings inherited on conversion or transfer from an existing academy trust. Transfers to the fixed asset funds from other revenue reserves are made when revenue reserves are used to acquire tangible fixed assets.

Pension reserve

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension schemes.

The trust is carrying a net surplus of £676,000 on restricted general funds (excluding pension reserve) and a net surplus of £1,288,000 on unrestricted funds.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Funds (continued)

Transfers between funds comprise:

	£000
Transfer of capital grant from restricted fixed asset funds to other restricted fund	117
Transfer from GAG to pension	644
Transfer to GAG from unrestricted funds to reduce the deficit	32

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
RESTRICTED					
Restricted general funds					
General Annual Grant (GAG)	-	7,591	(7,571)	(56)	(36)
Pupil Premium	39	437	(374)	-	102
Academic trips	8	107	(118)	-	(3)
Other grants	-	285	(26)	1	260
	47	8,420	(8,089)	(55)	323
Restricted pension reserve fund					
Defined benefit pension fund	(930)	(482)	(617)	914	(1,115)
Restricted fixed asset funds					
Donations and gifted assets	9,836	2,904	(256)	-	12,484
DfE/ESFA capital grants	62	38	(9)	(65)	26
Capital expenditure from GAG	582	-	(89)	179	672
	10,480	2,942	(354)	114	13,182
Total restricted funds	9,597	10,880	(9,060)	973	12,390
Total unrestricted funds	178	1,125	(218)	(416)	669
Total funds	9,775	12,005	(9,278)	557	13,059

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Sir John Leman High School	64	38
Roman Hill Primary School	1,236	885
Stowmarket High School	541	-
Alde Valley Academy	50	-
Central services	73	69
Total before fixed assets and pension reserve	1,964	992
Restricted fixed asset fund	22,596	13,182
Pension reserve	(4,184)	(1,115)
Total	20,376	13,059

Analysis of academies by cost

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

	Staff costs (see below) £000	Premises £000	Other costs (excluding depreciation) £000	Total 2019 £000	Total 2018 £000
Sir John Leman High School	5,964	275	889	7,128	7,103
Roman Hill Primary School	2,108	81	333	2,522	1,217
Stowmarket High School	3,714	269	397	4,380	-
Alde Valley Academy	946	84	178	1,208	-
Central services	409	231	235	875	604
	13,141	940	2,032	16,113	8,924

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Funds (continued)

Staff costs have been analysed as follows:

	Teaching and staff costs £000	Educational support staff costs £000	Other staff costs £000	Total 2019 £000
Sir John Leman High School	5,418	475	71	5,964
Roman Hill Primary School	1,962	146	-	2,108
Stowmarket High School	3,357	357	-	3,714
Alde Valley Academy	848	98	-	946
Central services	175	234	-	409
	11,760	1,310	71	13,141

18 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	22,596	22,596
Current assets	1,306	1,297	-	2,603
Current liabilities	(18)	(621)	-	(639)
Pension scheme liability	-	(4,184)	-	(4,184)
Total net assets	1,288	(3,508)	22,596	20,376

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	13,182	13,182
Current assets	669	769	162	1,600
Current liabilities	-	(446)	(162)	(608)
Pension scheme liability	-	(1,115)	-	(1,115)
Total net assets	669	(792)	13,182	13,059

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

19 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	-

20 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	72	19
Amounts due between one and five years	153	50
Amounts due after five years	-	-
	225	69

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £000	2018 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	8,883	2,727
Adjusted for:		
Depreciation [note 12]	1,035	354
Capital grants from DfE and other capital income	(243)	(38)
Interest receivable [note 5]	(1)	(1)
Defined benefit pension scheme deficit transferred in	1,068	482
Defined benefit pension scheme cost less contributions payable [note 25]	381	227
Defined benefit pension scheme finance cost [note 25]	54	33
Donated assets on conversion	(641)	(2,904)
Donated assets on transfer from existing academy trust	(9,682)	-
Cash received on conversion	(400)	(826)
(Increase)/decrease in stocks	2	-
(Increase)/decrease in debtors	(127)	(118)
Increase/(decrease) in creditors	32	249
Net cash provided by / (used in) Operating Activities	361	185

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

22 Cash flows from investing activities

	2019 £000	2018 £000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(126)	(179)
Capital grants from DfE/ESFA	243	38
Net cash provided by / (used in) investing activities	118	(140)

23 Analysis of cash and cash equivalents

	At 31 August 2018 £000	Cash flows	At 31 August 2019 £000
Cash in hand and at bank	1,297	879	2,176
Notice deposits (less than 3 months)	-	-	-
Total cash and cash equivalents	1,297	879	2,176

24 Members liability

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

25 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk County Council. Both are multi-employer defined benefit schemes

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 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.

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions (as amended) 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions (as amended) 2014. The valuation report was published by the Department for Education in March 2019. The key elements of the valuation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

In view of the rulings and decisions in the 'McCloud/Sargeant case' the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. A valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case.

The TPS valuation for 2016 determined the employer rate would increase from 16.4% to 23.6%, which is payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £1,077,450 (2018: £587,452).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £794,514 (2018: £441,985), of which employer's contributions totalled £645,027 (2018: £356,896) and employees' contributions totalled £149,487 (2018: £85,089). The agreed contribution rates for future years are 23.2% for employers and a variable % for employees dependent on the salary of individuals as follows:

Annual Salary	Contribution Rate
Up to £14,400	5.5%
£14,401 - £22,500	5.8%
£22,501 - £36,500	6.5%
£36,501 - £46,200	6.8%
£46,201 - £64,600	8.5%
£64,601 - £91,500	9.9%
£91,501 - £107,700	10.5%
£107,701 - £161,500	11.4%
£161,501 or more	12.5%

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 August 2019	At 31 August 2018
Rate of increase in salaries	2.60%	2.65%
Rate of increase for pensions in payment/inflation	2.30%	2.30%
Discount rate for scheme liabilities	1.85%	2.80%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.3	21.9
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.3	23.9
Females	24.9	26.4

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity analysis – net increase in liability	At 31 August 2019 £	At 31 August 2018 £
0.5% decrease in real discount rate	1,549	806
0.5% increase in salary increase rate	210	124
0.5% increase in pension increase rate	1,308	673

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	3,926	3,285
Debt instruments	2,119	1,431
Property	1,727	530
Cash	79	53
Total market value of assets	7,851	5,299

The actual return on scheme assets was £387,000 (2018: £232,000)

Amount recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	923	584
Past service cost (including impact of McCloud and GMP equalisation)	102	-
Net interest cost	54	33
Total operating charge	1,079	617

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:

	2019 £000	2018 £000
At 1 September	6,414	4,848
Upon conversion	1,156	1,255
Upon transfer	1,362	-
Current service cost	923	584
Interest cost	243	145
Employee contributions	149	85
Actuarial (gain)/loss	1,764	(437)
Benefits paid	(78)	(66)
Past service cost	102	-
At 31 August	12,035	6,414

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

	2019 £000	2018 £000
At 1 September	5,299	3,918
Upon conversion	847	773
Upon transfer	603	-
Interest income	189	112
Actuarial gain/(loss)	198	120
Employer contributions	644	357
Employee contributions	149	85
Benefits paid	(78)	(66)
At 31 August	7,851	5,299

26 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

During the year, relations of key management were employed by the trust, however these are considered to be on an arm's length basis and in line with the relevant pay scales.

During the year, the wife of Mr S Alderson (Trustee) was paid £nil (2018: £772) for her services as an invigilator for the school.

Roman Hill Primary School purchased classroom furniture from a company in which Mrs L Merkit (business manager) was the joint shareholder amounting to £nil (2018: £354).

Waveney Valley Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

27 Ultimate controlling party

The charitable company is under the day to day control of the trustees.

There is no ultimate controlling party.

28 Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £23,019 (2018: £18,597) and disbursed £5,596 (2018: £4,514). An amount of £136,094 (2018: £118,671) is included within other creditors relating to undistributed funds that are payable to 16-19 bursary students.

29 Transfer of existing academies into the Trust

	Transfer in recognised £000
Tangible fixed assets	
Leasehold land and buildings	9,682
Current assets	
Cash in bank and in hand	—
Pensions	
Pensions – pension scheme assets	603
Pensions – pension scheme liabilities	(1,362)
	<hr/> 8,923

The Trust has been unable to obtain the values reported by the transferring Trust, Bright Tribe, for the purposes of the transfer in. The Trust has therefore taken the appropriate action to obtain valuations and information relating to the land and buildings and pension liability to enable these to be brought in at fair value. No other assets and liabilities were transferred to the Trust.