
Greater Nottingham Education Trust
formerly Carlton le Willows Academy
(a company limited by guarantee)

Greater Nottingham Education Trust
formerly Carlton le Willows Academy
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2016



Company Registration Number:
07539214 (England and Wales)

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Greater Nottingham Education Trust

Reference and Administrative Details

Members	Mrs P Brown Mr J Garibaldi Mr P Karat Mr G R Martin Dr D Vowles
Trustees	Mr J Garibaldi (Chair) Mr P Karat Mr W Smith Mr J Thomas Mr J C Weaver (Chief Executive and Accounting Officer)
Company Secretary	Mr M Davies
Senior Management Team	
Head Teacher	Mr J C Weaver
Head of School	Dr J Simpson
Deputy Head	Mr G Johnson
Deputy Head	Mr C Turner
Assistant Head	Ms E Stansfield
Assistant Head	Mr R Fender
Assistant Head	Mr R Bond-Taylor
Assistant Head	Mr N Reddington
Business Manager	Mr M Davies
Director of Student Services	Mr D Taylor
Registered Office	Carlton le Willows Academy Wood Lane Gedling Nottingham NG4 4AA
Company Registration Number	07539214 (England and Wales)
Independent Auditors	Duncan & Toplis Ltd 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	Lloyds Bank Plc Old Market Square Branch Nottingham PO Box 1000, BX1 1LT
Solicitors	Stone King LLP 16 St John's Lane London EC1M 4BS

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TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The trust operates a single academy for pupils aged 11 to 18 serving a catchment area on the eastern side of Nottingham. It has a pupil capacity of 1445 and had a roll of 1427 on the school census in January 2016.

Structure, Governance and Management

Constitution

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

On 31 March 2016, Carlton le Willows Academy Trust converted to Multi Academy Trust (MAT) status and became known as Greater Nottingham Education Trust.

The trustees of Greater Nottingham Education Trust are also the directors of the Charitable Company for the purposes of company law.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to a maximum value of £5,000,000

Method of Recruitment and Appointment or Election of Trustees

Trustees are elected under the terms of the Articles of Association. Any trustee elections are held as soon as practicable after the occurrence of a vacancy.

Trustees are appointed by the members and appointment of local governing body members is delegated to the individual academy.

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

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students.

All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally few new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

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Organisational Structure

The trust must review the delegation of functions annually. Each trust will remain accountable for any decision taken, including those relating to functions delegated to a committee or individual.

The management of the trust is the responsibility of the trustees who are elected under the terms of the Articles of Association. Trustees during the year ending 31 August 2016 were as follows:

- Mr J Garibaldi (Chair)
- Mr P Karat
- Mr W Smith
- Mr J Thomas
- Mr JC Weaver

The members delegate responsibility to the Board of Trustees for making major decisions about the strategic direction of the trust and the appointment of all Head Teachers. The trustees are legally appointed representatives of the trust under the Companies Act 2006 and the Charities Act 2011.

The Board of Trustees delegate to the local governing body of Carlton le Willow Academy the responsibility for decisions surrounding: setting general school specific policy; adopting the trust's financial policy; setting an annual budget plan and monitoring actual financial outcomes against said plan. The individuals appointed to the local governing body of Carlton le Willows Academy for the year ended 31 August 2016 are as follows:

- Mrs P Blandamer*
- Mrs P Brown (Chair)
- Mr W Brown
- Mr V Choudhary (Resigned 04/03/2016)
- Mrs F Dale (Appointed 30/11/2015)
- Mr A Macdonald
- Mr G R Martin* (31/03/2016)
- Mr K Place*
- Mr N Reddington
- Mrs K Ridgard
- Mr M Robinson*
- Mr F Rodrigues
- Mr J Rudd (12/10/2015)
- Mr P Todd
- Dr D Vowles*

*Member of the Finance and General Purpose Committee

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Arrangements for setting pay and remuneration of key management personnel

The pay policy, which includes a section specifically for senior leaders, is reviewed annually and approved by the trustees.

Head Teacher appointments require trustee approval. Appointment of Deputy Headteachers require local governing body approval. Other senior leaders are appointed by the individual Head Teachers.

In assessing and reviewing the salaries of posts on the leadership spine, the governing body give due consideration to the following factors:

- In reviewing the Head Teachers performance, the governing body will normally employ the service of an external education consultant.
- The outcome of the annual appraisal for each individual.
- The academy's individual salary range which can be reviewed throughout the year for recruitment and retention purposes.
- Pay differentials within the academy and leadership group.
- Relative responsibilities of posts.

The governing body will also take into consideration differentials between the salary range of the Head Teacher, Head of School, Deputy Headteachers(s) and Assistant Headteacher(s).

To achieve progression on the leadership pay range individuals are required to demonstrate sustained high quality of performance. In addition, he/she must have completed a successful annual appraisal review.

The Pupil and Personnel Committee will delegate the responsibility for agreeing annual appraisal objectives to the Head Teacher, who may in turn delegate this responsibility to the leader's line manager. As part of the annual determination of pay, the designated reviewer will make recommendations to the Head Teacher for each post-holder. The Head Teacher will then review the recommendations and forward these with their own recommendations to the committee for their determination.

No rewards, other than the agreed salary are offered or made to any senior leaders.

Related Parties and other Connected Charities and Organisations

The trust has no connection to other charities or organisations.

A full list of related parties for both trustees and local governors can be found on the Carlton le Willows Academy website. No transactions occurred between the trust and the related parties during this year.

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Objectives and Activities

Objects and Aims

The academy trust's objects are specifically restricted to the following;

- a. 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, carry on, managing and developing schools offering a broad and balanced curriculum.
- b. to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision for 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.

Objectives, Strategies and Activities

The following approved improvement priorities for Carlton le Willows Academy have been acted upon.

The overarching priorities for the academy are for students to reach their academic potential and develop the character skills and leadership qualities they need for success and happiness in life.

Priority 1: To reduce subject and group variation so that all students make consistently good and better progress in all subjects in all key stages (Outcomes). This is a standing priority each year to ensure the best outcomes for all students at the academy. There will be a focus on:

- Further increasing the proportion of pupils making better than expected progress in KS4 English.
- Ensuring high rates of progress at KS4 in DT and PE.
- Improving consistency of Year 13 results (positive value-added score on ALIS, even if not significantly so).
- Further reducing the gap between Pupil Premium and Non-Pupil Premium pupils.

Priority 2: To empower students to develop strong character and leadership qualities (Personal development, behaviour and welfare; Leadership and management). Before the national emphasis on character skills the academy identified them as a key area for development in order to improve the life chances of our students. There will be a focus on:

- Implementing the whole school character education framework.
- Integrating character development into traditions, systems and the ethos.
- Integrating character development within the curriculum, across the curriculum and through enrichment opportunities.

Priority 3: To secure consistently high standard of teaching, learning and assessment teaching using the CLW learning cycle as a framework (Teaching, learning and assessment). The academy recognises that teaching, learning and assessment are key to securing high levels of pupil progress; implementation of a common framework will ensure greater consistency and even higher standards. There will be a focus on:

- Embedding challenge and curiosity into all lessons.
- Developing students' literacy skills across the curriculum.
- Developing KS4 and 5 CLW learning cycles in preparation for use in 2016.
- Implementing an academy wide summative assessment calendar to inform data collection points and drive targeted intervention.

Priority 4: To further strengthen student support systems and processes (Personal development, behaviour and welfare). All students, but most significantly the vulnerable, need support systems in place to enable them to access and benefit from the high standards of education in the academy; we must constantly seek to identify new strategies and put in place new or improved systems to give this support. There will be a focus on:

- Further improving attendance and reducing persistent absence, with a strong focus on vulnerable groups.
- Improve and develop the use of available behaviour data to understand and target individuals' or particular vulnerable groups' behaviour.
- Develop an internal alternative provision centre to provide flexible support and intervention to vulnerable groups.
- Improve the understanding and delivery of support required for students within 'Troubled Families'.

Priority 5: To further strengthen the ability and capacity of middle leaders/managers to drive improvement (Leadership and management; Teaching, learning and assessment; Outcomes). Managers at all levels are required to lead improvements at the academy; changes in personnel and national expectations require that all continue to develop their knowledge and skills. There will be a focus on:

- Assessing the quality of teaching across all subjects.
- Taking effective action to address areas for improvement identified by QA.
- Challenging all to deliver high quality learning experiences for all students.
- Securing targeted intervention and support for students identified as academic or pastoral concerns.

Priority 6: To provide a challenging curriculum to meet our students' needs and aspirations to succeed at and beyond school (Leadership and Management). Ongoing changes to qualifications and national expectations require the academy to constantly review and improve its curriculum content and model in order to best serve the students. There will be a focus on:

- Reviewing and developing the curriculum ensuring it meets external expectations and requirements alongside internal demands, in order to allow students to achieve their best.
- Developing the delivery model for Key Stage 4 options in the light of position of legacy GCSEs within the performance tables.
- Developing an assessment scheme that fully supports aspirational flight paths for students at KS3/4.

Public Benefit

The trustees confirm that they have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

In addition to the education activities the trust has developed an extensive community-use programme for 'out of hours' leisure activities for the benefit of inhabitants in the local area.

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Strategic Report

Achievements and Performance

Key Performance Indicators – Carlton le Willows Academy

Carlton le Willows Academy - Public examination results 2016

YEAR 13	Target	Achieved
A level Cohort and Result		
Average point score as a grade	C+	C+
Average score per entry	33.76	33.62
Value Added	-	0.36
Entries per candidate	-	3.14
Academic Cohort and Result		
Average point score as a grade	C+	C+
Average score per entry	33.94	33.64
Vale Added	-	0.36
Entries per candidate	-	3.15
Vocational Cohort and Results (27 students)		
Average point score as a grade	Merit	Dist+
Average score per entry	27.55	38.79
Value Added		0.36

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YEAR 11	Target	Achieved
Progress 8	0	-0.03
Attainment 8	5.6	5.4
% A*-C English & Maths	84%	77%
English Element Attainment	5.9	5.5
Maths Element Attainment	5.9	5.8
Ebacc Element Attainment	5.3	5.1
Open Element Attainment	5.6	5.4
English Element Progress	0	-0.13
Maths Element Progress	0	0.37
Ebacc Element Progress	0	0.04
Open Element Progress	0	-0.25
%Ebacc (Entered)	-	35%
%Ebacc (Achieved A*-C)	29%	27%

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Pupil numbers

Total pupil numbers against a PAN of 226 are as follows:

Year 7 – 254
Year 8 – 253
Year 9 – 254
Year 10 – 230
Year 11 – 227
Year 12 – 116
Year 13 – 102
Total – 1436

Due to demand 315 pupils were admitted in September 2016.

Attendance

- Overall pupil attendance this year was 94.8% which is above the national average.
- Staff attendance was 95.5% which is above the academy target of 95%.

Other achievements

- The academy successfully retained the Customer Service Excellence award again and is still the only school in the East Midlands to hold this prestigious accolade.
- The academy achieved Artsmark status this year.
- The academy was accredited with the International Schools Award 2016-19.

Key financial performance indicators

- Staff costs are 81% of GAG income and 74% of total income.
- Agency staff costs are less than 2% of total staff costs.
- 2.2% of GAG income spent on repairs and maintenance.
- The trust once again achieved an operating surplus this year and was able to invest £481,905 of revenue funding into capital projects.

Going Concern

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

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Financial Review

The trust is in a very strong position financially. Overall reserves are in excess of £1,200,000 and the trust has projected a balanced budget for the next five years.

The trust's main source of funding was the General Annual Grant from the Education Funding Agency. This was supplemented by funding from Nottinghamshire County Council to support pupils with special educational needs, Pupil Premium funding from the Education Funding Agency and funds generated by the trust through sales of textbooks and music tuition fees as an example.

The funding has been utilised by the trust to achieve the targets set out in the trust's improvement plan. Resources expended this year have assisted the trust in achieving exceptional examination results.

Reserves Policy

The trust's free reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the trust has or can make available to spend for any or all of the trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the trust which is to be spent at the trustees' discretion in furtherance of any of the trust's objectives but which is not yet spent, committed or designated.

The trustees review the reserve levels of the trust annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to one months' expenditure, which is approximately £560,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The trust's current level of free reserves is £492,413.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £769,081.

Funds in deficit

The trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The trust's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme and consequently the trust's balance sheet shows a net liability of £2,052,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

Investment Policy

The trust holds no investments other than its capital balance. The trustees have requested that amounts above the level of working capital be held in a high interest account. Currently £250,000 is placed in a high interest account with Lloyds.

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Principal Risks and Uncertainties

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust and its finances. The trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The trust has an effective system of internal financial controls.

The trust has a risk register in place which has been adopted by the trustees and is updated as necessary.

Outlined below is a description of the principal risk factors that may affect the trust. However, not all factors are within the trust's control and other factors besides those listed below may also adversely affect the trust.

1. Government funding: The trust has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the trust is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the trust budget process.

2. Maintain adequate funding of pension liabilities: The financial statements report the share of the local government pension scheme deficit on the trust's balance sheet in line with the requirements of FRS 17.

The trust takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Pupil strategy: The trust seeks to maintain its popularity with current and prospective pupils;
 - ensuring the trust delivers high quality education and training;
 - maintaining outstanding success rates and good inspection outcomes; and
 - investing in the teaching staff and resources.

With ongoing commitment to quality, the trust now provides market-leading learning environments with state of the art technology and specialist resources.

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This places the trust in an excellent position to attract new pupils.

Plans for Future Periods

Carlton le Willows Academy

The following approved improvement priorities will be acted upon during the coming year (2016-17).

Priority 1: To reduce subject and group variation so that all students make consistently good and better progress in all subjects in all key stages (Outcomes; L&M). This is a standing priority each year to ensure the best outcomes for all students at the academy. In 2016-2017 there will be a priority focus on:

- Securing improvements in the progress of students in KS4 English Language.
- Ensuring good rates of progress at KS4 in DT and PE.
- Securing improvements in the progress made by high ability students, in particular in EBacc subjects.
- To minimise the gap in achievement between vulnerable groups and other students. This will include - SEND, Pupil Premium and Looked After Children.

Priority 2: To empower students to develop strong character and leadership qualities (PD, B & W; L&M). Before the national emphasis on character skills the academy identified them as a key area for development in order to improve the life chances of our students. There will be a focus on:

- The use of a common language within the academy for developing resilience in all students
- Further extending character development opportunities within the curriculum, across the curriculum and through enrichment opportunities.

Priority 3: To secure consistently a high standard of teaching, learning, and assessment using the CLW learning cycle and Willows 8 as a framework (L&M; T, L & A). The academy recognises that teaching, learning and assessment are key to securing high levels of pupil progress. There will be a focus on:

- To use both formative and summative assessment to provide constructive feedback to pupils and to inform teachers' planning for future learning.
- Embedding the Willows 8 and CLW learning cycles into teaching and learning within the academy, in particular to secure challenge for all students.
- Further developing literacy and numeracy skills.

Priority 4: To further strengthen student support systems and processes (PD, B & W). All students, but most significantly the vulnerable, need support systems in place to enable them to access and benefit from the high standards of education in the academy; we must constantly seek to identify new strategies and put in place new or improved systems to give this support. There will be a focus on:

- Further improving attendance and reducing persistent absence, with a strong focus on vulnerable groups.
- Effective use of the behaviour data base to maximise intervention with individuals' or particular vulnerable groups' behaviour.
- Use of the academy's new internal alternative provision centre to provide flexible support and intervention to vulnerable groups.

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Priority 5: To further strengthen the ability and capacity of middle leaders/managers to drive improvement (L&M; T, L & A; Outcomes). Managers at all levels are required to lead improvements at the academy; changes in personnel and national expectations require that all continue to develop their knowledge and skills. There will be a focus on:

- Taking effective action to address areas for improvement identified by QA using Willows 8 as framework for teaching and learning.
- Use of the academy wide summative assessment calendar to inform data collection points and increasing consistency in targeting intervention against progress made.

Priority 6: To provide an appropriate and challenging curriculum to meet our students' needs and aspirations to succeed at and beyond school (L&M). Ongoing changes to qualifications and national expectations require the academy to constantly review and improve its curriculum content and model in order to best serve the students. There will be a focus on:

- Reviewing and developing the curriculum ensuring it meets external expectations and requirements alongside internal demands, in order to allow students to achieve their best.

Funds Held as Custodian Trustee on Behalf of Others

The trust does not hold such funds.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- 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 on 06 December 2016 and signed on its behalf by:


.....
Mr J M Garbald
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Greater Nottingham Education 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 Trustees have delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Greater Nottingham Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The trustees have formally met twice during the year. Attendance during the year at meetings of the trustees were as follows:

Trustee	Meetings attended	Out of a possible
Mr J Garibaldi	2	2
Mr P Karat	0	2
Mr W Smith	2	2
Mr J Thomas	2	2
Mr JC Weaver	2	2

Prior to the transfer to MAT status the Trustees of Carlton le Willows Academy met four times.

Trustee	Meetings attended	Out of a possible
Mrs P Blandamer	1	4
Mrs P Brown	1	4
Mr W Brown	3	4
Mr V Choudhary	0	4
Mrs F Dale	0	0
Mr J Garibaldi	1	4
Mr P Karat	3	4
Mr A Macdonald	2	4
Mr GR Martin	3	4
Mr K Place	2	2
Mr N Reddington	3	4
Mrs K Ridgard	2	4
Mr M Robinson	2	4
Mr F Rodrigues	0	2
Mr W Smith	2	4
Mr J Thomas	2	4
Mr P Todd	0	0
Dr D Vowles	3	4
Mr JC Weaver	3	4

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The Finance and General Purposes committee is a sub-committee of the main Board of Trustees. Its purpose is to be responsible for;

- Constitutional decisions
- Policy development, planning and public accountability
- Financial matters
- Monitoring the integrity of the trust's financial systems, records and accounts
- Review key financial decisions and matters of judgement in the annual accounts
- Review and make recommendations on the systems of internal control used by the trust
- Monitor the work of the independent financial consultant and external auditors
- Review the trust's risk management systems

Following conversion to MAT status this committee remained as a sub-committee of local governors from Carlton le Willows Academy with trustees from Greater Nottingham Education Trust having a strategic overview.

Trustee	Meetings attended	Out of a possible
Mrs P Blandamer (Chair)	4	4
Mr J Garibaldi	2	2
Mr P Karat	2	2
Mr G R Martin	1	2
Mr K Place	2	4
Mr M Robinson	3	4
Dr D Vowles	2	4
Mr J C Weaver	1	4

Review of Value for Money

As accounting officer, the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for Money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the 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 trust has developed a Strategic Operations Group made up of senior leaders who act as a steering group focussed on curriculum led financial planning. During the year:

- Staffing costs were scrutinised through a route and branch review. Any identified inefficiencies have been dealt with which has created a much more cost effective staffing structure.
- A review of waste disposal costs was completed leading to a cost reduction of 50%.
- The trust successfully bid for a £200,000 grant from a national sports governing body towards a new sports hall and connected community facility.
- The trust employed the services of a specialist surveyor to assist with a Condition Improvement Fund bid for major re-roofing works. The trust received in excess of £400,000.

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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 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 at Greater Nottingham Education Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trustee's report;
- regular reviews by the Finance, Audit and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Victoria Lievesley as a financial consultant to carry out the role of internal auditor. The financial consultant's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase and income systems
- testing of control account/ bank reconciliations

On a quarterly basis, the financial consultant reports to the Finance and General Purpose Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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The financial consultant has carried out the schedule of works as planned and no issues have arisen from that work.

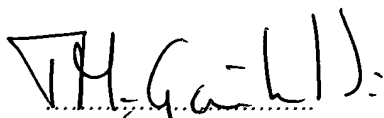
Review of Effectiveness


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

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

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

Approved by order of the members of the Board of Trustees on 06 December 2016 and signed on its behalf by:


Mr J M Garibaldi
Chair of Trustees


Mr J C Weaver
Accounting Officer

Greater Nottingham Education Trust
formerly Carlton le Willows Academy
(a company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Greater Nottingham Education Trust I have considered my responsibility to notify the academy trust and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 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 no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the EFA.



Mr J C Weaver
Accounting Officer
Date: 06 December 2016

<p>Greater Nottingham Education Trust formerly Carlton le Willows Academy (a company limited by guarantee)</p>
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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as trustees for charitable activities of Greater Nottingham Education Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


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

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

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

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

Approved by order of the members of the trustees on 06 December 2016 and signed on its behalf by:


.....
Mr J M Garibaldi
Chair of Trustees

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)**

We have audited the financial statements of Greater Nottingham Education Trust (formerly Carlton le Willows) for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)**

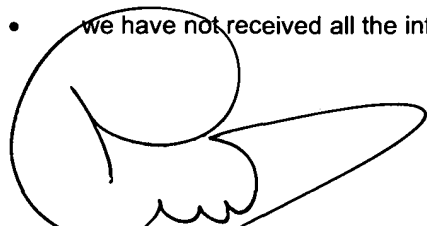
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Topliss Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

6th December 2016

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Greater Nottingham Education Trust (formerly Carlton le Willows) during the year 1 September 2015 to 31 August 2016 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 Greater Nottingham Education Trust (formerly Carlton le Willows) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Greater Nottingham Education Trust (formerly Carlton le Willows) and the EFA 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 Greater Nottingham Education Trust (formerly Carlton le Willows) and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of Greater Nottingham Education Trust (formerly Carlton le Willows)'s funding agreement with the Secretary of State for Education dated 28 March 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO GREATER
NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS) AND THE EDUCATION
FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

6th December 2016

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	13,893	215,518	447,483	676,894	390,353
Charitable activities	3	-	7,328,614	-	7,328,614	7,229,584
Other trading activities	4	74,520	10,593	-	85,113	49,076
Investments	5	3,512	-	-	3,512	1,982
TOTAL INCOME		91,925	7,554,725	447,483	8,094,133	7,670,995
EXPENDITURE ON:						
Charitable activities		62,584	7,000,057	555,438	7,618,079	7,589,468
TOTAL EXPENDITURE	8	62,584	7,000,057	555,438	7,618,079	7,589,468
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	29,341 (9,126)	554,668 (797,020)	(107,955) 806,146	476,054 -	81,527 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		20,215	(242,352)	698,191	476,054	81,527
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(745,000)	-	(745,000)	23,000
NET MOVEMENT IN FUNDS		20,215	(987,352)	698,191	(268,946)	104,527
RECONCILIATION OF FUNDS:						
Total funds brought forward		472,198	(295,567)	11,409,595	11,586,226	11,481,699
TOTAL FUNDS CARRIED FORWARD		492,413	(1,282,919)	12,107,786	11,317,280	11,586,226

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)

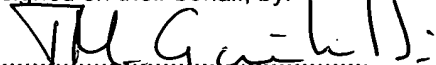
(A company limited by guarantee)

REGISTERED NUMBER: 07539214

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		12,059,793		11,323,681
CURRENT ASSETS					
Debtors	14	494,144		538,547	
Cash at bank and in hand		1,418,212		1,882,748	
		<u>1,912,356</u>		<u>2,421,295</u>	
CREDITORS: amounts falling due within one year	15	(602,869)		(960,750)	
NET CURRENT ASSETS			<u>1,309,487</u>		<u>1,460,545</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,369,280</u>		<u>12,784,226</u>
Defined benefit pension scheme liability	22		<u>(2,052,000)</u>		<u>(1,198,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,317,280</u></u>		<u><u>11,586,226</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	769,081		902,433	
Restricted fixed asset funds	16	<u>12,107,786</u>		<u>11,409,595</u>	
Restricted income funds excluding pension liability		<u>12,876,867</u>		<u>12,312,028</u>	
Pension reserve		<u>(2,052,000)</u>		<u>(1,198,000)</u>	
Total restricted income funds			<u>10,824,867</u>		<u>11,114,028</u>
Unrestricted income funds	16		<u>492,413</u>		<u>472,198</u>
TOTAL FUNDS			<u><u>11,317,280</u></u>		<u><u>11,586,226</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 6 December 2016 and are signed on their behalf, by:



 Mr J M Garibaldi
 Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>376,020</u>	<u>729,364</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,512	1,982
Purchase of tangible fixed assets		(1,291,551)	(688,664)
Capital grants from DfE/EFA		<u>447,483</u>	<u>286,548</u>
Net cash used in investing activities		<u>(840,556)</u>	<u>(400,134)</u>
Change in cash and cash equivalents in the year		(464,536)	329,230
Cash and cash equivalents brought forward	19	<u>1,882,748</u>	<u>1,553,518</u>
Cash and cash equivalents carried forward		<u><u>1,418,212</u></u>	<u><u>1,882,748</u></u>

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Greater Nottingham Education Trust (formerly Carlton le Willows) constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Greater Nottingham Education Trust (formerly Carlton le Willows) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Greater Nottingham Education Trust (formerly Carlton le Willows) for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.4 Expenditure

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 50 years or 10 years as appropriate to the asset
Motor vehicles	-	Straight line over 4 years
Fixtures and fittings	-	Straight line over 8 years
Teaching equipment	-	Straight line over 8 years
Computer equipment	-	Straight line over 3 years

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

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

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Taxation

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

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.15 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	13,893	-	-	13,893	17,891
Grants	-	-	447,483	447,483	372,462
Other voluntary income - school fund	-	215,518	-	215,518	-
Total donations and capital grants	13,893	215,518	447,483	676,894	390,353

In 2015, of the total income from donations and capital grants, £16,571 was to unrestricted funds and £373,782 was to restricted funds

GREATER NOTTINGHAM EDUCATION TRUST (FORMERLY CARLTON LE WILLOWS)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	6,716,089	6,716,089	6,768,999
Pupil Premium	-	227,719	227,719	204,976
Other DfE/EFA Revenue grants	-	14,500	14,500	14,500
	-	6,958,308	6,958,308	6,988,475
Other government grants				
Other Local Authority revenue grants	-	168,231	168,231	157,684
Other government revenue grants	-	2,075	2,075	83,425
	-	170,306	170,306	241,109
Other funding				
Other grants - Table Tennis England	-	200,000	200,000	-
	-	200,000	200,000	-
	-	7,328,614	7,328,614	7,229,584

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £7,229,584 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	7,685	-	7,685	2,815
Catering income	10,877	-	10,877	3,495
Other income	55,958	10,593	66,551	42,766
	74,520	10,593	85,113	49,076

In 2015, of the total income from other trading activities, £49,076 was to unrestricted funds and £ NIL was to restricted funds.

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5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank account interest	3,512	-	3,512	1,982

In 2015, of the total investment income, £1,982 was to unrestricted funds and £ NIL was to restricted funds.

6. DIRECT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Educational supplies	376,211	376,211	244,279
Technology costs	122,672	122,672	137,690
Examination fees	122,393	122,393	122,316
Staff Development	15,264	15,264	25,412
Other costs	99,841	99,841	96,090
Operating leases - other	12,187	12,187	13,303
Wages and salaries	3,593,443	3,593,443	3,690,293
National insurance	308,987	308,987	280,989
Pension cost	610,026	610,026	522,811
Depreciation	555,438	555,438	521,132
	<u>5,816,462</u>	<u>5,816,462</u>	<u>5,654,315</u>

In 2015, the Academy incurred the following Direct costs:

£5,654,315 in respect of Funding for the Academy's educational operations

£NIL in respect of Provision of boarding activities

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7. SUPPORT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Pension finance income less expenses	44,000	44,000	46,000
Technology costs	7,431	7,431	5,892
Pupil recruitment and support	10,100	10,100	15,911
Maintenance of premises and equipment	195,794	195,794	247,965
Cleaning	176,107	176,107	167,402
Rent and rates	54,811	54,811	60,393
Energy costs	121,157	121,157	123,689
Insurance	100,509	100,509	95,302
Transport	11,680	11,680	13,092
Telephone, postage and stationery	47,437	47,437	58,235
Catering	27,515	27,515	28,107
Other costs	47,725	47,725	49,778
Auditors' remuneration - audit	6,000	6,000	6,000
Auditors' remuneration - non audit	3,200	3,200	3,038
Legal and professional fees	15,626	15,626	37,555
Personnel fees	9,818	9,818	10,923
Wages and salaries	741,907	741,907	787,111
National insurance	41,831	41,831	42,667
Pension cost	138,969	138,969	136,093
	<u>1,801,617</u>	<u>1,801,617</u>	<u>1,935,153</u>

During the year ended 31 August 2016, the Academy incurred the following Governance costs:

£34,644 (2015 - £57,516) included within the table above in respect of Funding for the Academy's educational operations.

In 2015, the Academy incurred the following Support costs:

£1,877,637 in respect of Funding for the Academy's educational operations

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Funding for the Academy:					
Direct costs	4,514,832	555,438	746,192	5,816,462	5,654,315
Support costs	922,707	648,378	230,532	1,801,617	1,935,153
	<u>5,437,539</u>	<u>1,203,816</u>	<u>976,724</u>	<u>7,618,079</u>	<u>7,589,468</u>

In 2016, of the total expenditure, £62,584 (2015 - £18,458) was to unrestricted funds and £7,351,081 (2015 - £7,571,010) was to restricted funds.

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9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	555,439	521,132
Auditors' remuneration - audit	6,000	6,000
Auditors' remuneration - non audit fees	3,200	3,038
Operating lease rentals	12,187	13,303
	<u>576,826</u>	<u>543,473</u>

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10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,225,776	4,345,825
Social security costs	350,818	323,656
Operating costs of defined benefit pension schemes	748,995	658,904
	<u>5,325,589</u>	<u>5,328,385</u>
Supply teacher costs	109,574	131,579
Staff restructuring costs	2,376	-
	<u><u>5,437,539</u></u>	<u><u>5,459,964</u></u>

Staff restructuring costs comprise:

Redundancy payments	<u><u>2,376</u></u>	<u><u>-</u></u>
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The average number of persons employed by the Academy during the year was as follows:

	2016 No.	2015 No.
Management	1	1
Teachers	92	94
Administration and support staff	71	67
	<u><u>164</u></u>	<u><u>162</u></u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	0
In the band £120,001 - £130,000	1	1

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for the members of staff amounted to £52,586 (2015: £41,540).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £729,832 (2015: £729,698).

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11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2016	2015
		£'000	£'000
JC Weaver, Head Teacher	Remuneration	120-125	120-125
	Pension contributions paid	20-25	15-20
W Brown, Staff Governor and Trustee	Remuneration	15-20	15-20
	Pension contributions paid	-	-
A Macdonald, Staff Governor and Trustee	Remuneration	40-45	40-45
	Pension contributions paid	5-10	5-10
N Oldham, Staff Governor and Trustee	Remuneration	-	15-20
	Pension contributions paid	-	0-5
N Reddington, Staff Governor and Trustee	Remuneration	40-45	25-30
	Pension contributions paid	5-10	0-5

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,547 (2015 - £1,620).

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13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Teaching equipment £	Computer equipment £
Cost					
At 1 September 2015	11,834,685	26,230	361,889	125,294	409,050
Additions	1,087,234	-	24,541	-	179,776
At 31 August 2016	12,921,919	26,230	386,430	125,294	588,826
Depreciation					
At 1 September 2015	913,263	13,115	126,417	69,174	311,498
Charge for the year	360,886	6,558	48,305	15,661	124,029
At 31 August 2016	1,274,149	19,673	174,722	84,835	435,527
Net book value					
At 31 August 2016	11,647,770	6,557	211,708	40,459	153,299
At 31 August 2015	10,921,422	13,115	235,472	56,120	97,552
					Total £
Cost					
At 1 September 2015					12,757,148
Additions					1,291,551
At 31 August 2016					14,048,699
Depreciation					
At 1 September 2015					1,433,467
Charge for the year					555,439
At 31 August 2016					1,988,906
Net book value					
At 31 August 2016					12,059,793
At 31 August 2015					11,323,681

All of the tangible fixed assets are used for educational purposes.

Included in freehold property is land of £1,486,455 (2015 - £1,486,455) which is not depreciated.

Additions to freehold property in the year comprise construction work on the school's existing site. There has been no separate acquisition of new land.

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14. DEBTORS

	2016 £	2015 £
Trade debtors	16,514	3,831
VAT	211,326	252,447
Prepayments and accrued income	140,808	176,760
Grants Receivable	125,496	105,509
	<u>494,144</u>	<u>538,547</u>

15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	128,973	694,028
Other taxation and social security	97,699	92,615
Other creditors	92,855	87,065
Accruals and deferred income	283,342	87,042
	<u>602,869</u>	<u>960,750</u>

Deferred income as at 31 August 2016 pertains to government grant funding received during the year, but relating partly or wholly in advance for the year ending 31 August 2017.

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	53,965	49,543
Resources deferred during the year	54,672	53,965
Amounts released from previous years	(53,965)	(49,543)
Deferred income at 31 August 2016	<u>54,672</u>	<u>53,965</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Other income not for capital purposes	472,198	91,925	(62,584)	(9,126)	-	492,413
Restricted funds						
General Annual Grant (GAG)	745,363	6,716,089	(6,325,589)	(518,909)	-	616,954
Other DfE/EFA Grants	13,667	242,219	(239,075)	-	-	16,811
Other Government Grants	143,403	170,306	(111,386)	(78,111)	-	124,212
Other Income	-	426,111	(215,007)	(200,000)	-	11,104
Pension reserve	(1,198,000)	-	(109,000)	-	(745,000)	(2,052,000)
	(295,567)	7,554,725	(7,000,057)	(797,020)	(745,000)	(1,282,919)
Restricted fixed asset funds						
DfE/EFA capital grants	726,511	447,483	(144,492)	-	-	1,029,502
Capital expenditure from GAG	1,078,476	-	(154,467)	518,909	-	1,442,918
Capital expenditure from other income	9,604,608	-	(256,479)	287,237	-	9,635,366
	11,409,595	447,483	(555,438)	806,146	-	12,107,786
Total restricted funds	11,114,028	8,002,208	(7,555,495)	9,126	(745,000)	10,824,867
Total of funds	11,586,226	8,094,133	(7,618,079)	-	(745,000)	11,317,280

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's education.

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16. STATEMENT OF FUNDS (continued)

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £109,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £745,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	12,059,793	12,059,793	11,323,681
Current assets	492,413	1,371,950	47,993	1,912,356	2,421,295
Creditors due within one year	-	(602,869)	-	(602,869)	(960,750)
Provisions for liabilities and charges	-	(2,052,000)	-	(2,052,000)	(1,198,000)
	<u>492,413</u>	<u>(1,282,919)</u>	<u>12,107,786</u>	<u>11,317,280</u>	<u>11,586,226</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	476,054	81,527
Adjustment for:		
Depreciation charges	555,439	521,132
Dividends, interest and rents from investments	(3,512)	(1,982)
Decrease/(increase) in debtors	44,403	(103,017)
(Decrease)/increase in creditors	(357,881)	410,252
Capital grants from DfE and other capital income	(447,483)	(286,548)
Defined benefit pension scheme finance cost	109,000	108,000
Net cash provided by operating activities	376,020	729,364

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank	1,418,212	1,882,748
Total	1,418,212	1,882,748

20. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government grant was received, the Academy is required to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of state sums determined by reference to:

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and

(b) the extent to which the expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	55,000	112,000

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22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £88,849 were payable to the schemes at 31 August 2016 (2015 - 80,972) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £543,327 (2015 - £465,741).

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22. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £186,000 (2015 - £174,000), of which employer's contributions totalled £139,000 (2015 - £130,000) and employees' contributions totalled £47,000 (2015 - £44,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.90 %
Rate of increase in salaries	4.10 %	4.30 %
Rate of increase for pensions in payment / inflation	2.30 %	2.50 %

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	24.4	24.2
Females	27.7	27.6

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22. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,258,000	1,057,000
Debt instruments	192,000	143,000
Property	221,000	187,000
Cash	78,000	52,000
Other	79,000	49,000
Total market value of assets	<u>1,828,000</u>	<u>1,488,000</u>

The actual return on scheme assets was £223,000 (2015 - £26,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(204,000)	(192,000)
Net interest cost	(44,000)	(46,000)
Total	<u>(248,000)</u>	<u>(238,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	2,686,000	2,508,000
Current service cost	204,000	192,000
Interest cost	104,000	101,000
Contributions by employees	47,000	44,000
Actuarial losses/(gains)	908,000	(52,000)
Benefits paid	(69,000)	(107,000)
Closing defined benefit obligation	<u>3,880,000</u>	<u>2,686,000</u>

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22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	1,488,000	1,395,000
Return on plan assets (excluding net interest on the net defined pension liability)	60,000	55,000
Actuarial gains and (losses)	163,000	(29,000)
Contributions by employer	139,000	130,000
Contributions by employees	47,000	44,000
Benefits paid	(69,000)	(107,000)
	<u>1,828,000</u>	<u>1,488,000</u>
Closing fair value of scheme assets	<u>1,828,000</u>	<u>1,488,000</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	9,048	12,626
Between 1 and 5 years	4,180	21,252
	<u>13,228</u>	<u>33,878</u>
Total	<u>13,228</u>	<u>33,878</u>

24. MEMBERS' LIABILITY

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

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no such transactions during the year.

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FOR THE YEAR ENDED 31 AUGUST 2016**

26. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		11,481,699	11,586,226
Total funds reported under FRS 102		<u>11,481,699</u>	<u>11,586,226</u>

Reconciliation of net income	Notes	31 August 2015 £
Net income previously reported under UK GAAP		109,527
Change in recognition of LGPS interest cost	A	(28,000)
Net movement in funds reported under FRS 102		<u>81,527</u>

A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £28,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

27. CONTROLLING PARTY

The Trustees have ultimate control of the Academy. There is no single controlling party.