
Greater Nottingham Education Trust
(A company limited by guarantee)

Greater Nottingham Education Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2017



Company Registration Number:
07539214 (England and Wales)

<p>Greater Nottingham Education Trust (A company limited by guarantee)</p>
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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	Ms A Dawson (Appointed 01/02/2017) 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 (Part-time)
Assistant Head	Mr R Fender (Part-time)
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 12-16 Lower Parliament Street Nottingham NG1 3DA
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 auditors' reports of the charitable company for the period 1 September 2016 to 31 August 2017. 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 1513 on the school census in January 2017.

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.

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 2017 were as follows:

- Ms A Dawson (Appointed 01/02/2017)
- 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 Willows 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 2017 are as follows:

- Mrs P Blandamer*
- Mrs P Brown (Chair)
- Mr W Brown (Resigned 23/03/2017)
- Mrs F Dale
- Mrs S Kane (Appointed 13/10/2016)
- Mr A Macdonald
- Mr K Place*
- Mr N Reddington
- Mrs K Ridgard
- Mr M Robinson*
- Mr F Rodrigues
- Mr P Todd (Resigned 08/06/2017)
- Dr D Vowles* (Resigned 28/02/2017)

*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; 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 the KS4 English element.
- Ensuring good rates of progress at KS4 in DT and PE, in particular for low attainers.
- Securing improvement in the progress made by high attainers across the curriculum.
- Securing improvement in the progress made by disadvantaged students (in particular in the open element), SEN students 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 and develop literacy for all students.

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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 FSM.
- 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.

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 the curriculum provision and timetable models to ensure it meets external expectations and requirements alongside internal demands, in order to allow students to achieve their best.

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 2017

YEAR 13	Target	Achieved
A level Cohort and Result		
Average point score as a grade	C+	C+
Average score per entry	34.50	32.70
Value Added	-	0.12
Entries per candidate	-	3.01
Academic Cohort and Result		
Average point score as a grade	C+	C+
Average score per entry	34.50	32.70
Vale Added	-	0.12
Entries per candidate	-	3.02
Vocational Cohort and Results (27 students)		
Average point score as a grade	Dist*	Dist*
Average score per entry	46.80	47.50
Value Added		0.86

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Year 11	Target	Achieved
Progress 8	-	0.36
Attainment 8	5.2	5.2
% 5+ English & Maths	64%	60%
English Element Attainment	11.10	11.10
Maths Element Attainment	11.20	10.90
Ebacc Element Attainment	14.40	14.20
Open Element Attainment	15.20	16.20
English Element Progress	-	0.33
Maths Element Progress	-	0.71
Ebacc Element Progress	-	0.29
Open Element Progress	-	0.22
%Ebacc (Entered)	32%	32%
%Ebacc (Achieved A*-C)	27%	27%

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Pupil numbers

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

Year 7 – 314
Year 8 – 254
Year 9 – 250
Year 10 – 246
Year 11 – 230
Year 12 – 112
Year 13 – 107
Total – 1513

Due to demand 300 pupils were admitted in September 2017.

Attendance

- Overall pupil attendance this year was 95.2% which is above the national average.
- Staff attendance was 96.9% 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 retained Silver Standard for Investors in People, which is much more difficult to achieve under the new framework
- The academy achieved a 'Good' rating with Ofsted and is now working towards an 'Outstanding' judgement.

Key financial performance indicators

- Staff costs are 84% of GAG income and 76% of total revenue income.
- Agency staff costs are 2% of total staff costs.
- 2.6% of GAG income spent on repairs and maintenance.

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 strong position financially. Overall reserves are in excess of £900,000 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 and Skills Funding Agency. This was supplemented by funding from Nottinghamshire County Council to support pupils with special educational needs, Pupil Premium funding from the Education and Skills 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 termly. 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 £588,000. 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 £513,720.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £405,739.

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 £2,071,000. 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 £687,000 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 and Skills Funding Agency (ESFA) 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 102.

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.

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 (2017-18).

A. Outcomes

Aim: All students achieve good or better progress, resulting in a significantly high progress 8 score / VA.

Key Stage 4 Objectives

- 1) Maintain the current trajectory of improvement to bring progress levels to securely good or beyond in all subjects, with a particular focus on boys.
- 2) Improve rates of progress in DT and the Ebacc element, with a focus on the humanities and languages.
- 3) *Ensure that disadvantaged pupils, especially boys, make consistently good progress.
- 4) *Ensure that teaching supports pupils who have SEND to make more than expected progress.

Key Stage 5 Objectives

- 5) Increase rates of progress across the sixth form to ensure progress levels return to significantly high in Y13.
- 6) Ensure that disadvantaged students make consistently good progress.
- 7) Improve the rigour, accuracy and reliability of assessments across the sixth form, but especially in Y12.
- 8) Ensure performance data inputted in the Academy's tracking system is used effectively to identify subjects at risk of underperforming as well as students, with a focus on maths and history.

B. Pupil Development and Well Being (PDWB)

Aim: Attendance levels to be above average and exclusion levels to be below average for all students and groups of students

Objectives

- 1) *Continue to reduce the exclusion of disadvantaged and SEND
- 2) *Continue to reduce the absence of disadvantaged and SEND

C. Teaching and Learning

Aim: All lessons to be good or outstanding

Objectives

- 1) Ensure teaching, supported by CPD, instils a sharp focus on raising the ceiling on progress in lesson planning, delivery and evaluation.

D. Leadership and Management

Aim: To achieve RAP aims and make Carlton le Willows Academy a great place to work as well as a great place to learn.

Objectives

- 1) Further devolve responsibility for improvements to middle leaders, as appropriate, to lead to improved rates of progress in all lessons.
- 2) Adapt curriculum provision and strategies to support achievement of students under progress 8, with a focus on open element subjects.
- 3) Review the structure of the school day with a focus on supporting and facilitating outstanding teaching and learning.
- 4) Continue to engage with partners to identify and realise opportunities for enhancing provision and income generation.

NB: * Ofsted priority

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Funds Held as Custodian Trustee on Behalf of Others

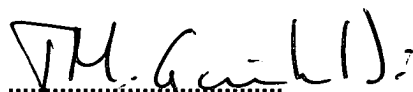
The trust does not hold such funds.

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 12 December 2017 and signed on its behalf by:



Mr J M Garibaldi
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 nine times during the year. Attendance during the year at meetings of the trustees were as follows:

Trustee	Meetings attended	Out of a possible
Ms A Dawson	2	5
Mr J Garibaldi	9	9
Mr P Karat	8	9
Mr W Smith	7	9
Mr J Thomas	6	9
Mr JC Weaver	9	9

The Finance and Audit 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
- Review the trust's risk management systems

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.

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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.
- Carlton le Willows procured new insurance cover, saving over £50,000 per annum. Insurance prices have been driven down by the academies Risk Protection Arrangement.
- Carlton le Willows entered in to a new contract with their catering supplier, securing an annual income of approximately £22,500 per annum.
- The trust employed the services of a specialist surveyor to assist with a Condition Improvement Fund bid for major electrical upgrade. The trust received in excess of £80,000.

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 2017 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 2016 to 31 August 2017 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;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Jane Fowkes as a financial consultant to carry out the role of internal auditor. The financial

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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 termly basis, the financial consultant reports to the Finance and General Purpose Committee of Carlton le Willows Academy on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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

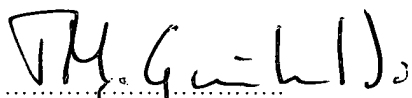
Review of Effectiveness

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:

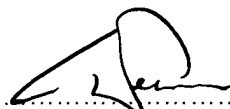
- the work of the financial consultant;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 12 December 2017 and signed on its behalf by:



Mr J M Garibaldi
Chair of Trustees



Mr J C Weaver
Accounting Officer

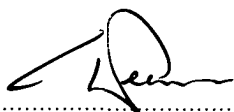
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Greater Nottingham Education Trust I have considered my responsibility to notify the academy trust and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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 ESFA.



.....
Mr J C Weaver
Accounting Officer
Date: 12 December 2017

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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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of 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:

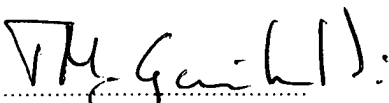
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's 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 12 December 2017 and signed on its behalf by:


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

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GREATER NOTTINGHAM EDUCATION TRUST**

OPINION

We have audited the financial statements of Greater Nottingham Education Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GREATER NOTTINGHAM EDUCATION TRUST**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GREATER NOTTINGHAM EDUCATION TRUST**

concern basis of accounting unless the Trustees either intend to liquidate the Academy's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



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: 14th December 2017

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO GREATER NOTTINGHAM EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 December 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Greater Nottingham Education Trust during the year 1 September 2016 to 31 August 2017 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 and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Greater Nottingham Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Greater Nottingham Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF GREATER NOTTINGHAM EDUCATION TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The Accounting Officer is responsible, under the requirements of Greater Nottingham Education Trust's funding agreement with the Secretary of State for Education dated 28 March 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

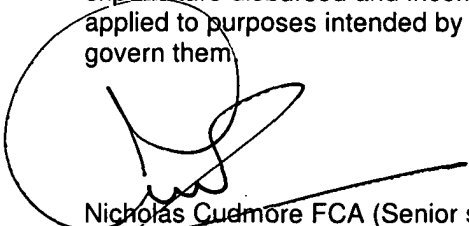
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO GREATER NOTTINGHAM EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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: 14th December 2017

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	27,904	148,104	109,725	285,733	676,894
Charitable activities:	3					
Funding for the academy trust's educational operations		-	7,212,058	-	7,212,058	7,328,614
Other trading activities	4	84,179	12,528	-	96,707	85,113
Investments	5	2,343	43	-	2,386	3,512
TOTAL INCOME		114,426	7,372,733	109,725	7,596,884	8,094,133
EXPENDITURE ON:						
Raising funds		-	6,393	-	6,393	-
Academy trust educational operations		76,688	7,290,484	603,452	7,970,624	7,618,079
TOTAL EXPENDITURE	6	76,688	7,296,877	603,452	7,977,017	7,618,079
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		37,738	75,856	(493,727)	(380,133)	476,054
Transfers between Funds	15	(16,431)	(634,198)	650,629	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		21,307	(558,342)	156,902	(380,133)	476,054
Actuarial gains/(losses) on defined benefit pension schemes	21	-	176,000	-	176,000	(745,000)
NET MOVEMENT IN FUNDS		21,307	(382,342)	156,902	(204,133)	(268,946)
RECONCILIATION OF FUNDS:						
Total funds brought forward		492,413	(1,282,919)	12,107,786	11,317,280	11,586,226
TOTAL FUNDS CARRIED FORWARD		513,720	(1,665,261)	12,264,688	11,113,147	11,317,280

GREATER NOTTINGHAM EDUCATION TRUST

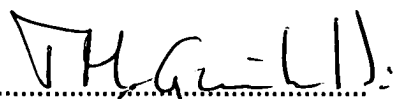
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REGISTERED NUMBER: 07539214

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		12,264,688		12,059,793
CURRENT ASSETS					
Debtors	13	410,249		494,144	
Cash at bank and in hand		1,398,508		1,418,212	
		1,808,757		1,912,356	
CREDITORS: amounts falling due within one year	14	(889,298)		(602,869)	
NET CURRENT ASSETS			919,459		1,309,487
TOTAL ASSETS LESS CURRENT LIABILITIES			13,184,147		13,369,280
Defined benefit pension scheme liability	21		(2,071,000)		(2,052,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			11,113,147		11,317,280
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	405,739		769,081	
Restricted fixed asset funds	15	12,264,688		12,107,786	
Restricted income funds excluding pension liability		12,670,427		12,876,867	
Pension reserve		(2,071,000)		(2,052,000)	
Total restricted income funds			10,599,427		10,824,867
Unrestricted income funds	15		513,720		492,413
TOTAL FUNDS			11,113,147		11,317,280

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:



Mr J M Garibaldi
Chair of Trustees

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>676,532</u>	<u>376,020</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,386	3,512
Purchase of tangible fixed assets		(808,347)	(1,291,551)
Capital grants from DfE/ESFA		109,725	447,483
Net cash used in investing activities		<u>(696,236)</u>	<u>(840,556)</u>
Change in cash and cash equivalents in the year		(19,704)	(464,536)
Cash and cash equivalents brought forward		<u>1,418,212</u>	<u>1,882,748</u>
Cash and cash equivalents carried forward	18	<u><u>1,398,508</u></u>	<u><u>1,418,212</u></u>

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Greater Nottingham Education Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

1.6 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.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Debtors

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

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

The Academy 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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid any any balances held are disclosed in note 25.

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.15 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.

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy trust 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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

GREATER NOTTINGHAM EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	27,904	-	-	27,904	13,893
Grants	-	-	109,725	109,725	447,483
Other voluntary income - school fund	-	148,104	-	148,104	215,518
	<u>27,904</u>	<u>148,104</u>	<u>109,725</u>	<u>285,733</u>	<u>676,894</u>
<i>Total 2016</i>	<u>229,411</u>	<u>-</u>	<u>447,483</u>	<u>676,894</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,765,328	6,765,328	6,716,089
Pupil Premium	-	238,191	238,191	227,719
Other DfE/ESFA Revenue grant	-	17,982	17,982	14,500
	<u>-</u>	<u>7,021,501</u>	<u>7,021,501</u>	<u>6,958,308</u>
Other government grants				
Other Local Authority revenue grants	-	190,557	190,557	168,231
Other government revenue grants	-	-	-	2,075
	<u>-</u>	<u>190,557</u>	<u>190,557</u>	<u>170,306</u>
Other funding				
Other grants - Table Tennis England	-	-	-	200,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
	<u>-</u>	<u>7,212,058</u>	<u>7,212,058</u>	<u>7,328,614</u>
<i>Total 2016</i>	<u>-</u>	<u>7,328,614</u>	<u>7,328,614</u>	

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering income	6,997	-	6,997	10,877
Lettings income	27,987	-	27,987	7,685
Other income	49,195	12,528	61,723	66,551
	<u>84,179</u>	<u>12,528</u>	<u>96,707</u>	<u>85,113</u>
<i>Total 2016</i>	<u>74,520</u>	<u>10,593</u>	<u>85,113</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank account interest	2,343	43	2,386	3,512
	<u>3,512</u>	<u>-</u>	<u>3,512</u>	
<i>Total 2016</i>	<u>3,512</u>	<u>-</u>	<u>3,512</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	6,393	6,393	-
Funding for the academy trust:					
Direct costs	4,766,474	603,452	633,895	6,003,821	5,816,462
Support costs	1,048,976	649,087	268,740	1,966,803	1,801,617
	<u>5,815,450</u>	<u>1,252,539</u>	<u>909,028</u>	<u>7,977,017</u>	<u>7,618,079</u>
<i>Total 2016</i>	<u>5,437,539</u>	<u>1,203,816</u>	<u>976,724</u>	<u>7,618,079</u>	

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FOR THE YEAR ENDED 31 AUGUST 2017**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Funding for the academy trust's educational operations	6,003,821	1,966,803	7,970,624	7,618,079
<i>Total 2016</i>	<u>5,804,275</u>	<u>1,813,804</u>	<u>7,618,079</u>	

Analysis of direct costs

	Educational operations £	Total 2017 £	Total 2016 £
Educational supplies	280,842	280,842	376,211
Technology costs	116,798	116,798	122,672
Examination fees	121,701	121,701	122,393
Staff development	9,789	9,789	15,264
Other costs	104,765	104,765	99,841
Wages and salaries	3,745,312	3,745,312	3,593,443
National insurance	375,130	375,130	308,987
Pension cost	646,032	646,032	610,026
Depreciation	603,452	603,452	555,438
	<u>6,003,821</u>	<u>6,003,821</u>	<u>5,804,275</u>
<i>At 31 August 2016</i>	<u>5,804,275</u>	<u>5,804,275</u>	

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Educational operations £	Total 2017 £	Total 2016 £
Staff costs	1,048,976	1,048,976	922,707
Technology costs	19,928	19,928	7,431
Recruitment and support	18,445	18,445	10,100
Maintenance of premises and equipment	226,337	226,337	195,794
Cleaning	163,343	163,343	176,107
Rent and rates	63,524	63,524	54,811
Energy costs	116,046	116,046	121,157
Insurance	79,837	79,837	100,509
Transport	13,932	13,932	11,877
Telephone, postage and stationery	46,530	46,530	47,240
Catering	36,354	36,354	27,515
Other costs	89,412	89,412	91,520
Bank interest and charges	225	225	205
Operating leases - other	13,758	13,758	12,187
Auditors' remuneration	9,950	9,950	9,200
Legal and professional	20,206	20,206	25,444
	<u>1,966,803</u>	<u>1,966,803</u>	<u>1,813,804</u>
<i>At 31 August 2016</i>	<u>1,813,804</u>	<u>1,813,804</u>	

During the year ended 31 August 2017, the Academy incurred the following Governance costs:

£30,156 (2016 - £34,644) included within the table above in respect of Funding for the academy trust's educational operations.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	603,452	555,438
Auditors' remuneration - audit	6,000	6,000
Auditors' remuneration - other services	3,950	3,200
Operating lease rentals	<u>13,758</u>	<u>12,187</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,401,133	4,225,776
Social security costs	427,901	350,818
Operating costs of defined benefit pension schemes	865,552	748,995
	<u>5,694,586</u>	<u>5,325,589</u>
Apprenticeship levy	3,068	-
Supply teacher costs	117,796	109,574
Staff restructuring costs	-	2,376
	<u><u>5,815,450</u></u>	<u><u>5,437,539</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	<u>-</u>	<u>2,376</u>

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

	2017 No.	2016 No.
Management	1	1
Teachers	109	92
Administration and support	60	71
	<u>170</u>	<u>164</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Management	1	1
Teachers	92	90
Administration and support	51	63
	<u>144</u>	<u>154</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS (continued)

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

	2017	<i>2016</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>2</i>
In the band £70,001 - £80,000	2	<i>1</i>
In the band £120,001 - £130,000	1	<i>1</i>

The above employees earnings more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 pension contributions for the members of staff amounted to £55,513 (2016 - £52,586).

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 £699,185 (2016 - £729,832).

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	<i>2016</i>
		£'000	<i>£'000</i>
JC Weaver, Head Teacher	Remuneration	120-125	<i>120-125</i>
	Pension contributions paid	20-25	<i>20-25</i>
W Brown, Staff Governor	Remuneration	5-10	<i>15-20</i>
	Pension contributions paid	0-5	<i>-</i>
A Macdonald, Staff Governor	Remuneration	40-45	<i>40-45</i>
	Pension contributions paid	5-10	<i>5-10</i>
N Reddington, Staff Governor	Remuneration	45-50	<i>40-45</i>
	Pension contributions paid	5-10	<i>5-10</i>

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL to no Trustees).

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11. 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 2017 was £299 (2016 - £1,547).

12. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost					
At 1 September 2016	12,921,919	26,230	386,430	125,294	588,826
Additions	673,291	-	62,699	-	72,357
At 31 August 2017	13,595,210	26,230	449,129	125,294	661,183
Depreciation					
At 1 September 2016	1,274,149	19,673	174,722	84,835	435,527
Charge for the year	407,603	6,557	56,140	15,662	117,490
At 31 August 2017	1,681,752	26,230	230,862	100,497	553,017
Net book value					
At 31 August 2017	11,913,458	-	218,267	24,797	108,166
At 31 August 2016	11,647,770	6,557	211,708	40,459	153,299
					Total £
Cost					
At 1 September 2016					14,048,699
Additions					808,347
At 31 August 2017					14,857,046
Depreciation					
At 1 September 2016					1,988,906
Charge for the year					603,452
At 31 August 2017					2,592,358
Net book value					
At 31 August 2017					12,264,688
At 31 August 2016					12,059,793

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12. TANGIBLE FIXED ASSETS (continued)

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

Included in freehold property is land of £1,486,455 (2016 - £1,486,455) which is not depreciated.

Additions to freehold property in the year comprise work to refurbish a classroom and replace the boiler on the school's existing site. There has been no acquisition of new land.

13. DEBTORS

	2017 £	2016 £
Trade debtors	2,959	16,514
VAT recoverable	206,649	149,930
Other debtors	89,710	61,396
Prepayments and accrued income	102,887	140,808
Grants receivable	8,044	125,496
	<u>410,249</u>	<u>494,144</u>

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	165,852	128,973
Other taxation and social security	106,285	97,699
Other creditors	98,516	92,855
Accruals and deferred income	518,645	283,342
	<u>889,298</u>	<u>602,869</u>

Deferred income as at 31 August 2017 pertains to government grant funding received during the year, but relating partly or wholly for the year ending 31 August 2018. It also includes funding received for the sponsorship and conversion of Netherfield Primary School into the academy trust after the year end.

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	54,672	53,965
Resources deferred during the year	113,330	54,672
Amounts released from previous years	(54,672)	(53,965)
Deferred income at 31 August 2017	<u>113,330</u>	<u>54,672</u>

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Other income not for capital purposes	492,413	114,426	(76,688)	(16,431)	-	513,720
Restricted funds						
General Annual Grant (GAG)	616,954	6,765,328	(6,529,892)	(627,178)	-	225,212
Other DfE/ESFA grants	16,811	256,173	(253,905)	-	-	19,079
Other government grants	124,212	190,557	(172,804)	(7,020)	-	134,945
Other income	11,104	160,675	(145,276)	-	-	26,503
Pension reserve	(2,052,000)	-	(195,000)	-	176,000	(2,071,000)
	<u>(1,282,919)</u>	<u>7,372,733</u>	<u>(7,296,877)</u>	<u>(634,198)</u>	<u>176,000</u>	<u>(1,665,261)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	1,029,502	109,725	(132,452)	-	-	1,006,775
Capital expenditure from GAG	1,442,918	-	(236,038)	650,629	-	1,857,509
Capital expenditure from other income	9,635,366	-	(234,962)	-	-	9,400,404
	<u>12,107,786</u>	<u>109,725</u>	<u>(603,452)</u>	<u>650,629</u>	<u>-</u>	<u>12,264,688</u>
Total restricted funds	<u>10,824,867</u>	<u>7,482,458</u>	<u>(7,900,329)</u>	<u>16,431</u>	<u>176,000</u>	<u>10,599,427</u>
Total of funds	<u>11,317,280</u>	<u>7,596,884</u>	<u>(7,977,017)</u>	<u>-</u>	<u>176,000</u>	<u>11,113,147</u>

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/ESFA 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.

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

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.

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15. STATEMENT OF FUNDS (continued)

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

Other income comprises various other receipts including school meals and trip income. 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 £195,000. 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 £176,000 actuarial decrease 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 2017.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	12,264,688	12,264,688
Current assets	513,720	1,295,037	-	1,808,757
Creditors due within one year	-	(889,298)	-	(889,298)
Provisions for liabilities and charges	-	(2,071,000)	-	(2,071,000)
	<u>513,720</u>	<u>(1,665,261)</u>	<u>12,264,688</u>	<u>11,113,147</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(380,133)	476,054
Adjustment for:		
Depreciation charges	603,452	555,439
Dividends, interest and rents from investments	(2,386)	(3,512)
Decrease in debtors	83,895	44,403
Increase/(decrease) in creditors	286,429	(357,881)
Capital grants from DfE and other capital income	(109,725)	(447,483)
Defined benefit pension scheme cost	195,000	109,000
Net cash provided by operating activities	676,532	376,020

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	1,398,508	1,418,212
Total	1,398,508	1,418,212

19. 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 capital grant was received, the Academy is required either to re-invest the proceeds or to repay 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 expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

20. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	55,000

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21. 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 2016.

Contributions amounting to £92,872 were payable to the schemes at 31 August 2017 (2016 - 88,849) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £563,493 (2016 - £543,327).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

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21. PENSION COMMITMENTS (continued)

(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 2017 was £193,000 (2016 - £186,000), of which employer's contributions totalled £144,000 (2016 - £139,000) and employees' contributions totalled £49,000 (2016 - £47,000). The agreed contribution rates for future years are 18.30% for employers and varied% 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:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.10 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	22.6	22.1
Females	25.5	25.3
Retiring in 20 years		
Males	24.8	24.4
Females	27.9	27.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	(8,000)	(5,000)
Discount rate -0.1%	8,000	5,000
Mortality assumption - 1 year increase	10,000	7,000
Mortality assumption - 1 year decrease	(10,000)	(7,000)
CPI rate +0.1%	8,000	5,000
CPI rate -0.1%	(8,000)	(5,000)

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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	1,430,000	1,258,000
Gilts	69,000	68,000
Other bonds	260,000	124,000
Property	252,000	221,000
Cash and other liquid assets	45,000	78,000
Inflation-linked pooled fund	53,000	49,000
Infrastructure	52,000	30,000
Total market value of assets	<u><u>2,161,000</u></u>	<u><u>1,828,000</u></u>

The actual return on scheme assets was £266,000 (2016 - £223,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	<i>2016 £</i>
Current service cost	(297,000)	(204,000)
Admin expenses	(1,000)	-
Net interest cost	(41,000)	(44,000)
Total	<u><u>(339,000)</u></u>	<u><u>(248,000)</u></u>
Actual return on scheme assets	<u><u>266,000</u></u>	<u><u>223,000</u></u>

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

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	3,880,000	2,686,000
Current service cost	297,000	204,000
Interest cost	81,000	104,000
Employee contributions	49,000	47,000
Actuarial losses	9,000	908,000
Benefits paid	(84,000)	(69,000)
Closing defined benefit obligation	<u><u>4,232,000</u></u>	<u><u>3,880,000</u></u>

GREATER NOTTINGHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	1,828,000	1,488,000
Return on plan assets (excluding net interest on the net defined pension liability)	40,000	60,000
Administration expenses	(1,000)	-
Actuarial gains	185,000	163,000
Employer contributions	144,000	139,000
Employee contributions	49,000	47,000
Benefits paid	(84,000)	(69,000)
Closing fair value of scheme assets	<u>2,161,000</u>	<u>1,828,000</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	2,125	-
Between 1 and 5 years	8,963	13,228
Total	<u>11,088</u>	<u>13,228</u>

23. 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.

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

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NOTES TO THE FINANCIAL STATEMENTS
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25. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £18,489 and disbursed £18,445 from the fund. The remaining £44 has been retained to cover the academy's administration expenses.

26. CONTROLLING PARTY

The Trustees, as a body, have ultimate control of the Academy. There is no single controlling party.