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**GREATER NOTTINGHAM EDUCATION TRUST**  
**- (A company limited by guarantee)**

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**Greater Nottingham Education Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**  
**Period ended 31 August 2018**

**Company Registration Number:**  
**07539214 (England and Wales)**

WEDNESDAY



A15 \*A7WSVALS\* #247  
09/01/2019  
COMPANIES HOUSE

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**Greater Nottingham Education Trust**

**Reference and Administrative Details**

<b>Members</b>	Mrs P Brown Mr J Garibaldi Mr P Karat Mr G R Martin Dr D Vowles
<b>Trustees</b>	Ms A Dawson Mr J Garibaldi (Chair) Mr P Karat Mr W Smith Mr J Thomas Mr J C Weaver (Chief Executive and Accounting Officer)
<b>Company Secretary</b>	Mr M Davies
<b>Executive Management Team</b>	
Chief Executive Officer	Mr J C Weaver
Director of Education	Mr G Johnson
Director of Finance and Operations	Mr M Davies
Head Teacher (Primary)	Mr P Hardern
<p>The trust executive leadership team is newly formed this year as a consequence of trust expansion. The senior leadership team of Carlton le Willows Academy fulfilled this function when the organisation was a single academy trust.</p>	
<b>Registered Office</b>	Carlton le Willows Academy Wood Lane Gedling Nottingham NG4 4AA
<b>Company Registration Number</b>	07539214 (England and Wales)
<b>Independent Auditor</b>	Duncan & Toplis Ltd 4 Henley Way Lincoln Lincolnshire LN6 3QR
<b>Bankers</b>	Lloyds Bank Plc 12-16 Lower Parliament Street Nottingham NG1 3DA
<b>Solicitors</b>	Stone King LLP 16 St John's Lane London EC1M 4BS

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**TRUSTEES' REPORT**

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The trust operates two academies. Netherfield Primary School (joined trust on 01 March 2018) for pupils aged 2 to 11 and Carlton le Willows Academy, a secondary school for pupils aged 11 – 18, both schools serving catchment areas on the eastern side of Nottingham. The schools had a combined number on roll of 2088 at the time of the summer 2018 school census.

**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, and to the date these accounts are approved 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.

**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 offered tours of the academies 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 trustee turnover is low, 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 trustee 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 2018 were as follows:

- Ms A Dawson
- 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 local governing bodies 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 bodies of trust schools for the year ended 31 August 2018 are as follows:

**Carlton le Willows Academy**

- Mr J Anderson\* (Appointed 08/05/2018)
- Mrs P Blandamer\*
- Mrs P Brown (Chair)
- Mrs F Dale (Resigned 08/10/2017)
- Mrs S Kane
- Mr A Macdonald\*
- Ms S Murcott\* (Appointed 03/05/2018)
- Mr K Place\* (Resigned 22/11/2018)
- Mr N Reddington (Term ended 31/08/2018)
- Mrs K Ridgard (Term ended 19/10/2018)
- Mr M Robinson\* (Term ended 24/04/2018)
- Mr F Rodrigues
- Mrs K Smith (Appointed 03/05/2018)
- Mrs E Strzelec\* (Appointed 08/05/2018)

**Netherfield Primary School**

- Mr A Parkinson\* (Resigned 08/09/2018)
- Miss L Dermody
- Mrs S Fletcher\*
- Ms H Fenyn
- Mrs L Lyons
- Mr J Payne
- Mr M Potten\*
- Mr C Turner
- Mr J Wright\*

\*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.

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**Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	2.85

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	0.85
51%-99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	£2,282
Total pay bill	£6,807,419
Percentage of pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
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**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 trustees can be found on the trusts website. A full list of related parties for local governors can be found on the relevant school website.

During the year, Mellers Primary School provided educational support to Netherfield Primary School. Ms A Dawson, trustee, is Head Teacher of Mellers Primary School. The services were provided at cost and in accordance with the guidance set-out in the academy's financial handbook. A statement of assurance was provided for said services and accepted by the board.

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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**

#### **Carlton le Willows Academy**

The following approved improvement priorities 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.

#### **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.



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**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

Netherfield Primary School

Following conversion to academy status the school have implemented a Rapid Development Plan, for the period April 2018 – July 2019, with the following priorities.

**Priority 1:** To ensure that Year 6 pupils in 2018/19 are making rapid progress to improve standards.

**Priority 2:** To improve the quality of teaching and leadership in Key Stage One.

**Priority 3:** To improve outcomes in the Early Years Foundation Stage.

**Priority 4:** To develop a coherent, evidence-based teaching and learning policy that is supported by a structured CPD programme.

**Priority 5:** To improve teachers' understanding of mastery teaching and learning so that all pupils' needs are met, including those who can reach greater depth.

**Priority 6:** To ensure that there is consistent, high quality support across the school from Teaching Assistants that has a positive impact on pupils' learning.

**Priority 7:** To integrate the school into the academy trust so that policy and practice are aligned to the values and vision of the trust.

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

Public examination results 2018 (some results subject to national validation)

<b>YEAR 13</b>	<b>Target</b>	<b>Achieved</b>
<b>A level Cohort and Result</b>		
Average point score as a grade	C+	C+
Average score per entry	34.5	33.5
Value Added	-	0.06
<b>Academic Cohort and Result</b>		
Average point score as a grade	C+	C+
Average score per entry	34.5	33.5
Vale Added	-	0.06
<b>Vocational Cohort and Results (27 students)</b>		
Average point score as a grade	Dist*	Dist*
Average score per entry		31.1
Value Added		0.34

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<b>Year 11</b>	<b>Target</b>	<b>Achieved</b>
Progress 8	-	0.35
Attainment 8	5.3	5.3
% 5+ English & Maths	62%	61%
English Element Attainment	11.1	11.0
Maths Element Attainment	11.2	11.2
Ebacc Element Attainment	14.4	15.5
Open Element Attainment	15.2	15.2
English Element Progress	-	0.19
Maths Element Progress	-	0.77
Ebacc Element Progress	-	0.37
Open Element Progress	-	0.06
%Ebacc (Entered)	32%	33%
%Ebacc (Achieved A*-C)	27%	28%

Pupil numbers

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

Year 7 – 298  
Year 8 – 316  
Year 9 – 249  
Year 10 – 249  
Year 11 – 243  
Year 12 – 133  
Year 13 - 100  
**Total – 1588**

300 pupils were admitted in September 2018.

Attendance

- Overall pupil attendance this year was 96.3%, which is significantly higher than the national average.

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

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Netherfield Primary School

Year 6 National Curriculum Key Stage 2 Test results 2018

Test(s)		Target	Achieved
Reading	Progress		-1.2
	% Expected Achievement	78%	67%
Writing	Progress		0.7
	% Expected Achievement	85%	80%
Maths	Progress		-0.6
	% Expected Achievement	78%	69%
Reading, Writing & Maths	% Expected Achievement	70%	58%

Pupil numbers

Early Years Provision - 89

Reception - 60

Year 1 – 58

Year 2 – 59

Year 3 – 59

Year 4 – 61

Year 5 – 59

Year 6 – 55

**Total – 500**

Attendance

- Overall pupil attendance this year was 95.6%, which is in line with the national average.

**Key Financial Performance Indicators**

- Staff costs are 89% of GAG income and 78% of total revenue income.
- Agency staff costs are 2% of total staff costs.
- 2% of GAG income spent on repairs and maintenance.
- The trust once again achieved an operating surplus this year and was able to invest £291,596 of revenue funding into capital projects.

**Going Concern**

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

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**Financial Review**

The trust is in a strong position financially. Overall revenue reserves (restricted and unrestricted funds) are £962,713 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 revenue reserves should be equivalent to one months' expenditure, which is approximately £843,000. 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 unrestricted revenue reserves is £734,628. These reserves exclude the restricted fixed asset fund and the pension reserve.

**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 £3,064,000. 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 £300,000 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 17.

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

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

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

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

### **Fundraising**

The trust did not undertake any fundraising activities during the year, nor did they work with any commercial participants/ professional fundraisers.

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**Plans for Future Periods**

Carlton le Willows Academy

The following approved improvement priorities will be acted upon during the coming year (2018-19).

<b>A. Outcomes</b>	
<b>AIM:</b> All students achieve good or better progress, resulting in a significantly high progress 8 score / VA.	
<b>Key Stages 3 and 4 Objectives</b> <ol style="list-style-type: none"><li>1. Secure progress levels that are securely good or beyond in all subjects.</li><li>2. Implement a robust target setting process that ensures expectations remain high for all students.</li><li>3. To close the gender gap in all subjects.</li><li>4. *Ensure that disadvantaged students make consistently good progress.</li><li>5. *Ensure that teaching supports students who have SEND to make more than expected progress.</li></ol>	<b>Key Stage 5 Objectives</b> <ol style="list-style-type: none"><li>6. Secure progress levels that are securely good or beyond in all subjects.</li><li>7. Implement a robust target setting process that ensures expectations remain high for all students.</li><li>8. To close the gender gap in all subjects.</li><li>9. Ensure that disadvantaged students make consistently good progress.</li><li>10. Ensure performance data is used effectively (i) to identify students at risk of underperforming and (ii) to inform intervention.</li></ol>

<b>B. Personal Development, Behaviour and Welfare</b>
<b>AIM:</b> Attendance levels to be above average and exclusion levels to be below average for all students and groups of students.
<b>Objective</b> <ol style="list-style-type: none"><li>1. Continue to reduce the absence of disadvantaged and SEND.</li><li>2. Continue to reduce rates of exclusion for all groups of pupils.</li><li>3. Develop the use of restorative practice to improve behaviour for learning.</li></ol>

<b>C. Teaching and Learning</b>
<b>AIM:</b> All lessons to be good or outstanding.
<b>Objectives</b> <ol style="list-style-type: none"><li>1. Ensure teaching, supported by CPD, instils a sharp focus on raising the ceiling on progress in lesson planning, delivery and evaluation.</li><li>2. Reduce variation in the quality of teaching and learning across the curriculum.</li></ol>

<b>D. Leadership and Management</b>
<b>AIM:</b> To achieve RAP aims and make Carlton le Willows Academy a great place to work as well as a great place to learn.
<b>Objectives</b> <ol style="list-style-type: none"><li>1. Carry out a full curriculum audit and review at all key stages to ensure that the national expectations and student needs are met.</li><li>2. Develop a strategy for emotional health and well-being across the academy.</li><li>3. Develop a shared leadership ethos.</li><li>4. Maintain high levels of customer service and satisfaction.</li><li>5. Continue to engage with partners to identify and realise opportunities for enhancing provision and income generation.</li></ol>

NB: \* Ofsted priority

Netherfield Primary School

The school will continue to progress the Rapid Development Plan introduced in April 2018.

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**Funds Held as Custodian Trustee on Behalf of Others**

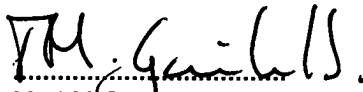
The trust does not hold such funds.

**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 11 December 2018 and signed on its behalf by:

  
.....  
Mr J M Garibaldi  
Chair of Trust



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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 eight times during the year. Attendance during the year at meetings of the trustees were as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ms A Dawson	5	8
Mr J Garibaldi	8	8
Mr P Karat	7	8
Mr W Smith	3	8
Mr J Thomas	3	8
Mr JC Weaver	8	8

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.
- Trust wide insurance was procured, ensuring a significant saving for Netherfield Primary School was achieved.
- The trust employed the services of a specialist surveyor to assist with Condition Improvement Fund bids for major capital works. The trust secured in excess of £550,000 for roofing and windows replacement projects.

### **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 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **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.

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**GREATER NOTTINGHAM EDUCATION TRUST**  
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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 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 each school 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 11 December 2018 and signed on its behalf by:

  
Mr J M Garibaldi  
Chair of Trustees

  
Mr J C Weaver  
Accounting Officer

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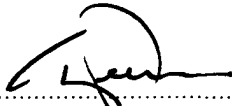
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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 (ESFA) 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Mr J C Weaver  
Accounting Officer  
Date: 11 December 2018

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**GREATER NOTTINGHAM EDUCATION TRUST**  
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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 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 11 December 2018 and signed on its behalf by:

  
Mr J M Garibaldi  
Chair of Trustees

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**GREATER NOTTINGHAM EDUCATION TRUST**  
**(A company limited by guarantee)**

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

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**OPINION**

We have audited the financial statements of Greater Nottingham Education Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**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 Trust'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.

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

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**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report including the Strategic report for the financial year 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 Trust 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

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

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

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**GREATER NOTTINGHAM EDUCATION TRUST**  
(A company limited by guarantee)

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

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

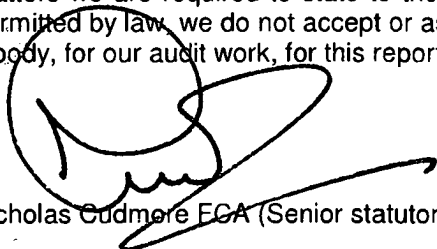
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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



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  
11 December 2018



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**GREATER NOTTINGHAM EDUCATION TRUST**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 4 December 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Greater Nottingham Education Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 ACCOUNTANT**

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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

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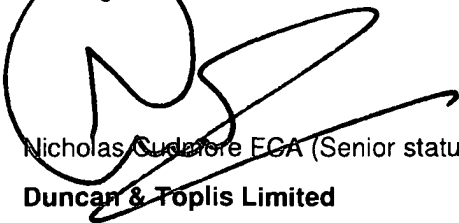
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GREATER NOTTINGHAM EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

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



Nicholas Sudarso FCA (Senior statutory auditor)

**Duncan & Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ

Date: 11<sup>th</sup> December 2018

**GREATER NOTTINGHAM EDUCATION TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	195,747	(1,327,196)	603,076	(528,373)	285,733
Charitable activities:	3					
Funding for the academy trust's educational operations		-	8,707,467	-	8,707,467	7,212,058
Other trading activities	4	91,645	6,018	-	97,663	96,707
Investments	5	4,153	52	-	4,205	2,386
<b>TOTAL INCOME</b>		<b>291,545</b>	<b>7,386,341</b>	<b>603,076</b>	<b>8,280,962</b>	<b>7,596,884</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	3,155	-	3,155	6,393
Academy trust educational operations		54,756	9,080,600	630,069	9,765,425	7,970,624
<b>TOTAL EXPENDITURE</b>	6	<b>54,756</b>	<b>9,083,755</b>	<b>630,069</b>	<b>9,768,580</b>	<b>7,977,017</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	236,789 (15,881)	(1,697,414) (358,240)	(26,993) 374,121	(1,487,618) -	(380,133) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		220,908	(2,055,654)	347,128	(1,487,618)	(380,133)
Actuarial gains on defined benefit pension schemes	23	-	885,000	-	885,000	176,000
<b>NET MOVEMENT IN FUNDS</b>		<b>220,908</b>	<b>(1,170,654)</b>	<b>347,128</b>	<b>(602,618)</b>	<b>(204,133)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		513,720	(1,665,261)	12,264,688	11,113,147	11,317,280
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>734,628</b>	<b>(2,835,915)</b>	<b>12,611,816</b>	<b>10,510,529</b>	<b>11,113,147</b>

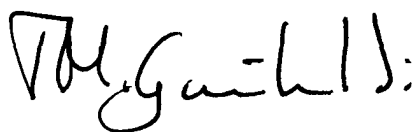
**GREATER NOTTINGHAM EDUCATION TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07539214**

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

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		12,529,292		12,264,688
<b>CURRENT ASSETS</b>					
Debtors	14	917,182		410,249	
Cash at bank and in hand		995,894		1,398,508	
		<u>1,913,076</u>		<u>1,808,757</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(867,839)		(889,298)	
<b>NET CURRENT ASSETS</b>			1,045,237		919,459
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,574,529		13,184,147
Defined benefit pension scheme liability	23		<u>(3,064,000)</u>		<u>(2,071,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>10,510,529</u>		<u>11,113,147</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	228,085		405,739	
Restricted fixed asset funds	16	12,611,816		12,264,688	
Restricted income funds excluding pension liability		<u>12,839,901</u>		<u>12,670,427</u>	
Pension reserve		<u>(3,064,000)</u>		<u>(2,071,000)</u>	
Total restricted income funds			9,775,901		10,599,427
Unrestricted income funds	16		<u>734,628</u>		<u>513,720</u>
<b>TOTAL FUNDS</b>			<u>10,510,529</u>		<u>11,113,147</u>

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:

Chair of Trustees



Mr J M Garibaldi

**GREATER NOTTINGHAM EDUCATION TRUST**  
(A company limited by guarantee)

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

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	(115,222)	676,532
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		4,205	2,386
Purchase of tangible fixed assets		(894,673)	(808,347)
Capital grants from DfE Group		603,076	109,725
<b>Net cash used in investing activities</b>		(287,392)	(696,236)
<b>Change in cash and cash equivalents in the year</b>		(402,614)	(19,704)
Cash and cash equivalents brought forward		1,398,508	1,418,212
<b>Cash and cash equivalents carried forward</b>	19	995,894	1,398,508

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**GREATER NOTTINGHAM EDUCATION TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements 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.

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**GREATER NOTTINGHAM EDUCATION TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

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

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

Sponsorship income provided to the Trust 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 Trust 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 Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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**GREATER NOTTINGHAM EDUCATION TRUST**  
(A company limited by guarantee)

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

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**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
Furniture and fixtures	-	Straight line over 3 and 8 years
Plant and equipment	-	Straight line over 4 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 Trust; 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.

**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.



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**GREATER NOTTINGHAM EDUCATION TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

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

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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 Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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**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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, 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.

**1.15 Fund accounting**

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

**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 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	11,522	-	-	11,522	27,904
Capital Grants	-	-	603,076	603,076	109,725
Transfers from academies joining the Trust	184,225	(1,519,000)	-	(1,334,775)	-
Other voluntary income - school fund	-	191,804	-	191,804	148,104
	<u>195,747</u>	<u>(1,327,196)</u>	<u>603,076</u>	<u>(528,373)</u>	<u>285,733</u>
Total 2017	<u>176,008</u>	<u>-</u>	<u>109,725</u>	<u>285,733</u>	

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,932,123	7,932,123	6,765,328
Pupil Premium	-	321,771	321,771	238,191
Other DfE/ESFA Revenue grant	-	129,036	129,036	17,982
Early Years funding	-	75,212	75,212	-
	-	8,458,142	8,458,142	7,021,501
<b>Other government grants</b>				
Other Local Authority revenue grants	-	228,696	228,696	190,557
Other government revenue grants - improvement grant	-	9,675	9,675	-
	-	238,371	238,371	190,557
<b>Other funding</b>				
Other income - apprentice levy	-	10,954	10,954	-
	-	10,954	10,954	-
	-	8,707,467	8,707,467	7,212,058
<i>Total 2017</i>	-	7,212,058	7,212,058	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	24,238	-	24,238	6,997
Lettings income	30,698	-	30,698	27,987
Other income	36,709	6,018	42,727	61,723
	91,645	6,018	97,663	96,707
<i>Total 2017</i>	84,179	12,528	96,707	

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**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank account interest	4,153	52	4,205	2,386
<i>Total 2017</i>	<i>2,343</i>	<i>43</i>	<i>2,386</i>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	3,155	3,155	6,393
Support costs	-	-	-	-	-
Funding for the academy trust:					
Direct costs	5,932,841	630,069	785,721	7,348,631	6,003,821
Support costs	1,332,091	656,281	428,422	2,416,794	1,966,803
	<b>7,264,932</b>	<b>1,286,350</b>	<b>1,217,298</b>	<b>9,768,580</b>	<b>7,977,017</b>
<i>Total 2017</i>	<i>5,815,450</i>	<i>1,252,539</i>	<i>909,028</i>	<i>7,977,017</i>	

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**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Funding for the academy trust's educational operations	7,348,631	2,416,794	9,765,425	7,970,624
<i>Total 2017</i>	<i>6,003,821</i>	<i>1,966,803</i>	<i>7,970,624</i>	

**Analysis of direct costs**

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	451,928	451,928	280,842
Technology costs	93,902	93,902	116,798
Examination fees	124,673	124,673	121,701
Staff development	10,954	10,954	9,789
Other costs	104,264	104,264	104,765
Wages and salaries	4,644,256	4,644,256	3,745,312
National insurance	449,042	449,042	375,130
Pension cost	839,543	839,543	646,032
Depreciation	630,069	630,069	603,452
	<b>7,348,631</b>	<b>7,348,631</b>	<i>6,003,821</i>
<i>At 31 August 2017</i>	<i>6,003,821</i>	<i>6,003,821</i>	

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**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)**

**Analysis of support costs**

	Educational operations £	Total 2018 £	Total 2017 £
Staff costs	1,332,091	1,332,091	1,048,976
Technology costs	18,425	18,425	19,928
Recruitment and support	3,207	3,207	18,445
Maintenance of premises and equipment	203,823	203,823	226,337
Cleaning	206,661	206,661	163,343
Rent and rates	59,890	59,890	63,524
Energy costs	138,473	138,473	116,046
Insurance	47,434	47,434	79,837
Transport	14,095	14,095	13,932
Telephone, postage and stationery	44,526	44,526	46,530
Catering	76,843	76,843	36,354
Other costs	203,496	203,496	89,412
Bank interest and charges	233	233	225
Operating leases - other	14,489	14,489	13,758
Auditors' remuneration	14,863	14,863	9,950
Legal and professional	38,245	38,245	20,206
	<u>2,416,794</u>	<u>2,416,794</u>	<u>1,966,803</u>
<i>At 31 August 2017</i>	<u>1,966,803</u>	<u>1,966,803</u>	

During the year ended 31 August 2018, the Academy incurred the following Governance costs:

£53,108 (2017 - £30,156) 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:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the Trust	630,069	603,452
Auditors' remuneration - audit	9,150	6,750
Auditors' remuneration - other services	5,713	3,200
Operating lease rentals	<u>14,489</u>	<u>13,758</u>

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**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,441,421	4,404,201
Social security costs	511,258	427,901
Operating costs of defined benefit pension schemes	1,162,583	865,552
	<u>7,115,262</u>	<u>5,697,654</u>
Agency staff costs	149,670	117,796
	<u>7,264,932</u>	<u>5,815,450</u>

Staff restructuring costs comprise:

**b. Staff numbers**

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

	2018 No.	2017 No.
Management	2	1
Teachers	112	109
Administration and support	110	60
	<u>224</u>	<u>170</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Management	2	1
Teachers	102	92
Administration and support	73	51
	<u>177</u>	<u>144</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	0	2
In the band £120,001 - £130,000	1	1



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**9. STAFF COSTS (continued)**

The above employees earnings more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for the members of staff amounted to £54,398 (2017 - £55,513).

**d. Key management personnel**

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 £317,961 paid to four personnel (2017 - £699,185 paid to 10 personnel).

**10. CENTRAL SERVICES**

The Trust has provided the following central services to its academies during the year:

- Quality assurance (education)
- School improvement services
- Business and financial services
- Human resources
- Governance and governors services
- Customer service (PR/marketing and website)
- ICT network and infrastructure services
- MIS and data management services

The Trust charges for these services on the following basis:

Services for Netherfield Primary School are provided by Carlton le Willows Academy.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Netherfield Primary School	<u>41,448</u>	<u>-</u>

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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:

		<b>2018</b>	<i>2017</i>
		<b>£'000</b>	<i>£'000</i>
JC Weaver, Head Teacher	Remuneration	<b>120-125</b>	<i>120-125</i>
	Pension contributions paid	<b>20-25</b>	<i>20-25</i>
W Brown, Staff Governor	Remuneration		<i>5-10</i>
	Pension contributions paid		<i>0-5</i>
A Macdonald, Staff Governor	Remuneration		<i>40-45</i>
	Pension contributions paid		<i>5-10</i>
N Reddington, Staff Governor	Remuneration		<i>45-50</i>
	Pension contributions paid		<i>5-10</i>

During the year ended 31 August 2018, expenses totalling £250 (2017 - £NIL) were reimbursed to 1 Trustee (2017 - 0 ).

Because of conversion to a Multi Academy Trust (MAT), W Brown, A Macdonald and N Reddington ceased to be trustees of the MAT and therefore no remuneration disclosure is made for the 2017/18 year.

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

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £470 (2017 - £299).

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**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	13,595,210	1,235,606	26,230	14,857,046
Additions	767,586	127,087	-	894,673
At 31 August 2018	<u>14,362,796</u>	<u>1,362,693</u>	<u>26,230</u>	<u>15,751,719</u>
<b>Depreciation</b>				
At 1 September 2017	1,681,752	884,376	26,230	2,592,358
Charge for the year	438,140	191,929	-	630,069
At 31 August 2018	<u>2,119,892</u>	<u>1,076,305</u>	<u>26,230</u>	<u>3,222,427</u>
<b>Net book value</b>				
At 31 August 2018	<u>12,242,904</u>	<u>286,388</u>	<u>-</u>	<u>12,529,292</u>
At 31 August 2017	<u>11,913,458</u>	<u>351,230</u>	<u>-</u>	<u>12,264,688</u>

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

Included in freehold property is land of £1,486,455 (2017 - £1,486,455) which is not depreciated.

Additions to freehold property in the year comprise work to refurbish the roof and replace the windows on the school's existing site. There has been no acquisition of new land or buildings.

Property inherited with the admission of Netherfield Primary School to the Trust has not presently been capable of valuation, but is insured for just under £6 million (property and contents). The Netherfield site is a combination of freehold and leasehold, the latter under a 125 year lease from Nottinghamshire County Council dated 15 February 2018 for a nominal rent. No valuation has been included in these accounts at this stage pending a more reliable "in use" valuation being obtained from the local authority for the Netherfield site.

**14. DEBTORS**

	2018 £	2017 £
Trade debtors	2,234	2,959
VAT recoverable	413,091	206,649
Other debtors	180,927	89,710
Prepayments and accrued income	131,534	102,887
Grants receivable	189,396	8,044
	<u>917,182</u>	<u>410,249</u>

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

	2018 £	2017 £
Trade creditors	419,609	165,852
Other taxation and social security	133,164	106,285
Other creditors	127,959	98,516
Accruals and deferred income	187,107	518,645
	<u>867,839</u>	<u>889,298</u>

Deferred income as at 31 August 2018 pertains to government grant funding received during the year, but relating partly or wholly for the year ending 31 August 2019.

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	113,330	54,672
Resources deferred during the year	107,344	113,330
Amounts released from previous years	(113,330)	(54,672)
Deferred income at 31 August 2018	<u>107,344</u>	<u>113,330</u>

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	513,720	291,545	(54,756)	(15,881)	-	734,628
<b>Restricted funds</b>						
General Annual Grant (GAG)	225,212	7,932,122	(7,720,911)	(358,793)	-	77,630
Other DfE/ESFA grants	19,079	526,020	(526,523)	(12,486)	-	6,090
Other government grants	134,945	238,371	(273,167)	-	-	100,149
Other income	26,503	208,828	(204,154)	13,039	-	44,216
Pension reserve	(2,071,000)	(1,519,000)	(359,000)	-	885,000	(3,064,000)
	(1,665,261)	7,386,341	(9,083,755)	(358,240)	885,000	(2,835,915)
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	1,006,775	603,076	(172,300)	(39,793)	-	1,397,758
Capital expenditure from GAG	1,857,509	-	(236,812)	-	-	1,620,697
Capital expenditure from other income	9,400,404	-	(220,957)	413,914	-	9,593,361
	12,264,688	603,076	(630,069)	374,121	-	12,611,816
Total restricted funds	10,599,427	7,989,417	(9,713,824)	15,881	885,000	9,775,901
Total of funds	11,113,147	8,280,962	(9,768,580)	-	885,000	10,510,529

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.

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

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

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 £359,000. 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 £885,000 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 Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Carlton le Willows Academy	<b>783,435</b>	919,459
Netherfield Primary School	<b>179,278</b>	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>962,713</b>	919,459
Restricted fixed asset fund	<b>12,611,816</b>	12,264,688
Pension reserve	<b>(3,064,000)</b>	(2,071,000)
	<hr/>	<hr/>
Total	<b>10,510,529</b>	11,113,147
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Carlton le Willows Academy	5,122,480	1,206,605	393,281	1,206,196	7,928,562	7,384,602
Netherfield Primary School	810,360	195,484	58,647	145,458	1,209,949	-
	<u>5,932,840</u>	<u>1,402,089</u>	<u>451,928</u>	<u>1,351,654</u>	<u>9,138,511</u>	<u>7,384,602</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
Other income not for capital purposes	492,413	114,426	(76,688)	(16,431)	-	513,720
<b>Restricted funds</b>						
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>

**GREATER NOTTINGHAM EDUCATION TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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

**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>

**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Other income not for capital purposes	<u>492,413</u>	<u>405,971</u>	<u>(131,444)</u>	<u>(32,312)</u>	<u>-</u>	<u>734,628</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	616,954	14,697,450	(14,250,803)	(985,971)	-	77,630
Other DfE/ESFA grants	16,811	782,193	(780,428)	(12,486)	-	6,090
Other government grants	124,212	428,928	(445,971)	(7,020)	-	100,149
Other income	11,104	369,503	(349,430)	13,039	-	44,216
Pension reserve	(2,052,000)	(1,519,000)	(554,000)	-	1,061,000	(3,064,000)
	<u>(1,282,919)</u>	<u>14,759,074</u>	<u>(16,380,632)</u>	<u>(992,438)</u>	<u>1,061,000</u>	<u>(2,835,915)</u>



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

**Restricted fixed asset funds**

DfE/ESFA capital grants	1,029,502	712,801	(304,752)	(39,793)	-	1,397,758
Capital expenditure from GAG	1,442,918	-	(472,850)	650,629	-	1,620,697
Capital expenditure from other income	9,635,366	-	(455,919)	413,914	-	9,593,361
	<u>12,107,786</u>	<u>712,801</u>	<u>(1,233,521)</u>	<u>1,024,750</u>	<u>-</u>	<u>12,611,816</u>
	<u>10,824,867</u>	<u>15,471,875</u>	<u>(17,614,153)</u>	<u>32,312</u>	<u>1,061,000</u>	<u>9,775,901</u>
Total of funds	<u>11,317,280</u>	<u>15,877,846</u>	<u>(17,745,597)</u>	<u>-</u>	<u>1,061,000</u>	<u>10,510,529</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	12,529,292	12,529,292
Current assets	734,628	1,095,924	82,524	1,913,076
Creditors due within one year	-	(867,839)	-	(867,839)
Provisions for liabilities and charges	-	(3,064,000)	-	(3,064,000)
	<u>734,628</u>	<u>(2,835,915)</u>	<u>12,611,816</u>	<u>10,510,529</u>

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	12,264,688	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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**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,487,618)	(380,133)
<b>Adjustment for:</b>		
Depreciation charges	630,069	603,452
Dividends, interest and rents from investments	(4,205)	(2,386)
(Increase)/decrease in debtors	(506,933)	83,895
(Decrease)/increase in creditors	(21,459)	286,429
Capital grants from DfE and other capital income	(603,076)	(109,725)
Defined benefit pension scheme obligation inherited	1,519,000	-
Defined benefit pension scheme cost less contributions payable	289,000	154,000
Defined benefit pension scheme finance cost	70,000	41,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(115,222)</b>	<b>676,532</b>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	995,894	1,398,508
<b>Total</b>	<b>995,894</b>	<b>1,398,508</b>

**20. CONVERSION TO AN ACADEMY TRUST**

On 1 March 2018 Netherfield Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Greater Nottingham Education Trust from Nottinghamshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

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**20. CONVERSION TO AN ACADEMY TRUST (continued)**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Other assets - school fund balance	13,039	-	-	13,039
Budget surplus/(deficit) on LA funds	171,186	-	-	171,186
LGPS pension surplus/(deficit)	-	(1,519,000)	-	(1,519,000)
Net assets/(liabilities)	<u>184,225</u>	<u>(1,519,000)</u>	<u>-</u>	<u>(1,334,775)</u>

The above assets and liabilities inherited do not include any value for Netherfield land and buildings. To date it has not been possible to obtain a valuation as at that date from the Local Authority hence no value is included in these accounts at the present time.

**21. 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 Trust 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 Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust, 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.

**22. CAPITAL COMMITMENTS**

At 31 August 2018 the Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>151,000</u>	<u>-</u>

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**GREATER NOTTINGHAM EDUCATION TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**23. PENSION COMMITMENTS**

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £121,890 were payable to the schemes at 31 August 2018 (2017 - 92,872) 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.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £641,307 (2017 - £563,493).

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**23. PENSION COMMITMENTS (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £304,000 (2017 - £193,000), of which employer's contributions totalled £230,000 (2017 - £144,000) and employees' contributions totalled £74,000 (2017 - £49,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	(13,000)	(8,000)
Discount rate -0.1%	14,000	8,000
Mortality assumption - 1 year increase	18,000	10,000
Mortality assumption - 1 year decrease	(18,000)	(10,000)
CPI rate +0.1%	14,000	8,000
CPI rate -0.1%	(13,000)	(8,000)

**GREATER NOTTINGHAM EDUCATION TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,473,000	1,430,000
Gilts	107,000	69,000
Other bonds	402,000	260,000
Property	531,000	252,000
Cash and other liquid assets	70,000	45,000
Inflation-linked pooled fund	115,000	53,000
Infrastructure	143,000	52,000
Total market value of assets	<u>3,841,000</u>	<u>2,161,000</u>

The actual return on scheme assets was £238,000 (2017 - £266,000).

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

	2018 £	2017 £
Current service cost	(518,000)	(297,000)
Admin expenses	(1,000)	(1,000)
Net interest cost	(70,000)	(41,000)
Total	<u>(589,000)</u>	<u>(339,000)</u>
Actual return on scheme assets	<u>238,000</u>	<u>266,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	4,232,000	3,880,000
Transferred in on existing academies joining the trust	2,662,000	-
Current service cost	518,000	297,000
Interest cost	145,000	81,000
Employee contributions	74,000	49,000
Actuarial (gains)/losses	(722,000)	9,000
Benefits paid	(4,000)	(84,000)
Closing defined benefit obligation	<u>6,905,000</u>	<u>4,232,000</u>

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**23. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	2,161,000	1,828,000
Return on plan assets (excluding net interest on the net defined pension liability)	75,000	40,000
Transferred in on existing academies joining the trust	1,143,000	-
Administration expenses	(1,000)	(1,000)
Actuarial gains	163,000	185,000
Employer contributions	230,000	144,000
Employee contributions	74,000	49,000
Benefits paid	(4,000)	(84,000)
	<u>3,841,000</u>	<u>2,161,000</u>
Closing fair value of scheme assets	<u>3,841,000</u>	<u>2,161,000</u>

**24. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	11,840	2,125
Between 1 and 5 years	11,623	8,963
	<u>23,463</u>	<u>11,088</u>
Total	<u>23,463</u>	<u>11,088</u>

**25. MEMBERS' LIABILITY**

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

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**GREATER NOTTINGHAM EDUCATION TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Trust received education support services costing £29,625 (2017 - £nil) from a school in which a trustee is the Head Teacher. The transactions were conducted at cost. No amounts were owing at the year end.

**27. AGENCY ARRANGEMENTS**

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £18,998 and disbursed £22,205 from the fund. The excess expenditure was paid from GAG income.

**28. CONTROLLING PARTY**

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