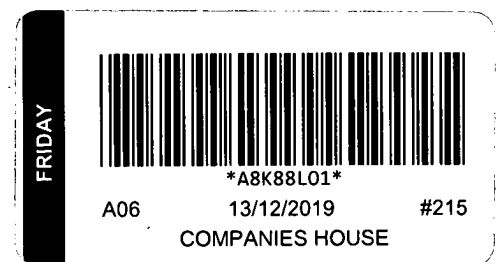


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REGISTERED COMPANY NUMBER: 07635510 (England and Wales)

Report of the Trustees and
Financial Statements For The Year Ended 31 August 2019
for
Nova Education Trust



Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Nova Education Trust

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For The Year Ended 31 August 2019

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Nova Education Trust

Reference and Administrative Details
For The Year Ended 31 August 2019

MEMBERS

J Sims
N Sarwar
A McKee (appointed 15.5.2019)
J Mills
B Thomas (resigned 15.5.2019)
S O'Hara

TRUSTEES

B Thomas (appointed 15.5.2019)
J Tomasevic (CEO/Accounting Officer)
J Mills (Chair - to 23.09.2019)
R Flewitt (Vice Chair - from 23.09.2019)
A Rahman (Staff Director/Vice CEO) (resigned 3.12.2018)
C James (Staff Director/Executive Headteacher) (resigned 3.12.2018)
D Hooker (Staff Director) (resigned 3.12.2018)
S Macdougall (resigned 16.5.2019)
J White
A Woods OBE (Vice Chair - to 23.09.2019 Chair – from 23.09.2019)
K Ghattaora (resigned 20.12.2018)
A Goddard (resigned 11.12.2018)
C J Hall (resigned 17.12.2018)
M Auty QC
B Stein
M Lawson (appointed 3.12.2018) (resigned 23.9.2019)
J Saunders
P Alexopoulou (appointed 14.12.2018) (resigned 2.1.2019)
R Dowling (appointed 13.3.2019)
J Addison (appointed 9.5.2019)
A M Stephenson (appointed 9.5.2019)
L Burrow (appointed 3.12.2018)
M Monckton (appointed 1.9.2019)

COMPANY SECRETARY

A J Ingram

SENIOR MANAGEMENT TEAM

A Ingram (Director of Company Governance)
M J Harnan (Chief Operations Officer)
S Scott (Director of Data & HR)
A Finch (Senior Education Lead) (appointed 1.9.2019)
S Orton (Chief Finance Officer)
H Duffy (Senior Primary Executive Headteacher)
A Rahman (Vice CEO, Executive Headteacher)
D Hooker (Vice CEO, Executive Headteacher)
J Tomasevic (CEO/Accounting Officer)
V Hayles (Primary Executive Headteacher)
C James (Senior Executive Headteacher)

REGISTERED OFFICE

Room C10 The Sir Colin Campbell Building
University of Nottingham Innovation Park
Triumph Road
NOTTINGHAM
Nottinghamshire
NG7 2TU

REGISTERED COMPANY NUMBER

07635510 (England and Wales)

Nova Education Trust

Reference and Administrative Details
For The Year Ended 31 August 2019

AUDITORS

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

SOLICITORS

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham NG2 1BJ

BANKERS

Royal Bank of Scotland
Nottingham City Office
8 South Parade
Nottingham NG1 2JS

Nova Education Trust

Report of the Trustees **For The Year Ended 31 August 2019**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

By the end of the period, the academy trust operated eight secondary schools and five primary schools in Nottinghamshire, one secondary school in Derbyshire and one sixth form college in Leicestershire. Its academies have a combined pupil capacity of 11,591 (including the final capacity of Nottingham Free School at 587 and The Suthers School at 830) and had a roll of 8,954 as recorded in the school census in January 2019.

OBJECTIVES AND ACTIVITIES

Objects and aims

The objects of the multi-academy trust, as set out in its articles of association, are specifically restricted to:

(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, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the need of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and

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

Given the stated object of the trust, the trustees have made clear their strategic intent to develop the educational effectiveness of the trust so as to extend the opportunities for young people to receive an outstanding education. This strategy takes due cognisance of the capacity that the trust holds and the impact of such work on the academy.

Principal Activities

The principal activity of the Charitable Company in the year ended 31 August 2019 was to provide education for students of different abilities between the ages of 3 and 18, with an emphasis on high academic achievement. The multi-academy trust has an excellent academic and pastoral reputation for preparing students for their transition to university and adult life. This activity was discharged through the operation of; Birklands Primary School, Firbeck Academy, Kirk Hallam Community Academy, Meden School, Newark Academy, Melton Vale Sixth Form College, Nottingham Free School, Nottingham University Academy of Science & Technology, Nottingham University Samworth Academy, Robert Miles Infant School, The Garibaldi School, The Suthers School, Toot Hill School, Victoria Primary School and Westdale Junior School.

Objectives, Strategies and Activities

The key objectives for the year have been:

- Continue to implement a financial strategy aimed at increasing the level of reserves;
- Continue to develop governance systems in line with ESFA best practice;
- Continue to secure higher achievement for all groups of learners in our Trust academies;
- Develop Trust wide teaching and learning strategies in line with best educational practice;
- Develop and implement CPD opportunities across all areas of Trust educational and operational activities;
- Complete and decant The Suthers School into its permanent operational base;
- Secure positive Ofsted outcomes for the academies in the Trust, as well as partner academies receiving educational services from the trust;
- Continue to develop a professional Central Services team to support the trust's schools.

Public Benefit

In setting their objectives the trustees have had due regard to guidance published by the Charity Commission on public benefit with particular reference to the advancement of education. The principal public benefit delivered by the Trust is the provision of a high-quality education to students in line with the articles of association.

Nova Education Trust

Report of the Trustees For The Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

The main charitable activity undertaken by the school is the delivery of high-quality education to its students.

Key Performance Indicators – 2019 Outcomes

	Progress 8	Attainment 8	%4+ E&M		% Ebacc 4+	
	GCSE	GCSE	GCSE	Target	GCSE	Target
Garibaldi	0.52	47.9	73%	69%	56%	48%
Kirk Hallam	-0.76	42.82	62.2%	76%	38.3%	56%
Meden	0.31	46.3	70%	76%	48%	48%
Newark Academy	-0.1	43.28	65%	73%	39%	42%
NUAST	0.2	51.67	75%	85%	49.49%	63%
NUSA	-0.36	35.8	43%	62%	25%	31%
Toot Hill	0.52	56.8	86.4%	91%	67.1%	68%
Nottingham Free School	0.41	53.09	77%	83%	58.62%	64%

Birklands	Result	Target FFT 50
Achieved standard in Reading, Writing and Maths	46%	53%

Victoria	Result	Target FFT 50
Achieved standard in Reading, Writing and Maths	35%	57%

Firbeck	Result	Target FFT 50
Achieved standard in Reading, Writing and Maths	30%	62%

Westdale	Result	Target FFT 50
Achieved standard in Reading, Writing and Maths	72%	75%

- The trust has not engaged in any significant fundraising activities.
- There are no material investment performance matters to report.
- The trust continues to secure a high regard for its work in the immediate and extended community. This is reflected in the high number of applications and staying-on rates. Staff in the academies consider themselves valued, well-supported and recognised for their contribution to securing the objects of the Trust.
- Work continued this year on "Novation", which is a framework of cultural values for the trust's pupils and employees.

Going Concern

After making appropriate enquiries, 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.

Financial review

Funding sources: Most of the academy's income was obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received in the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The results for the year are shown in the Statement of Financial Activities on page 18. The surplus of income over expenditure for the period (excluding restricted fixed asset funds, transfers into the trust and pension reserve) was £1,122K.

The deficit in the Local Government Pension Scheme (LGPS) of £25,890,000 is recognised in the balance sheet as per the requirements of FRS102. The pension deficit is not expected to have any material impact on the financial viability of the organisation.

Reserves Policy

The trust, in conjunction with the Strategic, Finance & Operations Committee, aims to carry forward sufficient funds to meet the academy trust's long term objectives and to provide working capital, whilst ensuring that it does not affect its current operational activities. Plans are in place to build up reserves to £3,000,000 by the end of 2021/22.

At 31 August 2019 the net book value of fixed assets was £153,635,000, including the value of fixed assets which were transferred as part of the academy conversions. The year end balances on restricted general funds and unrestricted funds (free reserves) were £1,375,000 and £996,000 respectively. Restricted funds not available for general purposes were £17,000.

Nova Education Trust

Report of the Trustees **For The Year Ended 31 August 2019**

STRATEGIC REPORT

Financial review

Investment Policy

Investments must be made only in accordance with written procedures approved by the governing body. All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

Fundraising

The trustees delegate the management of fundraising to the Head of School of each academy.

The trustees are responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work.

- Trustees have the responsibility of ensuring the survival and continuation of the trust. This includes responsibility for ensuring funding is available to support the activities of the organisation.
- Whilst trustees may delegate many of the operations of fundraising to other parts of the organisation, including individual academies, the trustees retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

The trustees are committed to ensuring that fundraising activities are carried out in an ethical manner.

In doing so, the organisation will adhere to the following standards:

- Regard to the Charity commissions publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by trust academies will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.

The Nova Education Trust did not undertake any significant fundraising activities during the period under review. The trust has not worked with commercial participators or commercial fundraisers, has received no fundraising complaints and has not been required to monitor fundraising activities or ensure the appropriateness of such activities.

Principal risks and uncertainties

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the academy. Systems or procedures have been established to manage those risks and a risk register is maintained and regularly reviewed.

The trust produces an annual Governance Statement. Internal control systems and exposure to risks are considered in relation to all activities and legislation discussed during monthly leadership and termly trustees' meetings. Risk management is embedded into the day-to-day processes of the academy trust. Principal risk areas for the academy trust are the protection of students, employees and assets. Systems and procedures to minimise these are constantly reviewed and updated.

The principal risks are:

- A drop in student income as a result of parents not sending their children to a trust academy because of perceived loss of effectiveness; falling student roll; increased competition from other providers;
- Damage to trust property as a result of fire, flood, condition issues and like events that result in an academy closure;
- Buildings/plant e.g. boilers not functioning appropriately resulting in an academy closure.
- Financial Risks: Under FRS102 it is necessary to charge the projected deficit on the Local Government Pension Scheme, which is provided to support staff, to restricted funds. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are increased to bring this deficit down in the future.
- Policy on Reserves: The policy of the academy is to carry forward a prudent level of reserves designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies.
- Decline in Educational Outcomes: A decline in educational outcomes is always a principal risk for an Educational Trust. This risk is principally managed through robust use of school data, Trust wide subject specialists and Executive Headteachers with responsibility for school outcomes within the Trust.
- GDPR: With the introduction of GDPR legislation data breaches now have the potential to become a principal risk. To mitigate against this risk the Trust has deployed training and resources to developing a data Breach reporting system run by a trained Data Manger. This system is designed to identify and report data breaches to the authorities and also to identify system risks within the trust and implement solutions.

Nova Education Trust
Report of the Trustees
For The Year Ended 31 August 2019

STRATEGIC REPORT

Future plans

We intend to seek opportunities to expand the trust further, but only where this will support high achievement for both schools joining the trust and for the trust's existing schools and only where such expansion would not jeopardise the future financial stability of the trust.

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 Nova Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Nova Education Trust.

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 academy trust has purchased insurance underwritten by Zurich Municipal to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim. There were no third party indemnity provisions during the year ended 31 August 2019, but see the contingent liability note for details of an ongoing claim made against the academy trust during the previous year.

Method of Recruitment and Appointment or Election of Trustees (Directors)

In accordance with these articles of association the directors were appointed as follows:

Type	Name	Number/Proportion	Appointed/ Elected By	Article
Directors	A Stephenson A Woods, OBE B Thomas J Addison J Mills J Saunders J White L Burrow M Auty, QC R Flewitt	Up to 10 Trustees	Appointed by Members	50
CEO	J Tomasevic (CEO)		Appointed by members	57
Staff Co-opted Directors	-	No more than one third (including the CEO) of total number of Trustees	Appointed by Directors	58 50B
Other Directors	B Stein R Dowling M Monckton	Each of University of Nottingham (UoN) and Samworth Foundation (SF) may appoint trustees. UoN may appoint up to 2 trustees and SF may appoint 1 trustee.	Appointed by UoN & SF	50A

New trustees are recruited from a variety of backgrounds and have the necessary skills to support, enhance and develop the Academy Trust.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Leadership & Management Link Trustee ensures that new governors receive induction training following their appointment to the board.

Nova Education Trust
Report of the Trustees
For The Year Ended 31 August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

With the exception of the Chair of the trustees, the Members are not directors of the trust. One member resigned during the year and one new member was appointed in May 2019.

The Nova Education Trust is established as a standard multi-academy trust according to DfE models, with standard MAT Master Funding Agreement and Objects/Articles of Association and the following governance structure:

- Members of Nova Education Trust
 - Directors (who are also Trustees) and operate as a Board of Directors
 - Committees of the Nova Education Trust Board, including Local Governing Bodies

Day to day trust operations are delegated to the Chief Executive Officer (CEO), and executive management functions are delivered through the Executive Management Team which is led by the CEO.

Governance Structure: Roles & Responsibilities

The academy trust is a charitable company limited by guarantee (the liability of the members is set at £10 in the model Articles of Association). The trust has three layers of governance:

The Members:

The functions of the members of the academy trust include:

- Overseeing the achievement of the objectives of the company.
- Taking part in Annual and Extraordinary General Meetings.
- Appointing some of the directors.
- Power to amend the Articles of the company and, ultimately, to remove the directors.

The Trustees (The Directors):

- Legally responsible and accountable for all statutory functions.
- Ensure clarity of vision, ethos and strategic direction.
- Hold the executive to account for the educational performance of the trust's schools and pupils, and the performance management of staff.
- Oversee the financial performance of the trust and ensure that money is well spent.
- Operate the trust academies in accordance with the funding agreement that has been signed with the Secretary of State.

The Executive Management Team:

Most day-to-day management decisions will be made collectively through the Executive Management Team including:

- Management of the staff.
- Setting and monitoring the budgets of each academy.
- Overseeing the quality of teaching and learning.
- Ensuring the safety and welfare of the pupils.
- Minutes of formal Executive Management Team meetings are circulated to the trustees.
- All strategic and financial decisions delegated to the Executive Management Team are ratified by the trustees.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Performance Management of the Executive Committee is conducted by the CEO and proposals for pay increases and bonuses payable to the Educational Executive Committee staff are subject to approval by the board. The Performance Management of the CEO is conducted by a delegated sub-committee of the Trustees, their recommendations for pay increase and bonus subject to the approval of the full board.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, Nova Education Trust are required to report details regarding the time spent on trade union activities during the period 1st April 2018 to 31st March 2019.

The Nova Education Trust recognise the value of Trade Unions to the organisation and will always work with Trade Unions to manage risk in a balanced way.

Table 1 - Relevant Union Officials

Number of employees who were relevant union officials during the period	7
Full-time equivalent employee number	6.61

Nova Education Trust
Report of the Trustees
For The Year Ended 31 August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Table 2 - Percentage of time spent on facility time

Percentage of time	Number of employees
0%	5
1-50%	2
51-99%	0
100%	0

Table 3 - Percentage of pay bill spent on facility time

Total cost of facility time	£2,560
Total pay bill	£37.7 million
Percentage of total pay bill spent on facility time	0.01%

Table 4 - Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related Parties and Other Connected Charities and Organisations

The multi-academy trust has an excellent transition programme and holds regular meetings with feeder primary schools. The multi-academy trust offers in-house training and CPD programmes to Local Authority schools and has an established Teaching School Alliance in collaboration with local Universities. The multi-academy trust also has a SCITT (School Centred Initial Teacher Training) body. The trust has provided educational services to schools outside of the trust during the year, namely the Djanogly City Academy.

EMPLOYEES AND DISABLED PERSONS

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we actively combat bigotry.

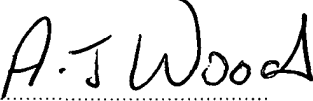
The Trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The Trust works with employee trade unions and professional associations across all our academies and engages in consultation with work-based representatives, as required, to ensure that all aspects of the company affecting its employees, including financial and economic factors, is discussed, conveyed and consulted on with them.

AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 09.12.19 and signed on the board's behalf by:


A Woods OBE - Chair

Nova Education Trust
Governance Statement
For The Year Ended 31 August 2019

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Nova 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 board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Nova Education Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
A Stephenson (Appointed 09/05/2019)	0	1
A Goddard (Resigned 11/12/2018)	0	2
A Woods, OBE	4	4
A Rahman (Resigned 03/12/2018)	1	1
B Thomas (Appointed 15/05/2019)	1	1
B Stein	4	4
C Hall (Resigned 17/12/2018)	2	2
C James (Resigned 03/12/2018)	1	1
D Hooker (Resigned 03/12/2018)	1	1
J Addison (Appointed 09/05/2019)	1	1
J White	3	4
J Mills	3	4
J Saunders	3	4
J Tomasevic	4	4
K Ghattaora (Resigned 20/12/2018)	0	2
L Burrow (Appointed 03/12/2018)	2	2
M Auty, QC	1	4
M Lawson (Appointed 03/12/2018, resigned 23/09/2019)	2	2
R Flewitt	2	4
R Dowling (Appointed 13/03/2019)	1	2
S Macdougall (Resigned 16/05/2019)	3	3

Governor self-evaluation is an annual agenda item for local governing bodies and a skills profile of all governors is maintained by the clerk. The Leadership and Management Link Trustee/Governor is the designated CPD Lead for the Board/LGB. The Link Trustee/Governor ensures that the Board/LGB understands its duties and responsibilities and is taking advantage of the National Governors Association CPD offer. The Link Trustee/Governor ensures that the Board/LGB maintains a record of training and that a number of Directors/Governors have undertaken 'Safer Recruitment' training.

A number of changes have been made to the composition of Trust board during the year. The changes have allowed the board to recruit new Trustees with specific skills sets in order to improve the effectiveness of the Board along with the sub-committees.

Data provided to the Board and sub-committee by the Senior Management Team is of high quality. The data is presented in a clear, open and transparent manner which enables the Board and sub-committees to scrutinise and challenge effectively and appropriately.

Although the Trust Board met less than 6 times in the year, effective oversight of funds was maintained by the following:

- 6 Strategic, Finance & Operations Committee meetings during the year
- Distribution of monthly management accounts to both the Chair of the Trust Board and also the Chair of the Audit and Strategic, Finance & Operations sub-committees

Nova Education Trust
Governance Statement
For The Year Ended 31 August 2019

The Strategic, Finance & Operations Committee is a sub-committee of the main governing body. Attendance during the year at meetings was as follows.

Trustee	Meetings Attended	Out of a possible
A Woods	6	6
B Thomas	1	1
B Stein	5	6
J Mills	5	6
J Saunders	5	6
J Tomasevic	6	6
R Flewitt	4	6

The purpose of the Strategic, Finance & Operations Committee is described below:

In consultation with the CEO, approve and monitor the annual budget and establish a four year financial plan, ensuring that the academies operate in accordance with the appropriate Financial Regulations. Review budget situation termly and report in detail to the Board. To consider, and make decisions, on expenditure following recommendations from Heads of School ensuring best value and reporting to the full trust board.

To advise the trust board on priorities, including Health and Safety for the maintenance and development of the schools premises and to receive and consider the proposed annual capital spending programme.

To consider as required any issues related consultations in respect of asset ownership e.g. asset management, asbestos surveys etc.

The Audit Committee is a sub-committee of the main governing body. Attendance during the year at meetings was as follows.

Trustee	Meetings Attended	Out of a possible
B Stein	4	4
J Mills	3	4
A Woods	4	4
R Flewitt	0	1
J Tomasevic	4	4

The purpose of the Audit Committee is to provide oversight of the trusts financial reporting process, the audit process, the company's system of internal controls and compliance with laws and etc. The Audit Committee have dealt with the following during the year:

- Progress on Management Letter Points
- Review of audit reports:
 - External Audit
 - Internal Audit
 - Internal Financial Assessments
 - ESFA Review
- Sign off of Statutory Accounts
- Purchase Order Compliance
- Risk register
- Review Financial Scheme of Delegation

Governance

The board of trustees ensure:

- clarity of vision, ethos and strategic direction
- hold the executive to account for the educational performance of the trust's schools and their pupils, and the performance management of staff
- oversee the financial performance of the trust and make sure its money is well spent

The LGB's have delegated responsibilities which include:

- Building an understanding of how their school is led and managed
- Monitoring whether their school is:
 - Working within agreed policies
 - Is meeting the agreed targets
 - Managing its finances well

Nova Education Trust
Governance Statement
For The Year Ended 31 August 2019

- Engaging with stakeholders
- Being a point of consultation and representation
- Reporting to the Board

Review of Value for Money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Developing and implementing a four year Capital Management Plan in order to ensure that capital funds including SCA and school maintenance budgets are deployed both efficiently and effectively to the benefit of students and staff within the Trust.
- Instigation of the new Trust procurement strategy through a Trust wide catering tender (OJEU) and the re-tendering of insurance services.
- Implementation of model support staffing structures in schools in order to ensure appropriate staffing levels and costs.

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Nova Education Trust for the period 1 September 2018 to 31 August 2019 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 1 September 2018 to 31 August 2019 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 board of trustees;
- Regular reviews by the Strategic, Finance & Operations Committee and by the Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Allotts Chartered Accountants as internal auditor.

The internal auditor'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 procurement systems

The internal audit report included a number recommendations aimed at improving and strengthening the internal control systems implemented across the trust, all of which had been fully implemented before the end of the period. The findings of the internal audit were reported to the Audit Committee in June 2019.

Nova Education Trust
Governance Statement
For The Year Ended 31 August 2019

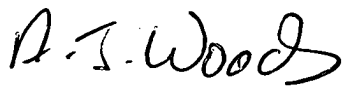
Review of Effectiveness

As Accounting Officer, the CEO 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the 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 Audit 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 09/12/19 and signed on its behalf by:



A Woods OBE - Chair



Mr J Tomasevic - Accounting Officer

Nova Education Trust

Statement on Regularity, Propriety and Compliance
For The Year Ended 31 August 2019

As accounting officer of Nova Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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


.....
Mr J Tomasevic - Accounting Officer

Date: 9/12/19
.....

Nova Education Trust

Statement of Trustees Responsibilities
For The Year Ended 31 August 2019

The trustees (who 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 Direction 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 the incoming resources and application of resources, including the 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 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 academy trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 9/12/19 and signed on its behalf by:



A Woods OBE - Chair

Report of the Independent Auditors to the Members of Nova Education Trust

Opinion

We have audited the financial statements of Nova Education Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy 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.

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 Report of the Independent Auditors thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement.

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.

Opinions 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 Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Report of the Independent Auditors to the Members of
Nova Education Trust

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditors 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. This description forms part of our Report of the Independent Auditors.

Use of our report

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



Mark Garrison BCom FCA DChA (Senior Statutory Auditor)
for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

10/12/2019

**Independent Reporting Accountant's Assurance Report on Regularity to
Nova Education Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 18 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nova Education Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Nova 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 Nova 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 Nova Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Nova Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Nova Education Trust's funding agreement with the Secretary of State for Education dated 30 August 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry of officers of the academy
- Review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy's system of controls
- Examination of relevant documents
- Review of the activities carried out by the academy
- Review of the delegated authorities set out in the Academies Financial Handbook
- Review of governance arrangements in accordance with the Academies Financial Handbook

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Allotts Business Services Ltd
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

10/12/2019

Nova Education Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 August 2019

		Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total 2019 funds £'000	Total 2018 funds £'000
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	-	88	1,789	1,877	1,942
Donations - transfers into the Trust	30	176	(1,526)	21,494	20,144	55,144
Charitable activities						
Funding for the academy's educational operations	4	-	50,710	-	50,710	39,005
Teaching schools		-	-	-	-	46
Other trading activities	5	1,178	70	-	1,248	1,290
Investment income	6	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>7</u>
Total		1,364	49,342	23,283	73,989	97,434
EXPENDITURE ON						
Raising funds		712	-	-	712	655
Charitable activities						
Academy's educational operations		-	52,686	4,090	56,776	45,085
Teaching schools		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
Total	7	712	52,686	4,090	57,488	45,786
NET INCOME/(EXPENDITURE)		652	(3,344)	19,193	16,501	51,648
Transfers between funds	23	-	9	(9)	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes	24	<u>-</u>	<u>(5,891)</u>	<u>-</u>	<u>(5,891)</u>	<u>4,371</u>
Net movement in funds		652	(9,226)	19,184	10,610	56,019
RECONCILIATION OF FUNDS						
Total funds brought forward		344	(15,272)	136,186	121,258	65,239
TOTAL FUNDS CARRIED FORWARD		<u>996</u>	<u>(24,498)</u>	<u>155,370</u>	<u>131,868</u>	<u>121,258</u>

The notes form part of these financial statements

Nova Education Trust (Registered number: 07635510)

Balance Sheet
At 31 August 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Tangible assets	14	<u>153,635</u>	<u>135,182</u>
CURRENT ASSETS			
Stocks	15	1	113
Debtors	16	1,611	1,860
Cash at bank and in hand		<u>7,524</u>	<u>2,985</u>
		9,136	4,958
CREDITORS			
Amounts falling due within one year	17	(4,855)	(3,316)
NET CURRENT ASSETS		<u>4,281</u>	<u>1,642</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		157,916	136,824
CREDITORS			
Amounts falling due after more than one year	18	(158)	(237)
PENSION LIABILITY	24	(25,890)	(15,329)
NET ASSETS		<u>131,868</u>	<u>121,258</u>
FUNDS	23		
Unrestricted funds:			
General fund		996	344
Restricted funds:			
General fund		1,392	57
Pension reserve		(25,890)	(15,329)
Fixed Asset fund		<u>155,370</u>	<u>136,186</u>
		<u>130,872</u>	<u>120,914</u>
TOTAL FUNDS		<u>131,868</u>	<u>121,258</u>

The financial statements were approved by the Board of Trustees on 9/12/19 and were signed on its behalf by:



A Woods OBE - Chair

The notes form part of these financial statements

Nova Education Trust

Cash Flow Statement
For The Year Ended 31 August 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities:			
Cash generated from operations	1	<u>2,801</u>	<u>(474)</u>
Net cash provided by (used in) operating activities		<u>2,801</u>	<u>(474)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,052)	(716)
Capital grants from DfE/ESFA		1,789	1,595
Sale of tangible fixed assets		5	-
Interest received		<u>10</u>	<u>7</u>
Net cash provided by (used in) investing activities		<u>752</u>	<u>886</u>
Cash flows from financing activities:			
New loans in year		-	316
Loan repayments in year		<u>(79)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>(79)</u>	<u>316</u>
Cash transferred on conversion to an academy	30	<u>1,065</u>	<u>850</u>
Change in cash and cash equivalents in the reporting period		4,539	1,578
Cash and cash equivalents at the beginning of the reporting period		<u>2,985</u>	<u>1,407</u>
Cash and cash equivalents at the end of the reporting period		<u><u>7,524</u></u>	<u><u>2,985</u></u>

The notes form part of these financial statements

Nova Education Trust

Notes to the Cash Flow Statement
For The Year Ended 31 August 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £'000	2018 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	16,501	51,648
Adjustments for:		
Depreciation	4,090	3,220
Capital grants from DfE/ESFA	(1,789)	(1,595)
Transfer from Local Authority on conversion	(20,144)	(55,144)
Interest received	(10)	(7)
Decrease/(increase) in stocks	112	(23)
Decrease/(increase) in debtors	378	(334)
Increase/(decrease) in creditors	1,208	(195)
Difference between pension charge and cash contributions	<u>2,455</u>	<u>1,956</u>
Net cash provided by (used in) operating activities	<u><u>2,801</u></u>	<u><u>(474)</u></u>

Nova Education Trust

Notes to the Financial Statements **For The Year Ended 31 August 2019**

1. STATEMENT OF ACCOUNTING POLICIES

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

The academy trust is benefiting from the ESFA's Free School Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls (through lease) the site where the development is occurring. The expenditure is capitalised under improvements to property.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

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 academy trust does not have control over the charitable application of the funds. The academy trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the 'Agency Arrangements' note.

Other income

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

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

2. ACCOUNTING POLICIES - continued

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 classed 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.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Freehold and leasehold buildings	over 5 to 58 years
Leasehold land	over remainder of its life to a maximum of 125 years
Property improvements	over remainder of its life to a maximum of 25 years
Fixtures, fittings and equipment	over remainder of its life to a maximum of 10 years
ICT equipment	over remainder of its life to a maximum of 5 years
Motor Vehicles	over remainder of its life to a maximum of 10 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.

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17 & 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

2. ACCOUNTING POLICIES - continued

Stocks

Unsold uniforms, computer consumables and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funder 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.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the Pension and Similar Obligations note, 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 multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Conversion to an academy

The conversion from a state maintained school to an academy within the academy trust involves the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it is accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the academy trust are valued at their fair value. The fair value is derived based on that of equivalent items. The amounts are recognised under the appropriate balance sheet categories, with a corresponding amount recognised in 'Donations - transfers into the Trust' in the Statement of Financial Activities and analysed under restricted funds, restricted general funds and restricted fixed asset fund. Further details of the transaction are set out in the 'Donations - transfers into the Trust' note.

Transfer of existing academies into the academy trust

Where assets and liabilities received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Donations - transfers into the Trust' to the net assets acquired. Further details of the transaction are set out in the 'Donations - transfers into the Trust' note.

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

2. ACCOUNTING POLICIES - continued

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Donations	-	88	88	347
Grants	-	1,789	1,789	1,595
	-	1,877	1,877	1,942

Grants received, included in the above, are as follows:

	2019 £'000	2018 £'000
Capital grants	1,789	1,595

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Grants	-	49,547	49,547	37,839
Catering income	-	708	708	680
Trips	-	455	455	486
	-	50,710	50,710	39,005

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	44,247	44,247	33,697
Other DfE group grants	-	3,201	3,201	2,232
	-	47,448	47,448	35,929
Other government grant				
Local authority grants	-	1,191	1,191	1,035
Other grants	-	908	908	875
	-	2,099	2,099	1,910
	-	49,547	49,547	37,839

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Rental income	283	-	283	204
Staff cover insurance	-	-	-	7
Other events and activities	6	33	39	26
Books, uniforms etc	50	31	81	196
Consultancy	155	6	161	195
Other services	608	-	608	173
Sundry income	76	-	76	489
	1,178	70	1,248	1,290

6. INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Interest	10	-	10	7

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

7. EXPENDITURE

				2019	2018
	Staff costs	Non-pay expenditure		Total	Total
	£'000	Premises	Other costs	£'000	£'000
		£'000	£'000		
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs	340	37	335	712	655
Charitable activities					
Academies educational operations					
Direct costs	33,049	3,110	4,302	40,461	31,517
Allocated support costs	<u>8,791</u>	<u>3,674</u>	<u>3,850</u>	<u>16,315</u>	<u>13,568</u>
	42,180	6,821	8,487	57,488	45,740
Teaching schools	-	-	-	-	46
	<u>42,180</u>	<u>6,821</u>	<u>8,487</u>	<u>57,488</u>	<u>45,786</u>

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£'000	£'000
Auditors' remuneration	62	52
Other non-audit services	28	23
Depreciation - owned assets	4,090	3,220
Operating leases - Others	191	168
Operating leases - Land & buildings	<u>164</u>	<u>177</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£'000	£'000	£'000	£'000
Direct costs	-	40,461	40,461	31,517
Support costs	-	<u>16,315</u>	<u>16,315</u>	<u>13,568</u>
	-	<u>56,776</u>	<u>56,776</u>	<u>45,085</u>

	2019 Total	2018 Total
	£'000	£'000
Analysis of support costs		
Support staff costs	8,791	7,563
Technology costs	873	436
Premises costs	3,674	3,046
Other support costs	2,864	2,445
Governance costs	<u>113</u>	<u>78</u>
Total support costs	<u>16,315</u>	<u>13,568</u>

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment.

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

J Tomasevic (CEO and trustee)

Remuneration £215,000 - £220,000 (2018: £260,000 - £265,000)

Employer's pension contributions £nil (2018: £nil)

A Rahman (Vice CEO and staff trustee) - Resigned as trustee 03.12.18

Remuneration £30,000 - £35,000 (2018: £145,000 - £150,000)

Employer's pension contributions £5,000 - £10,000 (2018: £20,000 - £25,000)

D Hooker (staff trustee) - Resigned as trustee 03.12.18

Remuneration £30,000 - £35,000 (2018: £20,000 - £25,000)

Employer's pension contributions £5,000 - £10,000 (2018: £0 - £5,000)

C James (staff trustee) - Resigned as trustee 03.12.18

Remuneration £25,000 - £30,000 (2018: £120,000 - £125,000)

Employer's pension contributions £0 - £5,000 (2018: £20,000 - £25,000)

Trustees' expenses

During the year ended 31 August 2019, travel and subsistence expenses totalling £2,020 (2018 - £7,884) were reimbursed or paid directly to 4 trustees (2018 - 4).

Other transactions

Other related party transactions involving the trustees are set out in the Related Party Disclosures note.

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

10. STAFF COSTS

	2019	2018
	£'000	£'000
Wages and salaries	30,927	24,526
Social security costs	2,955	2,511
Operating costs of defined benefit pension schemes	<u>7,176</u>	<u>5,803</u>
	41,058	32,840
Supply teacher costs	1,113	662
Staff restructuring costs	<u>9</u>	<u>78</u>
	<u>42,180</u>	<u>33,580</u>
	2019	2018
	£'000	£'000
Staff restructuring costs comprise:		
Redundancy payments	9	56
Severance payments	<u>-</u>	<u>22</u>
	<u>9</u>	<u>78</u>

There are no non-statutory/non-contractual severance payments included in staff restructuring costs this year (2018: ££7,200).

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2019	2018
Teachers and Educational support	760	528
Administration and support	357	364
Management	<u>83</u>	<u>64</u>
	<u>1,200</u>	<u>956</u>

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

	2019	2018
	No.	No.
£60,001 - £70,000	17	10
£70,001 - £80,000	4	4
£80,001 - £90,000	2	-
£90,001 - £100,000	1	5
£100,001 - £110,000	7	-
£120,001 - £130,000	1	1
£140,001 - £150,000	2	1
£210,001 - £220,000	1	-
£260,001 - £270,000	-	1
	<u>35</u>	<u>22</u>

The overall increase in the number of employees whose benefits exceed £60,000 is due in the main to the impact of new schools joining the Trust in 2017/18 (NUAST – April 2018) and 2018/19 (Kirk Hallam – September 2019) that are not reflected in the 2018 comparative. The teachers' pay award and performance management increments for 2019 also resulted in a number of staff passing over the £60,000 threshold. Only 4 employees within the Trust have a remuneration package which exceeds £100,000, however due to a change in terms and conditions, and the timing of when bonus payments relating to 2017/18 were made, 7 additional employees were paid in excess of £100,000 during the year.

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,336,206 (2018: £1,192,903).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover of £2,000,000 on any one claim and the cost for the period ended 31 August 2019 was not separately identifiable but is included in the total insurance cost.

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	2	345	1,595	1,942
Donations - transfers into the Trust	353	(2,958)	57,749	55,144
Charitable activities				
Funding for the academy's educational operations	-	39,005	-	39,005
Teaching schools	-	46	-	46
Other trading activities	1,086	204	-	1,290
Investment income	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total	1,448	36,642	59,344	97,434
EXPENDITURE ON				
Raising funds	655	-	-	655
Charitable activities				
Academy's educational operations	-	41,865	3,220	45,085
Teaching schools	<u>-</u>	<u>46</u>	<u>-</u>	<u>46</u>
Total	655	41,911	3,220	45,786
NET INCOME/(EXPENDITURE)	793	(5,269)	56,124	51,648
Transfers between funds	<u>(449)</u>	<u>931</u>	<u>(482)</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>4,371</u>	<u>-</u>	<u>4,371</u>
Net movement in funds	344	33	55,642	56,019
RECONCILIATION OF FUNDS				
Total funds brought forward	-	(15,305)	80,544	65,239
TOTAL FUNDS CARRIED FORWARD	<u>344</u>	<u>(15,272)</u>	<u>136,186</u>	<u>121,258</u>

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

13. CENTRAL SERVICES

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

- Human Resources
- Financial Resources
- Legal services
- Educational support services
- Marketing
- IT/Data services
- Insurance
- External audit

The academy trust charges for these services on the following basis:

- a flat 5% of GAG funding per academy

Actual charges in the year were as follows:

	2019 £'000	2018 £'000
Toot Hill School	455	479
Meden Comprehensive School	195	177
Birklands Primary School	38	35
Nottingham Free School	131	73
Victoria Primary School	79	72
Newark Academy	160	55
Firbeck Academy	49	45
Nottingham University Samworth Academy	241	232
Robert Miles Infant School	34	20
Nottingham University Academy of Science and Technology	161	36
Westdale Junior School	45	41
The Garibaldi School	194	36
The Suthers School	35	25
Melton Vale Sixth Form College	81	87
Kirk Hallam Community Academy	303	-
	<u>2,201</u>	<u>1,413</u>

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Improvements to property £'000
COST			
At 1 September 2018	33,377	99,535	6,757
Additions	323	261	41
Disposals	-	-	-
Transfer on conversion	-	21,387	-
At 31 August 2019	<u>33,700</u>	<u>121,183</u>	<u>6,798</u>
DEPRECIATION			
At 1 September 2018	1,924	3,595	1,010
Charge for year	553	2,557	272
Eliminated on disposal	-	-	-
At 31 August 2019	<u>2,477</u>	<u>6,152</u>	<u>1,282</u>
NET BOOK VALUE			
At 31 August 2019	<u>31,223</u>	<u>115,031</u>	<u>5,516</u>
At 31 August 2018	<u>31,453</u>	<u>95,940</u>	<u>5,747</u>

	Furniture and Fixtures £'000	Motor vehicles £'000	Computer Equipment £'000	Totals £'000
COST				
At 1 September 2018	2,078	39	1,824	143,610
Additions	184	-	243	1,052
Disposals	-	(9)	-	(9)
Transfer on conversion	40	-	69	21,496
At 31 August 2019	<u>2,302</u>	<u>30</u>	<u>2,136</u>	<u>166,149</u>
DEPRECIATION				
At 1 September 2018	742	15	1,142	8,428
Charge for year	284	3	421	4,090
Eliminated on disposal	-	(4)	-	(4)
At 31 August 2019	<u>1,026</u>	<u>14</u>	<u>1,563</u>	<u>12,514</u>
NET BOOK VALUE				
At 31 August 2019	<u>1,276</u>	<u>16</u>	<u>573</u>	<u>153,635</u>
At 31 August 2018	<u>1,336</u>	<u>24</u>	<u>682</u>	<u>135,182</u>

15. STOCKS

	2019 £'000	2018 £'000
Books and planners	-	9
Clothing	<u>1</u>	<u>104</u>
	<u>1</u>	<u>113</u>

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Trade debtors	118	358
Other debtors	86	61
VAT recoverable	138	263
Prepayments and accrued income	<u>1,269</u>	<u>1,178</u>
	<u>1,611</u>	<u>1,860</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Other loans (see note 19)	79	79
Trade creditors	699	643
Taxation and social security	603	479
Other creditors	715	586
Accruals and deferred income	<u>2,759</u>	<u>1,529</u>
	<u>4,855</u>	<u>3,316</u>

	2019	2018
	£'000	£'000
Deferred income		
Deferred Income at 1 September 2018	690	442
Resources deferred in the year	1,082	690
Amounts released from previous years	<u>(690)</u>	<u>(442)</u>
Deferred Income at 31 August 2019	<u>1,082</u>	<u>690</u>

Deferred income represents grants received in advance of entitlement arising and monies received in advance for school trips which took place after year end.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£'000	£'000
Other loans (see note 19)	<u>158</u>	<u>237</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£'000	£'000
Amounts falling due within one year on demand:		
Other loans	<u>79</u>	<u>79</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>79</u>	<u>79</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>79</u>	<u>158</u>

A loan of £316,108 from the ESFA was received in 2018 and is repayable over 4 years.

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £'000	2018 £'000
Within one year	303	283
Between one and five years	879	797
In more than five years	<u>2,667</u>	<u>2,800</u>
	<u>3,849</u>	<u>3,880</u>

21. 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.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	2019 Total funds £'000
Fixed assets	-	-	153,635	153,635
Current assets	996	6,286	1,854	9,136
Current liabilities	-	(4,736)	(119)	(4,855)
Long term liabilities	-	(158)	-	(158)
Pension liability	-	<u>(25,890)</u>	-	<u>(25,890)</u>
	<u>996</u>	<u>(24,498)</u>	<u>155,370</u>	<u>131,868</u>

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

	Unrestricted fund	Restricted funds	Fixed Asset Fund £'000	2018 Total funds £'000
Fixed assets	-	-	135,182	135,182
Current assets	344	3,610	1,004	4,958
Current liabilities	-	(3,316)	-	(3,316)
Long term liabilities	-	(237)	-	(237)
Pension liability	-	<u>(15,329)</u>	-	<u>(15,329)</u>
	<u>344</u>	<u>(15,272)</u>	<u>136,186</u>	<u>121,258</u>

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

23. MOVEMENT IN FUNDS

	Balance 01.09.18 £'000	Incoming Resources £'000	Resourced Expended £'000	Gains, losses and transfers £'000	Balance 31.08.19 £'000
Restricted general funds					
General annual grant (GAG)	-	44,247	(43,658)	786	1,375
Pupil Premium	-	2,196	(2,196)	-	-
Other grants	51	3,104	(3,147)	-	8
Activities for generating funds	6	1,233	(1,230)	-	9
Donations	-	88	-	(88)	-
Restricted funds transferred in	-	689	-	(689)	-
Restricted pension reserve	(15,329)	(2,215)	(2,455)	(5,891)	(25,890)
	<u>(15,272)</u>	<u>49,342</u>	<u>(52,686)</u>	<u>(5,882)</u>	<u>(24,498)</u>
Restricted fixed asset funds					
Transferred on conversion	124,556	21,494	(3,393)	(3)	142,654
DfE Group capital grants	10,782	1,789	(570)	(290)	11,711
Capital expenditure from GAG	812	-	(119)	284	977
Unrestricted	18	-	(6)	-	12
Other grants	18	-	(2)	-	16
	<u>136,186</u>	<u>23,283</u>	<u>(4,090)</u>	<u>(9)</u>	<u>155,370</u>
Total restricted funds	<u>120,914</u>	<u>72,625</u>	<u>(56,776)</u>	<u>(5,891)</u>	<u>130,872</u>
Unrestricted funds	<u>344</u>	<u>1,364</u>	<u>(712)</u>	<u>-</u>	<u>996</u>
Total funds	<u>121,258</u>	<u>73,989</u>	<u>(57,488)</u>	<u>(5,891)</u>	<u>131,868</u>

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

General Annual Grant may only be spent in compliance with the academy trust's funding agreement. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at the year end.

Significant other grants are:

- ESFA grant to cover the cost of the lease for Nottingham Free School
- Special Educational Needs, Teacher Pay grant, UIFSM, Early Years Funding, Mansfield Area Partnership grant, Special Revenue Funding, Pupil Growth Funding and other grants.

The capital grants include funds received towards improvements to leased property for Nottingham Free School and other fixed assets required to equip Nottingham Free School, Devolved Formula Capita received towards fixed assets required to equip all schools and School Condition Allocation received by the Trust to make improvements to all schools.

The restricted fixed asset funds represent the net book values of donated fixed assets and assets purchased from DfE group/other government grants, which have to be held for the continuing use of the academy trust.

The transfer from the fixed asset funds represents the net effect of fixed assets purchased out of the GAG and the amount of capital grant used on items not capitalised.

Transfer from donations represents money donated to the trust to cover the negative restricted funds when transferred into the trust.

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

23. MOVEMENT IN FUNDS - continued

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £'000	2018 £'000
Toot Hill School	961	478
Meden Comprehensive School	(46)	(147)
Birklands Primary School	114	5
Nottingham Free School	(63)	(48)
Victoria Primary School	244	198
Newark Academy	(560)	(128)
Firbeck Academy	142	49
Nottingham University Samworth Academy	145	(164)
Robert Miles Infant School	131	84
Nottingham University Academy of Science and Technology	47	45
Westdale Junior School	109	108
The Garibaldi School	453	329
The Suthers School	41	77
Melton Vale Sixth Form College	(190)	(168)
Kirk Hallam Community Academy	1,064	-
Central Services	(204)	(317)
Total before fixed assets and pension reserve	2,388	401
Restricted fixed asset fund	155,370	136,186
Pension reserve	(25,890)	(15,329)
Total	<u>131,868</u>	<u>121,258</u>

Recovery plans are in place for schools with accumulated deficits.

Total cost analysis by academy

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

	Teaching & Educational Support Staff £'000	Other Support staff £'000	Educational Supplies £'000	Other Costs (excluding) depreciation £'000	2019 Total £'000	2018 Total £'000
Toot Hill School	6,277	1,845	153	2,015	10,290	10,453
Meden Comprehensive School	2,848	666	59	696	4,269	4,446
Birklands Primary School	666	165	25	189	1,045	1,024
Nottingham Free School	1,895	346	108	692	3,041	2,536
Victoria Primary School	1,402	245	46	451	2,144	1,833
Newark Academy	2,578	919	66	678	4,241	3,952
Firbeck Academy	1,060	243	39	192	1,534	1,604
Nottingham University Samworth Academy	3,715	841	99	1,029	5,684	5,765
Robert Miles Infant School	524	172	16	188	900	920
Nottingham University Academy of Science and Technology	2,249	384	106	627	3,366	944
Westdale Junior School	728	128	22	225	1,103	1,026
The Garibaldi School	2,690	636	81	801	4,208	3,534
The Suthers School	505	65	24	143	737	409
Melton Vale Sixth Form College	1,088	373	29	359	1,849	1,697
Kirk Hallam Community Academy	4,355	1,145	164	938	6,602	-
Central services	720	707	(16)	974	2,385	2,423
Academy Trust	<u>33,300</u>	<u>8,880</u>	<u>1,021</u>	<u>10,197</u>	<u>53,398</u>	<u>42,566</u>

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

23. MOVEMENT IN FUNDS - continued

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

	Balance 01.09.17 £'000	Incoming Resources £'000	Resourced Expended £'000	Gains, losses and transfers £'000	Balance 31.08.18 £'000
Restricted general funds					
General annual grant (GAG)	(125)	33,697	(34,382)	810	-
Pupil Premium	-	1,670	(1,670)	-	-
Other grants	73	2,472	(2,472)	(22)	51
Activities for generating funds	21	1,370	(1,385)	-	6
Donation	-	345	-	(345)	-
Teaching school	-	46	(46)	-	-
Restricted funds transferred in	-	(488)	-	488	-
Restricted pension reserve	(15,274)	(2,470)	(1,956)	4,371	(15,329)
	<u>(15,305)</u>	<u>36,642</u>	<u>(41,911)</u>	<u>5,302</u>	<u>(15,272)</u>
Restricted fixed asset funds					
Transfer on conversion	69,484	57,749	(2,590)	(87)	124,556
DfE Group capital grants	10,164	1,595	(530)	(447)	10,782
Capital expenditure from GAG	809	-	(90)	93	812
Unrestricted	24	-	(6)	-	18
Other grants	63	-	(4)	(41)	18
	<u>80,544</u>	<u>59,344</u>	<u>(3,220)</u>	<u>(482)</u>	<u>136,186</u>
Total restricted funds	<u>65,239</u>	<u>95,986</u>	<u>(45,131)</u>	<u>4,820</u>	<u>120,914</u>
Total unrestricted funds	<u>-</u>	<u>1,448</u>	<u>(655)</u>	<u>(449)</u>	<u>344</u>
Total funds	<u>65,239</u>	<u>97,434</u>	<u>(45,786)</u>	<u>4,371</u>	<u>121,258</u>

24. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council and Leicestershire County Council. Both are multi-employer defined benefit 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 £605,418 were payable to the schemes at 31 August 2019 (2018: £520,488) 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' 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.

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS
- continued

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £3,198,000 (2018: £2,689,000).

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

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

Local government pension scheme

The following disclosures relate to all academies in the multi-academy trust.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £2,012,000 (2018: £1,535,000), of which employer's contributions totalled £1,523,000 (2018: £1,158,000) and employees' contributions totalled £489,000 (2018: £377,000). The agreed contribution rates for future years is 18.3% and 25.3% per cent for employers.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
Present value of funded obligations	(49,592)	(33,201)
Fair value of plan assets	<u>23,702</u>	<u>17,872</u>
	<u>(25,890)</u>	<u>(15,329)</u>
Deficit	(25,890)	(15,329)
Liability	<u>(25,890)</u>	<u>(15,329)</u>

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
Current service cost	2,980	2,666
Net interest from net defined benefit asset/liability	455	444
Past service cost	539	-
Administration costs	<u>4</u>	<u>4</u>
	<u>3,978</u>	<u>3,114</u>
 Actual return on plan assets	 <u>1,095</u>	 <u>1,063</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
At 1 September	33,201	28,158
Current service cost	2,980	2,666
Past service cost	539	-
Employee contributions	489	377
Interest cost	1,044	858
Actuarial (gain) / loss	6,397	(3,722)
Benefits paid	(515)	(263)
Inherited on conversion/ transferred in academies	<u>5,457</u>	<u>5,127</u>
	<u>49,592</u>	<u>33,201</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
At 1 September	17,872	12,884
Employer contributions	1,523	1,158
Employee contributions	489	377
Expected return on assets	589	414
Actuarial gain / (loss)	506	649
Benefits paid	(515)	(263)
Inherited on conversion/ transferred in academies	3,242	2,657
Administration costs	<u>(4)</u>	<u>(4)</u>
	<u>23,702</u>	<u>17,872</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
Asset gains/(losses)	506	649
Liability gains/ (losses)	<u>(6,397)</u>	<u>3,722</u>
	<u>(5,891)</u>	<u>4,371</u>

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS
- continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
Equities	14,668	11,469
Property	2,855	2,399
Government Bonds	1,109	854
Other Bonds	2,465	1,718
Cash	844	332
Inflation linked pooled fund	661	490
Infrastructure	917	610
Unit trust	183	-
	<u>23,702</u>	<u>17,872</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2019	2018
Discount rate for scheme liabilities	1.9%	2.7%
Pension increases	2.2%	2.3%
Salary increases	3.6%	3.8%
Inflation assumption (CPI)	2.2%	2.3%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	21.7	22.7
Females	24.3	25.5
Retiring in 20 years		
Males	23.3	24.8
Females	26.1	27.9

Sensitivity Analysis

	At 31 August 2019	At 31 August 2018
	£'000	£'000
Discount rate +0.1%	48,280	32,356
Discount rate -0.1%	50,932	34,070
Mortality assumption - 1 year increase	51,450	34,232
Mortality assumption - 1 year decrease	47,783	32,202
CPI rate +0.1%	50,734	33,952
CPI rate -0.1%	48,473	32,471

25. CONTINGENT LIABILITIES

A legal claim was intimated against the Trust during 2017 by another Academy Trust. The claim was said to be for breach of contract and for compensation relating to this of at least £623,000. During the year the Trust has agreed to a settlement figure of £150,000 of which £100,000 was paid during the year and the remaining £50,000 was paid post year end and has been correctly accrued in the accounts. Retrospective approval was received from the ESFA for this transaction.

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

26. CAPITAL COMMITMENTS

	2019 £'000	2018 £'000
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

27. RELATED PARTY DISCLOSURES

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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all agreements made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Djanogly Learning Trust (DLT) - a multi academy trust in which Mr D Hooker (trustee) was principal of an academy within the trust until 31/08/2018 therefore no longer a related party for the year ended 31 August 2019. The transactions last year were as follows:

- The trust charged DLT £168,386 for educational support services. At 31 August 2018 £166,969 was outstanding.
- As part of an existing agreement with DLT the trust was charged £62,530 by DLT for educational services. At 31 August 2018 £61,297 was outstanding.
- In entering the transaction the trust has complied with the requirements of ESFA's Academies Financial Handbook.

University of Nottingham - a public entity in which Mr J Mills (Chair) is the president of the University's Council:

- The trust charged £10,743 to the University for re-imbursement of travel expenses (2018: £168). There were no amounts outstanding at 31 August 2019 (2018: £NIL).
- The University charged £98,831 for education support services, tuition fees and providing training courses for the trust's members of staff (2018: £97,275). At 31 August 2019 £2,605 was outstanding (2018: £64).
- The University donated £88,000 to the trust to clear the funds deficit transferred in by one of the academies that joined the trust in 2018 (2018: £345,000).
- The trust leases property from UNIP Management Limited, a subsidiary of University of Nottingham. During the year rental payments amounted to £42,250 (2018: £44,142). There were no amounts outstanding at 31 August 2019 (2018: £NIL).
- One of the schools within the trust uses Notice Ltd, a subsidiary of the University of Nottingham, as their gas and electricity provider. During the year gas and electricity charges amounted to £115,247 (2018: £153,033). No amount was outstanding at 31 August 2019 (2018: £21,353)

Ladywood Primary School - An academy in which Melanie Lawson (trustee - appointed 03/12/2018) is Head Teacher:

- The trust was charged £1,520 by Ladywood Primary School for costs in relation to the Big Kirk Hallam scheme. No amounts were outstanding at the yearend.

Nottingham University Academy of Science and Technology (Prior to joining the trust on 01.04.2018) - an academy in which Mr J Tomasevic (CEO) was a trustee:

- In 2018 the trust charged £109,088 to the academy for educational support services. There were no amounts outstanding at 31 August 2018 as it was agreed to write off the debtor balance when the academy joined the trust.
- In 2018 the academy charged the trust £150 for educational services. There were no amounts outstanding at 31 August 2018.

Mrs G Rahman, wife of Mr A Rahman, a trustee and member of the senior management team, is employed by the academy trust as a teacher. G Rahman's appointment was made in open competition and A Rahman was not involved in the decision making process regarding appointment. G Rahman is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Mr E Tomasevic, son of Mr J Tomasevic, a trustee and member of the senior management team, was employed by the academy trust on a casual contract during the year. E Tomasevic's appointment was made in open competition and J Tomasevic was not involved in the decision making process regarding appointment. E Tomasevic was paid within the normal pay scale for his role and received no special treatment as a result of his relationship to a trustee.

Nova Education Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

28. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £93,457 (2018: £68,027) and distributed £75,188 (2018: £29,089) from the fund. The amount included in other creditors relating to undistributed funds that is repayable to ESFA was nil (2018: £nil).

29. TEACHING SCHOOL TRADING ACCOUNT

Income		2018/19 £'000	2017/18 £'000
	Direct Income		
	Other income	-	46
Total Income		-	46
Expenditure			
	Direct costs		
	Staff costs	-	46
	Total direct costs	-	46
Total Expenditure		-	(46)
Transfers between funds excluding depreciation		-	-
Surplus/(Deficit) from all sources		-	-
Teaching School balances at 01.09.18		-	-
Teaching School balances at 31.08.19		-	-

30. DONATIONS - TRANSFERS INTO THE TRUST

One new school joined the Trust during the year as follows:

School	Date joined	Type	Predecessor Body
Kirk Hallam Community Academy	01/09/2018	Secondary	Single Academy

All operations and assets and liabilities were transferred to the Trust from the predecessor body for no consideration. The transfers have 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 gain in the Statement of Financial Activities as Donations - transfers into the Trust.

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
Kirk Hallam Community Academy				
Leasehold land and buildings	-	-	21,387	21,387
Other tangible fixed assets	-	-	107	107
Other identified assets and liabilities	176	689	-	865
LGPS pension deficit	-	(2,215)	-	(2,215)
Net assets	176	(1,526)	21,494	20,144