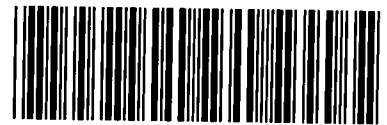


**Report of the Trustees and**  
**Financial Statements For The Year Ended 31 August 2018**  
**for**  
**Nova Education Trust**

THURSDAY



A31 \*A7L6PWP5\* 20/12/2018 #194  
COMPANIES HOUSE

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 2018**

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**Nova Education Trust**

**Reference and Administrative Details**  
**For The Year Ended 31 August 2018**

<b>MEMBERS</b>	S O'Hara (appointed 11.9.2017) J Sims (appointed 11.9.2017) N Sarwar (appointed 7.11.2017) B Thomas (appointed 11.9.2017) P Waterland (resigned 11.9.2017) P Chandrakumar (resigned 11.9.2017) J Mills
<b>TRUSTEES</b>	J Tomasevic (CEO/Accounting Officer) J Mills (Chair) R Flewitt A Rahman (Staff Director/Vice CEO) (resigned 3.12.2018) C James (Staff Director/Executive Headteacher) (resigned 3.12.2018) D Hooker (resigned 3.12.2018) S Macdougall J White A Woods OBE (Vice Chair) K Ghattaora A Goddard C J Hall M Auty QC B Stein M Lawson (appointed 3.12.2018) J Saunders (appointed 1.4.2018)
<b>COMPANY SECRETARY</b>	A J Ingram
<b>SENIOR MANAGEMENT TEAM</b>	M J Harnan (Chief Operations Officer) H Duffy (Executive Headteacher) S Maycock (Chief Finance Officer) (resigned 24.7.2018) S Orton (Chief Finance Officer) (appointed 25.7.2018) A Ingram (Director of Governance & Compliance) A Rahman (Vice CEO, Executive Headteacher) D Hooker (Vice CEO, Executive Headteacher) J Tomasevic (CEO/Accounting Officer) V Hayles (Executive Headteacher) C James (Executive Headteacher)
<b>REGISTERED OFFICE</b>	Room C10 The Sir Colin Campbell Building University of Nottingham Innovation Park Triumph Road NOTTINGHAM Nottinghamshire NG7 2TU
<b>REGISTERED COMPANY NUMBER</b>	07635510 (England and Wales)
<b>AUDITORS</b>	Allotts Business Services Ltd, Statutory Auditor Chartered Accountants The Old Grammar School 13 Moorgate Road Rotherham South Yorkshire S60 2EN

**Nova Education Trust**

**Reference and Administrative Details**  
**For The Year Ended 31 August 2018**

**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 2018**

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

By the end of the period, the academy trust operated eight secondary schools and five primary schools in Nottinghamshire and one sixth form college in Leicestershire. It had a combined capacity of 9,589 pupils including the final capacity of Nottingham Free School at 587 and The Suthers School at 830. At the census in January 2018 there were 6,933 pupils on roll in the thirteen schools within the trust at that date.

#### **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 2018 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; The Garibaldi School, Meden School, Newark Academy, Melton Vale Sixth Form College, Nottingham Free School, Nottingham University Academy of Science & Technology, Nottingham University Samworth Academy, Toot Hill School, The Suthers School, Birklands Primary School, Firbeck Academy, Robert Miles Infant School, Victoria Primary School and Westdale Junior School.

##### **Objectives, Strategies and Activities**

The key objectives for the year have been:

- Implement a financial strategy aimed at increasing the level of reserves.
- Continue to secure higher achievement for all groups of learners in our Trust academies;
- Secure a wider range of schools to provide school-to-school support;
- Secure additional teaching room capacity;
- Open and consolidate the activities of The Suthers School in its first operational year;
- 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.

During the academic year 2017/18 the Trust has continued to provide extensive support to enable its partner academies, Djanogly City Academy (DCA), and Nottingham University Academy of Science & Technology (NUAST), to secure positive learning outcomes. NUAST joined the Trust on 1 April 2018. The Trust works extensively alongside leadership teams and governing bodies/trustees in an open and collaborative manner to improve standards of education in the target institution.

##### **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 2018

#### 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

	Progress 8	Attainment 8	%4+ E&M		% Ebacc 4+	
	GCSE	GCSE	GCSE	Target	GCSE	Target
Garibaldi	-0.07	41.62	49%	60%	3%	1%
Meden	-0.55	40.55	53%	60%	5%	5%
Newark Academy	-0.23	43.30	63%	67%	11%	0%
NUAST	0.02	51.00	73%	77%	0%	0%
NUSA	-0.13	39.76	50%	55%	9%	7%
Toot Hill School	0.20	54.87	82%	85%	37%	40%

Birklands	Result	Target FFT 50
Achieved standard in Reading, Writing and Maths	52%	54%
Progress - Reading	-3.0	-
Progress - Writing	+1.2	-
Progress - Maths	-1.0	-

Victoria	Result	Target FFT 50
Achieved standard in Reading, Writing and Maths	44%	40%
Progress - Reading	-1.9	-
Progress - Writing	-1.8	-
Progress - Maths	-1.4	-

Firbeck	Result	Target FFT 50
Achieved standard in Reading, Writing and Maths	23%	47%
Progress - Reading	-2.5	-
Progress - Writing	-0.7	-
Progress - Maths	-2.6	-

Westdale	Result	Target FFT 50
Achieved standard in Reading, Writing and Maths	75%	75%
Progress - Reading	-1.9	-
Progress - Writing	-1.8	-
Progress - Maths	-1.4	-

- 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.
- The trust has expanded this year and has taken on academies which have had financial deficits. This has presented the trust with financial challenges but work is in progress to restructure the trust's academies and reduce costs with the aim of balancing budgets and building reserves. Financial control has been a key area of focus and the trust has a financial strategy in place which will deliver financial stability and allow the trust to continue to grow and deliver high achievement.

##### 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 17.

The deficit in the Local Government Pension Scheme (LGPS) of £15,329,000 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.

**Nova Education Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2018**

**STRATEGIC REPORT**  
**Financial review - Continued**

**Reserves Policy**

The trust, in conjunction with the Audit, 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. The financial positions of the schools which joined the Trust during the year have impacted on the trust's total reserves. Plans are in place to build up reserves to a prudent level over the medium term. This will be achieved by the restructuring of school staffing establishments and by reducing other costs.

At 31 August 2018 the net book value of fixed assets was £135,182,000 which includes the value of fixed assets which were transferred as part of the academy conversions. The year end balances on restricted funds and unrestricted funds (free reserves) were £57,000 and £344,000 surplus respectively.

**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 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 weekly 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 being 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.

**Nova Education Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2018**

**STRATEGIC REPORT**

**Principal risks and uncertainties - Continued**

- 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 Manager. 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.

**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 Limited are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout 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 2018, 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	Mr J Mills Mr R Flewitt Mr K S Ghattaora Mr A Goddard Mrs S Macdougall Mrs J White Mr M R Auty QC Mr A Woods OBE Mrs M Lawson	Up to 10 Trustees	Appointed by Members	50
CEO	Mr J Tomasevic (CEO)		Appointed by members	57
Staff Co-opted Directors	Mr A Rahman (Vice CEO) Mr C James (Executive Headteacher) Mr D A Hooker	No more than one third (including the CEO) of total number of Trustees	Appointed by Directors	58 50B
Other Directors	Prof. C J Hall Mr B Stein Mr J Saunders	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

**Nova Education Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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.

**Organisational Structure**

With the exception of the Chair of the trustees, the Members are not directors of the trust. Two members resigned during the year and four new members were appointed in September 2017.

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 Executive Committee staff are subject to approval of 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 spend on trade union activities during the period 1st April 2017 to 31st March 2018.

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 balance way.

**Nova Education Trust**

**Report of the Trustees**  
**For The Year Ended 31 August 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - Continued**

Table 1 - Relevant Union Officials

Number of employees who were relevant union officials during the period	9
Full-time equivalent employee number	8.07

Table 2 - Percentage of time spent on facility time

Percentage of time	Number of employees
0%	8
1-50%	1
51-99%	0
100%	0

Table 3 - Percentage of pay bill spent on facility time

Total cost of facility time	£1,860
Total pay bill	£30.7 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 Nottingham University Academy of Science and Technology (NUAST) and the Djanogly City Academy. The University of Nottingham is the sponsor of NUAST and is therefore a related party to the trust.

**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.

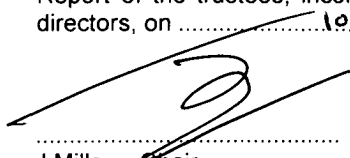
The Trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development 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 .....10/12/2018..... and signed on the board's behalf by:

  
.....  
J Mills - Chair

## Nova Education Trust

### Governance Statement For The Year Ended 31 August 2018

#### **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 have 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:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mr J Tomasevic	4	4
Mr J Mills	4	4
Mr R Flewitt	2	4
Mr A Rahman	4	4
Mr C James	4	4
Mr D Hooker	4	4
Mrs S Macdougall	4	4
Mrs J White	3	4
Mr A Woods	1	4
Mr K Ghattaora	2	4
Mr A Goddard	3	4
Prof C Hall	1	3
Mr M Auty	2	4
Mr B Stein	4	4
Mr J Saunders (appointed 01/04/18)	1	1
Mrs M Lawson (appointed 03/12/18)	0	0

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.

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

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mr J Tomasevic	7	7
Mr J Mills	6	7
Mr A Woods	4	7
Mr K Ghattaora	0	5
Mr A Goddard	4	7
Mr B Stein	5	5

The purpose of the Audit, 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.

**Nova Education Trust**  
**Governance Statement**  
**For The Year Ended 31 August 2018**

**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
- 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 in consultation with the Audit, Finance & Operations Committee how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Appointing new posts to the Central Services Finance Team to support strong financial control and the achievement of value for money across the trust.
- Implementing a procurement policy which sets out requirements for market testing and value for money in the procurement of goods and services.
- Restructuring schools to deliver balanced budgets for 2017/18 and beyond.

As Accounting Officer for the Nova Education Trust there is an on-going focus in ensuring that the Trust provides value for money in respect of funds received. This scrutiny has been undertaken by the trust board and executive leaders of the trust. Future focus will be on trust-wide procurement aimed at delivering efficiencies and cost savings.

**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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

The multi-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 Audit, 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.

**Nova Education Trust**

**Governance Statement**  
**For The Year Ended 31 August 2018**

**The Risk and Control Framework - Continued**

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, Finance & Operations Committee in September 2018.


**Review of Effectiveness**

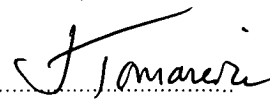
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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, Finance & Operations 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 10/12/2018 and signed on its behalf by:

  
.....  
J Mills - Chair

  
.....  
Mr J Tomasevic - Accounting Officer

**Nova Education Trust**

**Statement on Regularity, Propriety and Compliance**  
**For The Year Ended 31 August 2018**

As accounting officer of Nova Education Trust I have considered my responsibility to notify the charitable company 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 charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2017.

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

  
.....  
Mr J Tomasevic - Accounting Officer

Date: 10/12/2018 .....

**Nova Education Trust**

**Statement of Trustees Responsibilities**  
**For The Year Ended 31 August 2018**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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, of the charitable company for that period. In preparing those 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 2017 to 2018;
- 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 10/12/2018 and signed on its behalf by:

  
Trustee

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

### **Opinion**

We have audited the financial statements of Nova Education Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2017 to 2018 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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 Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and Report of the Trustees.

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 Trustees Responsibility Statement, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company 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](http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company'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

Date: 13/12/2018

**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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

**Approach**

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

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

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

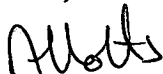
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

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

**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 2017 to 31 August 2018 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

Date: 13/12/2018

**Nova Education Trust**

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For The Year Ended 31 August 2018**

		Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total 2018 funds £'000	Total 2017 funds £'000
	Notes					
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	3	2	345	1,595	1,942	1,261
Donations - transfers into the Trust	29	353	(2,958)	57,749	55,144	41,277
<b>Charitable activities</b>						
Funding for the academy's educational operations	4	-	39,005	-	39,005	25,291
Teaching schools	30	-	46	-	46	86
Other trading activities	5	1,086	204	-	1,290	1,140
Investment income	6	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>4</u>
<b>Total</b>		<b>1,448</b>	<b>36,642</b>	<b>59,344</b>	<b>97,434</b>	<b>69,059</b>
<b>EXPENDITURE ON</b>						
Raising funds		655	-	-	655	667
<b>Charitable activities</b>						
Academy's educational operations		-	41,865	3,220	45,085	30,017
Teaching schools	30	<u>-</u>	<u>46</u>	<u>-</u>	<u>46</u>	<u>86</u>
<b>Total</b>	7	<b>655</b>	<b>41,911</b>	<b>3,220</b>	<b>45,786</b>	<b>30,770</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>793</b>	<b>(5,269)</b>	<b>56,124</b>	<b>51,648</b>	<b>38,289</b>
<b>Transfers between funds</b>	23	<b>(449)</b>	<b>931</b>	<b>(482)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>4,371</u>	<u>-</u>	<u>4,371</u>	<u>188</u>
<b>Net movement in funds</b>		<b>344</b>	<b>33</b>	<b>55,642</b>	<b>56,019</b>	<b>38,477</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>-</b>	<b>(15,305)</b>	<b>80,544</b>	<b>65,239</b>	<b>26,762</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>344</u></b>	<b><u>(15,272)</u></b>	<b><u>136,186</u></b>	<b><u>121,258</u></b>	<b><u>65,239</u></b>

The notes form part of these financial statements

**Balance Sheet**  
**At 31 August 2018**

	Notes	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Tangible assets	14	135,182	79,982
<b>CURRENT ASSETS</b>			
Stocks	15	113	90
Debtors	16	1,860	1,356
Cash at bank and in hand		<u>2,985</u>	<u>1,407</u>
		4,958	2,853
<b>CREDITORS</b>			
Amounts falling due within one year	17	(3,316)	(2,322)
<b>NET CURRENT ASSETS</b>		<u>1,642</u>	<u>531</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		136,824	80,513
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(237)	-
<b>PENSION LIABILITY</b>	24	(15,329)	(15,274)
<b>NET ASSETS</b>		<u>121,258</u>	<u>65,239</u>
<b>FUNDS</b>	23		
Unrestricted funds:			
General fund		344	-
Restricted funds:			
General fund		57	(31)
Pension reserve		(15,329)	(15,274)
Fixed Asset fund		<u>136,186</u>	<u>80,544</u>
		120,914	65,239
<b>TOTAL FUNDS</b>		<u>121,258</u>	<u>65,239</u>

The financial statements were approved by the Board of Trustees on 10/12/2018 and were signed on its behalf by:

  
.....  
J Mills - Chair

**Nova Education Trust**

**Cash Flow Statement**  
**For The Year Ended 31 August 2018**

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(458)	96
Interest paid		<u>(16)</u>	<u>(3)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(474)</u>	<u>93</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(716)	(347)
Capital grants from DfE Group		1,595	1,011
Interest received		<u>7</u>	<u>4</u>
<b>Net cash provided by (used in) investing activities</b>		<u>886</u>	<u>668</u>
<b>Cash flows from financing activities:</b>			
New loans in year		<u>316</u>	<u>-</u>
<b>Net cash provided by (used in) financing activities</b>		<u>316</u>	<u>-</u>
<b>Cash transferred on conversion to an academy</b>	29	<u>850</u>	<u>97</u>
<b>Change in cash and cash equivalents in the reporting period</b>		1,578	858
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,407</u>	<u>549</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>2,985</u></u>	<u><u>1,407</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 2018**

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

	2018	2017
	£'000	£'000
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	51,648	38,289
<b>Adjustments for:</b>		
Depreciation	3,220	1,793
Capital grants from DfE Group	(1,595)	(1,011)
Transfer from Local Authority on conversion	(55,144)	(41,277)
Interest received	(7)	(4)
Interest paid	16	3
Increase in stocks	(23)	(2)
Increase in debtors	(334)	(440)
(Decrease)/increase in creditors	(195)	1,627
Difference between pension charge and cash contributions	<u>1,956</u>	<u>1,118</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(458)</u>	<u>96</u>

**Notes to the Financial Statements**  
**For The Year Ended 31 August 2018**

**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 2017 to 2018 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 2018**

**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 £1,000 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.

**Stocks**

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

## **Nova Education Trust**

### **Notes to the Financial Statements - continued** **For The Year Ended 31 August 2018**

#### **2. ACCOUNTING POLICIES - continued**

##### **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.

##### **Transfer on conversion**

The conversion from a state maintained school to an academy within the academy trust involved 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 has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the academy trust have been valued at the fair value. The fair value has been derived based on that of equivalent items. The amounts have been 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 2018

#### 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Donations	2	345	347	250
Grants	-	1,595	1,595	1,011
	<u>2</u>	<u>1,940</u>	<u>1,942</u>	<u>1,261</u>

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

	2018 £'000	2017 £'000
Capital grants	<u>1,595</u>	<u>1,011</u>

#### 4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Grants	-	37,839	37,839	24,594
Catering income	-	680	680	371
Trips	-	486	486	326
	<u>-</u>	<u>39,005</u>	<u>39,005</u>	<u>25,291</u>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

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

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	33,697	33,697	21,657
Other DfE group grants	-	<u>2,232</u>	<u>2,232</u>	<u>2,036</u>
	-	35,929	35,929	23,693
<b>Other government grant</b>				
Local authority grants	-	1,035	1,035	651
Other grants	-	<u>875</u>	<u>875</u>	<u>250</u>
	-	<u>1,910</u>	<u>1,910</u>	<u>901</u>
	-	<u>37,839</u>	<u>37,839</u>	<u>24,594</u>

**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Rental income	204	-	204	79
Staff cover insurance	-	7	7	(3)
Other events and activities	14	12	26	64
Books, uniforms etc	54	142	196	124
Placements	-	-	-	9
Consultancy	195	-	195	368
Other services	158	15	173	45
Sundry income	<u>461</u>	<u>28</u>	<u>489</u>	<u>454</u>
	<u>1,086</u>	<u>204</u>	<u>1,290</u>	<u>1,140</u>

**6. INVESTMENT INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Interest	<u>7</u>	<u>-</u>	<u>7</u>	<u>4</u>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**7. EXPENDITURE**

				2018	2017
	Staff costs	Non-pay expenditure		Total	Total
	£'000	Premises	Other costs	£'000	£'000
		£'000	£'000		
<b>Raising funds</b>					
<b>Costs incurred by trading for a fundraising purpose</b>					
Direct costs	480	14	161	655	667
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	25,491	2,401	3,625	31,517	20,685
Allocated support costs	<u>7,563</u>	<u>3,046</u>	<u>2,959</u>	<u>13,568</u>	<u>9,332</u>
	33,534	5,461	6,745	45,740	30,684
Teaching schools	<u>46</u>	-	-	<u>46</u>	<u>86</u>
	<u>33,580</u>	<u>5,461</u>	<u>6,745</u>	<u>45,786</u>	<u>30,770</u>

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

	2018	2017
	£'000	£'000
Auditors' remuneration	52	70
Other non-audit services	23	9
Depreciation - owned assets	3,220	1,793
Operating leases - Others	168	132
Operating leases - Land & buildings	<u>177</u>	<u>133</u>

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted	Restricted	2018	2017
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
<b>Direct costs</b>	-	31,517	31,517	20,685
<b>Support costs</b>	<u>-</u>	<u>13,568</u>	<u>13,568</u>	<u>9,332</u>
	<u>-</u>	<u>45,085</u>	<u>45,085</u>	<u>30,017</u>

	2018	2017
	Total	Total
	£'000	£'000
<b>Analysis of support costs</b>		
Support staff costs	7,563	4,972
Technology costs	436	357
Premises costs	3,046	2,161
Other support costs	2,445	1,762
Governance costs	<u>78</u>	<u>80</u>
<b>Total support costs</b>	<u>13,568</u>	<u>9,332</u>

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**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 £260,000 - £265,000 (2017: £260,000 - £265,000)

Employer's pension contributions £nil (2017: £nil)

A Rahman (Vice CEO and staff trustee)

Remuneration £145,000 - £150,000 (2017: £140,000 - £145,000)

Employer's pension contributions £20,000 - £25,000 (2017: £20,000 - £25,000)

D Hooker (staff trustee)

Remuneration £20,000 - £25,000 (2017: £10,000 - £15,000)

Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000)

C James (staff trustee)

Remuneration £120,000 - £125,000 (2017: £120,000 - £125,000)

Employer's pension contributions £20,000 - £25,000 (2017: £15,000 - £20,000)

**Trustees' expenses**

During the year ended 31 August 2018, travel and subsistence expenses totalling £7,884 (2017 - £5,592) were reimbursed or paid directly to 4 trustees (2017 - 2).

**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 2018**

**10. STAFF COSTS**

	2018	2017
	£'000	£'000
Wages and salaries	24,526	16,389
Social security costs	2,511	1,612
Pension costs	<u>5,803</u>	<u>3,708</u>
	32,840	21,709
Supply teacher costs	662	745
Staff restructuring costs	<u>78</u>	<u>142</u>
	<u>33,580</u>	<u>22,596</u>
	2018	2017
	£'000	£'000
Staff restructuring costs comprise:		
Redundancy payments	56	103
Severance payments	<u>22</u>	<u>39</u>
	<u>78</u>	<u>142</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,200 (2017: £38,685). Individually the payments were: £6,200 made on 22 February 2018 and £1,000 made on 22 February 2018.

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

	2018	2017
Teachers and Educational support	528	407
Administration and support	364	334
Management	<u>64</u>	<u>50</u>
	<u>956</u>	<u>791</u>

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

	2018	2017
	No.	No.
£60,001 - £70,000	10	5
£70,001 - £80,000	4	4
£80,001 - £90,000	-	1
£90,001 - £100,000	5	-
£120,001 - £130,000	1	1
£140,001 - £150,000	1	1
£260,001 - £270,000	1	1
	<u>22</u>	<u>13</u>

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 £1,192,903 (2017: £656,763).

**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 2018 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 2018**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	250	1,011	1,261
Donations - transfers into the Trust	647	(8,732)	49,362	41,277
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	25,291	-	25,291
Teaching schools	-	86	-	86
Other trading activities	842	298	-	1,140
Investment income	4	-	-	4
<b>Total</b>	<b>1,493</b>	<b>17,193</b>	<b>50,373</b>	<b>69,059</b>
<b>EXPENDITURE ON</b>				
Raising funds	667	-	-	667
<b>Charitable activities</b>				
Academy's educational operations	-	28,224	1,793	30,017
Teaching schools	-	86	-	86
<b>Total</b>	<b>667</b>	<b>28,310</b>	<b>1,793</b>	<b>30,770</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>826</b>	<b>(11,117)</b>	<b>48,580</b>	<b>38,289</b>
<b>Transfers between funds</b>	<b>(1,388)</b>	<b>1,562</b>	<b>(174)</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	188	-	188
<b>Net movement in funds</b>	<b>(562)</b>	<b>(9,367)</b>	<b>48,406</b>	<b>38,477</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>562</b>	<b>(5,938)</b>	<b>32,138</b>	<b>26,762</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>-</b>	<b>(15,305)</b>	<b>80,544</b>	<b>65,239</b>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**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:

	2018	2017
	£'000	£'000
Toot Hill School	479	452
Meden Comprehensive School	177	185
Birklands Primary School	35	32
Nottingham Free School	73	51
Victoria Primary School	72	64
Newark Academy	55	158
Firbeck Academy	45	-
Nottingham University Samworth Academy	232	188
Robert Miles Infant School	20	-
Nottingham University Academy of Science and Technology	36	-
Westdale Junior School	41	-
The Garibaldi School	36	-
The Suthers School	25	-
Melton Vale Sixth Form College	87	-
	<u>1,413</u>	<u>1,131</u>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**14. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Improvements to property £'000
<b>COST</b>			
At 1 September 2017	17,344	58,430	6,725
Additions	338	-	32
Transfer on conversion	<u>15,695</u>	<u>41,105</u>	<u>-</u>
At 31 August 2018	<u>33,377</u>	<u>99,535</u>	<u>6,757</u>
 <b>DEPRECIATION</b>			
At 1 September 2017	1,525	1,593	740
Charge for year	<u>399</u>	<u>2,002</u>	<u>270</u>
At 31 August 2018	<u>1,924</u>	<u>3,595</u>	<u>1,010</u>
 <b>NET BOOK VALUE</b>			
At 31 August 2018	<u>31,453</u>	<u>95,940</u>	<u>5,747</u>
At 31 August 2017	<u>15,819</u>	<u>56,837</u>	<u>5,985</u>
	Furniture and Fixtures £'000	Plant and Equipment £'000	Totals £'000
<b>COST</b>			
At 1 September 2017	1,415	1,276	85,190
Additions	54	292	716
Transfer on conversion	<u>609</u>	<u>295</u>	<u>57,704</u>
At 31 August 2018	<u>2,078</u>	<u>1,863</u>	<u>143,610</u>
 <b>DEPRECIATION</b>			
At 1 September 2017	501	849	5,208
Charge for year	<u>241</u>	<u>308</u>	<u>3,220</u>
At 31 August 2018	<u>742</u>	<u>1,157</u>	<u>8,428</u>
 <b>NET BOOK VALUE</b>			
At 31 August 2018	<u>1,336</u>	<u>706</u>	<u>135,182</u>
At 31 August 2017	<u>914</u>	<u>427</u>	<u>79,982</u>

**15. STOCKS**

	2018 £'000	2017 £'000
Books and planners	9	9
Clothing	<u>104</u>	<u>81</u>
	<u>113</u>	<u>90</u>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£'000	£'000
Trade debtors	358	339
Other debtors	61	80
VAT recoverable	263	135
Prepayments and accrued income	<u>1,178</u>	<u>802</u>
	<u><u>1,860</u></u>	<u><u>1,356</u></u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£'000	£'000
Other loans (see note 19)	79	-
Trade creditors	643	511
Taxation and social security	479	95
Other creditors	586	392
Accruals and deferred income	<u>1,529</u>	<u>1,324</u>
	<u><u>3,316</u></u>	<u><u>2,322</u></u>

	2018	2017
	£'000	£'000
<b>Deferred income</b>		
Deferred Income at 1 September 2017	442	117
Resources deferred in the year	690	442
Amounts released from previous years	<u>(442)</u>	<u>(117)</u>
Deferred Income at 31 August 2018	<u><u>690</u></u>	<u><u>442</u></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**

	2018	2017
	£'000	£'000
Other loans (see note 19)	<u>237</u>	<u>-</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	2018	2017
	£'000	£'000
Amounts falling due within one year on demand:		
Other loans	<u>79</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>79</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>158</u>	<u>-</u>

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

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**20. LEASING AGREEMENTS**

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

	2018	2017
	£'000	£'000
Within one year	283	295
Between one and five years	797	618
In more than five years	<u>2,800</u>	<u>2,933</u>
	<u>3,880</u>	<u>3,846</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	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>-</u>	<u>(15,329)</u>	<u>-</u>	<u>(15,329)</u>
	<u>344</u>	<u>(15,272)</u>	<u>136,186</u>	<u>121,258</u>

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

	Unrestricted fund	Restricted funds	Fixed Asset Fund £'000	2017 Total funds £'000
Fixed assets	-	-	79,982	79,982
Current assets	-	2,085	768	2,853
Current liabilities	-	(2,116)	(206)	(2,322)
Pension liability	<u>-</u>	<u>(15,274)</u>	<u>-</u>	<u>(15,274)</u>
	<u>-</u>	<u>(15,305)</u>	<u>80,544</u>	<u>65,239</u>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**23. MOVEMENT IN FUNDS**

	Balance 01.09.17 £'000	Incoming Resources £'000	Resourced Expended £'000	Gains, losses and transfers £'000	Balance 31.08.18 £'000
<b>Restricted general funds</b>					
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>
<b>Restricted fixed asset funds</b>					
Transferred 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>
<b>Total restricted funds</b>	<u>65,239</u>	<u>95,986</u>	<u>(45,131)</u>	<u>4,820</u>	<u>120,914</u>
<b>Unrestricted funds</b>	<u>-</u>	<u>1,448</u>	<u>(655)</u>	<u>(449)</u>	<u>344</u>
<b>Total funds</b>	<u>65,239</u>	<u>97,434</u>	<u>(45,786)</u>	<u>4,371</u>	<u>121,258</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, UIFSM, Early Years Funding, Mansfield Area Partnership grant, Special Revenue 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, The Suthers School and Nottingham University Academy of Science and Technology, Devolved Formula Capital, School Condition Allocation and Temporary Accommodation grant.

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.

The transfer from the unrestricted fund represents unrestricted money utilised in the running of the school.

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

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**23. MOVEMENT IN FUNDS - continued**

**Total funds analysis by academy**

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000	2017 £'000
Toot Hill School	478	202
Meden Comprehensive School	(147)	(26)
Birklands Primary School	5	(41)
Nottingham Free School	(48)	(97)
Victoria Primary School	198	108
Newark Academy	(128)	60
Firbeck Academy	49	22
Nottingham University Samworth Academy	(164)	(259)
Robert Miles Infant School	84	-
Nottingham University Academy of Science and Technology	45	-
Westdale Junior School	108	-
The Garibaldi School	329	-
The Suthers School	77	-
Melton Vale Sixth Form College	(168)	-
Central Services	(317)	-
Total before fixed assets and pension reserve	401	(31)
Restricted fixed asset fund	136,186	80,544
Pension reserve	(15,329)	(15,274)
Total	<u>121,258</u>	<u>65,239</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	2018 Total £'000	2017 Total £'000
Toot Hill School	6,784	1,731	143	1,795	10,453	13,085
Meden Comprehensive School	2,781	674	120	871	4,446	4,530
Birklands Primary School	662	140	29	193	1,024	854
Nottingham Free School	1,460	386	75	615	2,536	2,070
Victoria Primary School	1,237	218	33	345	1,833	1,686
Newark Academy	2,243	870	59	780	3,952	3,790
Firbeck Academy	1,102	248	32	222	1,604	631
Nottingham University Samworth Academy	3,778	898	62	1,027	5,765	2,331
Robert Miles Infant School	610	140	32	138	920	-
Nottingham University Academy of Science and Technology	621	105	23	195	944	-
Westdale Junior School	669	114	36	207	1,026	-
The Garibaldi School	2,145	700	67	622	3,534	-
The Suthers School	257	47	17	88	409	-
Melton Vale Sixth Form College	1,002	368	24	303	1,697	-
Central services	666	924	5	828	2,423	-
Academy Trust	<u>26,017</u>	<u>7,563</u>	<u>757</u>	<u>8,229</u>	<u>42,566</u>	<u>28,977</u>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**23. MOVEMENT IN FUNDS - continued**

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

	Balance 01.09.16 £'000	Incoming Resources £'000	Resourced Expended £'000	Gains, losses and transfers £'000	Balance 31.08.17 £'000
<b>Restricted general funds</b>					
General annual grant (GAG)	284	21,657	(23,257)	1,191	(125)
Pupil Premium	-	1,143	(1,143)	-	-
Other grants	-	1,794	(1,721)	-	73
Activities for generating funds	11	995	(985)	-	21
Donation	-	250	-	(250)	-
Teaching school	-	86	(86)	-	-
Restricted funds transferred in	-	(621)	-	621	-
Restricted pension reserve	(6,233)	(8,111)	(1,118)	188	(15,274)
	<u>(5,938)</u>	<u>17,193</u>	<u>(28,310)</u>	<u>1,750</u>	<u>(15,305)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	21,356	49,362	(1,203)	(31)	69,484
DfE Group capital grants	9,830	911	(485)	(92)	10,164
Capital expenditure from GAG	896	-	(95)	8	809
Unrestricted	30	-	(6)	-	24
Other grants	26	100	(4)	(59)	63
	<u>32,138</u>	<u>50,373</u>	<u>(1,793)</u>	<u>(174)</u>	<u>80,544</u>
<b>Total restricted funds</b>	<u>26,200</u>	<u>67,566</u>	<u>(30,103)</u>	<u>1,576</u>	<u>65,239</u>
<b>Total unrestricted funds</b>	<u>562</u>	<u>1,493</u>	<u>(667)</u>	<u>(1,388)</u>	<u>-</u>
<b>Total funds</b>	<u>26,762</u>	<u>69,059</u>	<u>(30,770)</u>	<u>188</u>	<u>65,239</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 £520,488 were payable to the schemes at 31 August 2018 (2017: £76,612) 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 2018**

**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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £2,689,000 (2017: £1,859,000).

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 2018 was £1,535,000 (2017: £974,000), of which employer's contributions totalled £1,158,000 (2017: £731,000) and employees' contributions totalled £377,000 (2017: £243,000). The agreed contribution rates for future years is 18.3% and 24.3% 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Present value of funded obligations	(33,201)	(28,158)
Fair value of plan assets	<u>17,872</u>	<u>12,884</u>
	<u>(15,329)</u>	<u>(15,274)</u>
Deficit	<u>(15,329)</u>	<u>(15,274)</u>
Liability	<u>(15,329)</u>	<u>(15,274)</u>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**24. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

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

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Current service cost	2,666	1,571
Net interest from net defined benefit asset/liability	444	264
Past service cost	-	11
Administration costs	<u>4</u>	<u>3</u>
	<u>3,114</u>	<u>1,849</u>
Actual return on plan assets	<u>1,063</u>	<u>658</u>

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

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
At 1 September	28,158	11,454
Current service cost	2,666	1,571
Past service cost	-	11
Employee contributions	377	243
Interest cost	858	485
Actuarial (gain) / loss	(3,722)	249
Benefits paid	(263)	(162)
Inherited on conversion/ transferred in academies	<u>5,127</u>	<u>14,307</u>
	<u>33,201</u>	<u>28,158</u>

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

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
At 1 September	12,884	5,221
Employer contributions	1,158	731
Employee contributions	377	243
Expected return on assets	414	221
Actuarial gain / (loss)	649	437
Benefits paid	(263)	(162)
Inherited on conversion/ transferred in academies	2,657	6,196
Administration costs	<u>(4)</u>	<u>(3)</u>
	<u>17,872</u>	<u>12,884</u>

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

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Asset gains/(losses)	649	437
Liability gains/ (losses)	<u>3,722</u>	<u>(249)</u>
	<u>4,371</u>	<u>188</u>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**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	
	2018	2017
	£'000	£'000
Equities	11,469	8,518
Property	2,399	1,503
Government Bonds	854	411
Other Bonds	1,718	1,552
Cash	332	271
Inflation linked pooled fund	490	318
Infrastructure	610	311
	<u>17,872</u>	<u>12,884</u>

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

	2018	2017
Rate of increase in salaries	2.7%	2.6%
Pension increases	2.3%	2.7%
Salary increases	3.8%	4.2%
Inflation assumption (CPI)	2.3%	2.7%
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 2018	At 31 August 2017
Retiring today		
Males	22.7	22.6
Females	25.5	25.5
Retiring in 20 years		
Males	24.8	24.8
Females	27.9	27.9

**Sensitivity Analysis**

	At 31 August 2018	At 31 August 2017
	£'000	£'000
Discount rate +0.1%	32,356	27,445
Discount rate -0.1%	34,070	28,888
Mortality assumption - 1 year increase	34,232	29,092
Mortality assumption - 1 year decrease	32,202	27,254
CPI rate +0.1%	33,952	28,781
CPI rate -0.1%	32,471	27,553

**25. CONTINGENT LIABILITIES**

A legal claim was intimated against the Trust during last year 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. The claim received was insufficiently clear to enable a more precise estimate of the financial effect of the claim (if any) to be made at the year end.

The Trust, through its solicitors, was refuting the claim in its entirety, did not accept that there has been a breach of contract and therefore did not accept that any compensation was owed to the claimant.

Since the year end the Trust has agreed to a settlement figure of £150,000. This does not meet the criteria for a post balance sheet adjusting event and has therefore not been reflected in these financial statements.

## Nova Education Trust

### Notes to the Financial Statements - continued For The Year Ended 31 August 2018

#### **26. CAPITAL COMMITMENTS**

	2018	2017
	£'000	£'000
Contracted but not provided for in the financial statements	<u>-</u>	<u>313</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 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) is principal of an academy within the trust:

- The trust charged DLT £168,386 for educational support services (2017: £171,678). At 31 August 2018 £166,969 was outstanding (2017: £41,808).
- As part of an existing agreement with DLT the trust was charged £62,530 by DLT for educational services (2017: £NIL). At 31 August 2018 £61,297 was outstanding (2017: £NIL).
- 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 £168 to the University for re-imbursment of travel expenses and a teacher placement visit (2017: £NIL). There were no amounts outstanding at 31 August 2018 (2017: £NIL).
- The University charged £97,275 for education support services, tuition fees and providing training courses for the trust's members of staff (2017: £277,400). At 31 August 2018 £64 was outstanding (2017: £NIL).
- The University donated £345,000 to the trust to clear the funds deficit transferred in by one of the academies that joined the trust in the year.
- The trust leases property from UNIP Management Limited, a subsidiary of University of Nottingham. During the year rental payments amounted to £44,142 (2017: £14,000). There were no amounts outstanding at 31 August 2018 (2017: £NIL).

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:

- The trust charged £109,088 to the academy for educational support services (2017: £21,752). 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 (2017: £227,752).
- The academy charged the trust £150 for educational services (2017: £1,780). There were no amounts outstanding at 31 August 2018 (2017: £NIL).

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.

#### **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 2018 the academy trust received £68,027 and distributed £29,089 from the fund. The amount included in other creditors relating to undistributed funds that is repayable to ESFA was £nil.

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**29. DONATIONS - TRANSFERS INTO THE TRUST**

New schools joined the Trust during the year as follows:

<b>School</b>	<b>Date joined</b>	<b>Type</b>	<b>Predecessor Body</b>
Robert Miles Infant School	01/10/2017	Primary	Local authority
Nottingham University Academy of Science and Technology	01/04/2018	Secondary	Single academy
Westdale Junior School	01/10/2017	Primary	Local authority
The Garibaldi School	01/10/2017	Secondary	Local authority
Melton Vale Sixth Form College	01/10/2017	16 plus	Belvoir and Melton Academy Trust

All their operations and assets and liabilities were transferred to the Trust from their predecessor bodies 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
<b>Robert Miles Infant School</b>				
Leasehold land and buildings	-	-	2,180	2,180
Other tangible fixed assets	-	-	17	17
Other identified assets and liabilities	88	-	8	96
LGPS pension deficit	-	(375)	-	(375)
<b>Net assets</b>	<b>88</b>	<b>(375)</b>	<b>2,205</b>	<b>1,918</b>

	Unrestricted fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
<b>Nottingham University Academy of Science and Technology</b>				
Freehold land and buildings (See below)	-	-	15,695	15,695
Other tangible fixed assets	-	-	705	705
Other identified assets and liabilities	30	(201)	-	(171)
LGPS pension deficit	-	(112)	-	(112)
<b>Net assets</b>	<b>30</b>	<b>(313)</b>	<b>16,400</b>	<b>16,117</b>

	Unrestricted fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
<b>Westdale Junior School</b>				
Leasehold land and buildings	-	-	4,610	4,610
Other tangible fixed assets	-	-	25	25
Other identified assets and liabilities	134	-	5	139
LGPS pension deficit	-	(252)	-	(252)
<b>Net assets</b>	<b>134</b>	<b>(252)</b>	<b>4,640</b>	<b>4,522</b>

**Nova Education Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**DONATIONS - TRANSFERS INTO THE TRUST - Continued**

	Unrestricted fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
<b>The Garibaldi School</b>				
Leasehold land and buildings	-	-	18,695	18,695
Other tangible fixed assets	-	-	151	151
Other identified assets and liabilities	101	-	32	133
LGPS pension deficit	-	(860)	-	(860)
<b>Net assets</b>	<u>101</u>	<u>(860)</u>	<u>18,878</u>	<u>18,119</u>
<b>Melton Vale Sixth Form College</b>				
Leasehold land and buildings (See below)	-	-	15,620	15,620
Other tangible fixed assets	-	-	6	6
Other identified assets and liabilities	-	(287)	-	(287)
LGPS pension deficit	-	(871)	-	(871)
<b>Net assets</b>	<u>-</u>	<u>(1,158)</u>	<u>15,626</u>	<u>14,468</u>
<b>Total</b>	<u>353</u>	<u>(2,958)</u>	<u>57,749</u>	<u>55,144</u>

There following fair value adjustments were made to the values reported by the transferring schools:

	Value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
<b>Nottingham University Academy of Science and Technology</b>			
Freehold land and buildings	8,795	6,900	15,695
<b>Melton Vale Sixth Form College</b>			
Leasehold land and buildings	11,233	4,387	15,620

**30. TEACHING SCHOOL TRADING ACCOUNT**

	2017/18 £'000	2016/17 £'000
<b>Income</b>		
<b>Direct Income</b>		
Other income	<u>46</u>	<u>86</u>
<b>Total Income</b>	46	86
<b>Expenditure</b>		
<b>Direct costs</b>		
Staff costs	<u>46</u>	<u>86</u>
<b>Total direct costs</b>	<u>46</u>	<u>86</u>
<b>Total Expenditure</b>	(46)	(86)
Transfers between funds excluding depreciation	-	-
<b>Surplus/(Deficit) from all sources</b>	-	-
<b>Teaching School balances at 01.09.17</b>	-	-
<b>Teaching School balances at 31.08.18</b>	<u>-</u>	<u>-</u>