Company Registration Number: 07708713

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on the Financial Statements	17 - 19
Independent Reporting Accountant's Assurance Report on Regularity	20 - 21
Statement of Financial Activities Incorporating Income and Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 - 45

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

Members	J Rolph M R Hosking Rev Canon K Herrod K A Mitford Rt Rev A Porter Bishop of Sherwood N Spraggins
Trustees	K A Mitford, Chair C B Pickering, Chief Executive Officer S W Jones, Principal C M Ball K E T Cowley J K Eastwood Rev Canon K Herrod (resigned 17 September 2017) A Johnson A D Newton (resigned 10 December 2016) C A Parker (resigned 1 October 2017) W Pearson, Responsible Officer (resigned 25 July 2017) S A Tilford C Dean Dr L Nicolls J Oldfield A Thornton, Staff Trustee (resigned 25 July 2017) E Greaves, Staff Trustee B Marshall H M James (appointed 4 September 2017) M J Jobling (appointed 1 September 2017) Rev J S Pacey (appointed 10 October 2017) A V Harmston-Hall (appointed 19 November 2017) L M Allen (appointed 19 November 2017)
Company registered number	07708713
Company name	The National Church of England Academy Trust
Principal and registered office	Annesley Road Hucknall Nottinghamshire NG15 7DB
Company secretary	A Elway
Senior management team	S W Jones, Executive Principal M Jobling, Principal of Academy J Heath, Deputy Principal L Mosley, Chief Finance Officer D Clinton, Acting Chief Executive Officer & Accounting Officer
Independent auditors	Smith Cooper 2 Lace Market Square Nottingham NG1 1PB

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Bankers	Lloyds Bank 37 Castlegate Newark NG24 1BD
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Trust operates one secondary Academy in Nottinghamshire for the age range of 11 to 19. Its Academy has a pupil capacity of 1,200 and had a roll of 1,061 in the school census in October 2016. The Academy also now uses the Hucknall Sixth Form Centre as an additional site facility which has a pupil capacity of 200 and had a roll of 145 in the school census in October 2016.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee (registration number 07708713) and an exempt charity.

The charitable company's Memorandum and Articles of Association is the primary governing document of the Academy trust.

The Trustees of The National Church of England Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The National Church of England Academy Trust ("NCEAT").

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of Trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act of omission which the Trustees knew to be a breach of Trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of Trust or beach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust. The Trust insurance indemnifies the Trustees. This policy is available for inspection on request.

d. Method of recruitment and appointment or election of Trustees

The Trustees, who are also the Directors, are appointed under the terms of the Trust's Articles of Association and the Academy seeks to recruit Trustees / Governors across a broad spectrum so that it represents the community it resides in and as such has divided its membership accordingly as follows:

The Principal (Executive Principal) will be appointed in an ex-officio role

The Diocese of Nottingham & Southwell - the diocese has the right to nominate 12 Governors (one incumbent, six Diocesan Board of Finance, 5 Parochial Church Council)

Staff Governors - the constitution of the Academy states that the Governing Body will have 3 staff governors who will be elected by staff ballot to serve a term of 4 years.

Parent Governors - the constitution equally makes provision for 3 parental representatives; these are again elected by a ballot of parents.

Diverse Academies Trust may appoint 2 representatives

Other Governors - the Governing Body (The Trustees) recognises that it now required a wider skills mix to ensure that it has the expertise to deal with the increased demands on it following Academy conversion and has therefore looked to recruit external Governors with differing skills. These Governors are appointed to serve for terms of 4 years.

The Governing Body reviews the skills mix that it currently has and will therefore look to recruit external governors with specific skills where shortages are identified.

e. Policies and procedures adopted for the induction and training of Trustees

The Governing Body takes the training and development of its members very seriously and this is demonstrated by the following:

All new Governors are given a detailed induction, this is supplemented by additional training from DALP (see below) and the Trust's solicitors.

Prior to each Academy Board meeting the Governors receive training and updating on a wide variety of topics which are related to Academies and their roles.

The Academy also maintains a training and development budget which it uses to provide additional training and development for its Governors.

f. Organisational structure

The Trust has pooled a number of key education and business support functions with Diverse Academies Trust (DAT) through the Diverse Academies Learning Partnership (DALP). This has a joint board of DAT and NCEAT Trustees. This manages shared staffing and services which is part of the 3.9% management charge. Additionally, it manages a number of shared support services in Marketing, Property, IT, MIS, Finance and HR, These costs are around a further 5% of spend and are recharged directly to Academies.

The NCEAT board operates within the scheme of delegation agreed by the DALP Board. The underlying principle of which is the Academy must operate with a surplus. Within this the NCEAT Board has wide ranging freedoms.

NCEAT has an Executive Principal and an Academy Principal.

g. Pay policy for key management personnel

The DALP Board operate a senior staff pay committee to review executive principals and corporate staff salaries. Academic staff salaries are reviewed by comparing to norms within the teaching sector and through the teaching pay and condition which exemplify ranges for heads. Support staff salaries are reviewed in the context of national expectations and can be accessed through numerous recruitment websites and salary surveys.

h. Connected organisations, including related party relationships

Whilst the Academy is a stand-alone Academy responsible for its own affairs, it has entered into a partnership arrangement with the Diverse Academies Trust (DAT) with whom it has a long standing collaboration agreement since 2007. The Trust shares a Chief Executive Officer, Deputy Chief Executive, Chief Operative Officer, Chief Financial Officer and Company Secretariat with DAT as it seeks to make on-going improvements to the efficiencies of its operations across both Academic and Support functions.

This partnership is formulated through the Diverse Academies Learning Parternship (DALP) whose activities are led by the Chief Executive Officer and formally monitored by the DALP Board which is made up of representatives from both Trusts.

The partnership has had significant success in promoting closer working agreements between staff of both Trusts, including significant collaboration across both Academic and Support areas in developing best practice. This has contributed significantly to school improvement and the raising of standards in Academies across both Trusts.

Objectives and Activities

a. Objects and aims

The Academy Trust's principal activities are the provision of education of pupils between the ages of 11 and 19.

The Trust's primary objective is the delivery of high quality teaching and learning to every child that attends the Academy within a Christian environment. This is articulated through the objective of the Academy being rated as "Good" or better. The 2016 OFSTED grade was 'Good', additonally the Academy was graded outstanding in the 2016 Seating 156 inspection. The Trust is committed to achieving this through the dissemination of best practice wherever that might be found within the Trust and wider DALP partnership.

This key objective is supported by the undertaking that the Trust's Corporate Services will also seek to be rated as "Good" or better so that it can provide the support necessary to achieve the key objective.

b. Objectives, strategies and activities

As a member of the Diverse Academies Learning Partnership and in line with the Academies within the Diverse Academies Trust the Academy works within the DALP strategic framework. This framework provided by the executive principal, sets the key objectives for DALP for the forthcoming three years. This is revised annually and informs the annual operating plan to meet the milestones in the overall three year plan.

This overall strategy and annual operating plan are agreed by both the Trust and DALP boards. The two boards then monitor and evaluate progress against the plan as the year progresses.

The 2016/17 objectives were:

- Developing a love of learning
- Creating a fully inclusive and caring academy
- Developing an outstanding post 16 provision
- Maximising wider educational experience.

Success criteria were set for each of these key objectives and then measures through the DALP CSI (Challenge, Support, Intervention) methodology. All objectives were achieved.

Following the setting of the key objectives and success criteria in September 2016, detailed action plans were created. These plans included key lines of accountability, costs, timelines and all these aspects were judged against relevant impacts. Regular scrutiny is achieved through CSI, accounting reviews, internal and external QA and through performance management discussions. The overall input of this was very positive and all objectives were achieved, thus delivering significant Academy improvements, e.g. securing an 'outstanding' judgement for post 16 as part of the internal MAT review.

c. Public benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. In line with the Trust's charitable objectives there is a wide use of the schools facilities by the local community.

Strategic report

Achievements and performance

a. Key performance indicators

During the year 2014 -15 the Academy was re inspected by OFSTED, the October 2014 report graded the Academy as Good with Outstanding Leadership and Management. The report recognised the progress which the Academy has made and continues to make. This has been further supported by a SIAMS inspection which graded the Academy Outstanding. The Governors and Leaders of the Academy are pleased that the work of its staff and pupils has been recognised.

NCEAT continues to see strong demands for places at the Academy, being oversubscribed for admissions into year 7. The sixth form also continues to show increased recruitment and a strong retention from year 11 to 12.

Key Performance Indicators
The KPI targets are:

Achievement – Detailed targets are set which reflect the entry position of cohorts within the school and the Academy met its target.

Use of resources – The curriculum design and use of teaching staff is reviewed annually in the academy. The Academy met the target set and achieved a teaching utilisation of 76% against a target of 79% (this is before targeted intervention activity).

Year 7 recruitment – Total roll at 1 October 2016 was 240 compared to a target of 240.

Financial health – The Academy set an in-year budget which reflects in year income and historic reserves which may be used to support education and investment.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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 Accounting Policies section of the financial statements.

c. Review of activities

NCEAT most recent OFSTED inspection judged the school to be good with outstanding leadership in October 2014. This trend continues with in line progress 8 at + 0.9 and attainment 8.

KS4 – Many key GCSE measures are above the averages for schools in England, 58% of Year 11's gained 5 or more GCSE passes at A* to C. Although slightly down on the prior year this was a positive picture with some areas of improvement noted for 2017/18.

KS5 – 99% of Year 13 pupils achieved passes, with another year of very positive L3VA scores.

Financial review
This set of accounts shows the financial performance of the Academy Trust for the year ended 31 August 2017. The statement of financial activities shows the Academy Trust made a deficit before other recognised gains and losses of £738K in the year ended 31 August 2017 (2016: deficit of £613K).

The Academy Trust held fund balances at 31 August 2017 of £6,380K (2016: £6,906K (as restated)) comprising £55K deficit (2016: £201K surplus) of restricted general funds (excluding pension reserve) and £435K (2016: £434K) of unrestricted general funds and a pension reserve deficit of £3,309K (2016: £3,263K). The majority of the net assets relate to fixed assets (land and buildings) being £9,309K (2016: £9,706K (as restated)).

The Academy had a decrease in the amount of cash from operations of £337K in the year and had cash of £894K at the end of 2017.

The Trustees have built up the level of reserves that will allow the Academy to mitigate any potential adverse funding changes in the coming years as well as enabling investment in an ageing school site.

The Trust also holds a number of unexpendable reserves, which make up the balance of the total funds of £6,380K. These other funds are:

Fixed asset fund of £9,309K - The fixed asset fund is reduced annually by the value of depreciation on assets supported by the fund. This fund is made up of the following:

• Assets transferred on conversion – upon conversion to Academy status, the Trust was gifted the land and buildings it had operated in whilst a local authority maintained school on a long lease of 125 years and following an independent valuation has included the land at a valuation of £650K and the buildings at a valuation of £10,372K. These buildings are being depreciated equally over 25 years in line with the Trust's financial policies and discussions with the Trusts' financial advisors. The land is being depreciated over the lease term.

• Assets funded by grants or transfer of funds from the Academy's revenue funds.

• Grants for projects where the grant has been received ahead of expenditure, the fund will be used to finance the future capital spend.

Buildings - The Trust is very aware that its buildings are in need of constant attention requiring considerable resources into maintenance and where possible enhancing the fabric of the buildings. It has done this through:

• On-going maintenance programmes designed to address key strategic issues such as boilers, windows and roofs;

• Active review of all available grants.

• The Trust was successful in securing over £900K in funding from the Academies Capital Maintenance Fund. This project was substantially completed in 2014/15.

• The Trust has also secured a grant which meets part of the cost of a new boiler, the balance has been funded via a loan from the ESFA. The loan will be repaid from the savings made from lower gas charges due to the increased efficiency of the new boiler.

From 1/4/2016 NCEAT agreed to join with Diverse Academies Trust in claiming Multi Academy Trust School Condition Fund Grant funding. This will give greater local control over the priorities to be addressed.

Financial Policies
The Trust has revised its policy on the funds that are retained from ESFA income to meet the Trust's core running cost. In 2016/17 this was a flat 3.9% (excluding pupil premium and bursary funding). This still left 96.1% of funding delegated to the Academy.

d. Main sources of Funding

Donations and capital grants – see note 2. This note includes capital grants from the ESFA.

Funding for the Academy Trust educational operations – see note 3. The main funding the Trust receives is the General Annual Grant of £5,660K (2016: £5,627K) for provision of education within its Academy. This is funded by a formula based on pupil numbers, an element of small fixed payment per school and also recognises the level of deprivation. The ESFA pays this funding. This income also includes contributions for school trips and school fundraising activity.

Other trading activities – see note 4.This includes the hire out of facilities.

Financial review

a. Reserves policy

Total useable reserves, defined as restricted general reserves (excluding the pension reserve) and unrestricted reserves, were £380K (2016: £635K).

The Trust seeks to maintain a minimum of the equivalent of 30 days turnover in usable reserves. The Trust holds reserves for the following reasons;

• As a buffer to allow the Trust to meet year to year changes in pupil numbers without the need to make short term adjustments to staffing and also to meet the potential for on-going restructuring if reduced funding or student numbers dictate. It also holds the cash for unforeseen circumstances.

• To support the need to constantly invest in the infrastructure of the Trust to ensure that the quality of the environment is continually enhanced.

• To support the development of the new Holgate Sixth Form Centre so that high education standards are maintained and improved.

b. Investment policy

The Academy will look to invest any surplus funds it has in short term deposits which whilst not generating substantial returns do ensure that the Trust can gain easy access to its funds and minimise its exposure to any losses.

c. Principal risks and uncertainties

The charity Trustees have assessed the major risks to which the Academy Trust is exposed, and are satisfied that systems and procedures are in place to mitigate the exposure to major risks. The Governors/Trustees are aware of the significant risks facing the Academy since it achieved Academy status; these surround in particular the finances of the Academy, the quality of its buildings and the need to enhance the facilities, as well as the need to continually increase the quality of the teaching and learning it provides for its students. Discussions surrounding these key risks are undertaken with a variety of forums including full Governing Body meetings, appropriate sub-committee meetings and management team meetings.

The Academy has looked to make on-going improvements to its overall systems of internal control through regular reviews by the Academy's responsible officer and its auditors. The outcomes of these reviews have been addressed by the Academy to ensure that on-going improvements are achieved.

The principal financial risk facing the Academy over the next 12-24 months is the proposed change to the funding formula at pre 16 along with lagged funds and concerns for projected year on year growth. The Academy Trust is looking to develop its forecasting expertise to highlight the key financial issues.

The other significant risks facing the Academy over the next 12-24 months are as follows:

• The need to improve the quality of the building stock that the Academy operates from within, with a view to not only improving the Health and Safety of its surroundings but the overall quality of the buildings and the resources contained within them.

d. Financial risk management objectives and policies

The Trust has the following financial uncertainties facing it over the coming 12-24 months:

- Real term cuts in education funding
- Availability of capital funding;
- Changes in pension funding assumptions.

The Trust considers any risk as an intrinsic part of any decisions it makes. The Trust operates a risk register that reviews both strategic and operational risks; this plan looks at the key ways of mitigating these risks. This process will be refined in 2017/18 using appropriate software to ensure all key risks are both identified and managed.

e. Pension deficit

The Trustees recognise that there is a significant pension deficit of £3,309K (2016: £3,263K) which can vary time to time depending on economic circumstances. The Trustees concern themselves with the overall level of contribution necessary to meet its cash payments to the schemes.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

a. Future developments

The Academy's plans for the coming 12-24 months involve the following:

• On-going emphasis on increasing standards of achievement to support the journey to being recognised as an Outstanding Academy.

• Continual review of all available grant funding available so that the Academy can continue its on-going development of its infrastructure to support on-going curriculum developments.

Making efficiency savings to offset additional pension, national insurance and inflationary cost rises.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust holds funds as custodian on behalf of those post-16 students who were entitled to and in receipt of the Post-16 Bursary. For further details see note 24.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14/11/17 and signed on its behalf by:

K A Mitford
Chair of Trustees

K A Mitford

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The National Church of England Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 The National Church of England Academy Trust and the Secretary of State for Education. They are 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 2 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
K A Mitford, Chair	2	2
C B Pickering, Chief Executive Officer	1	2
S W Jones, Principal	2	2
C M Ball	2	2
K E T Cowley	2	2
J K Eastwood	2	2
Rev Canon K Herrod (Resigned 17 September 2017)	1	2
A Johnson	0	2
A D Newton (Resigned 10 December 2016)	0	1
C A Parker (Resigned 1 October 2017)	2	2
W Pearson, Responsible Officer (Resigned 25 July 2017)	2	2
S A Tilford	2	2
C Dean	2	2
Dr L Nicolls	1	2
J Oldfield	1	2
A Thornton, Staff Trustee (Resigned 25 July 2017)	1	2
E Greaves, Staff Trustee	1	2
H M James (Appointed 4 September 2017)	0	0
M J Jobling (Appointed 1 September 2017)	0	0
A V Harmston-Hall (Appointed 19 November 2017)	0	0
L M Allen (Appointed 19 November 2017)	0	0

The Trust carries out an annual review of its Governance, The Academy Board was awarded the Governor Mark in June 2016. The assessors acknowledged the many areas of strength and suggested areas for improvement were the independent scrutiny and assessment of data, a review of the format of KPIs and ensuring the boundaries between strategic and operational support are clearly defined and maintained. All these issues are being addressed.

The Finance & Resources Committee is a sub-committee of the main Academy Board. Its purpose is to scrutinise the use of resources within the Academy including Finance, Staffing, Premises & Health & Safety.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K A Mitford (Chair) (Resigned February 2017))	3	3
K E T Cowley	6	6
J K Eastwood (Vice-Chair)	6	7
A Johnson (Chair)	5	7
Rev Canon K Herrod (Resigned 17 September 2017)	3	7
J Oldfield	4	7
W Pearson (Resigned 25 July 2017)	5	6
S W Jones (Executive Principal)	5	7
A Paulson (Associate Governor)	0	7

The Trust has an Audit and Risk Committee made up of representatives from Academies within the Diverse Academies Learning Partnership; this committee monitors internal control recommendations.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Monkhouse (Walton Girls High School)	1	1
S Hall (Diverse Academies Trust) (Chair)	2	2
M Mays (East Leake Academy)	3	4
S Tongue (The Holgate Academy)	1	3
J Eastwood (National Church of England Academy)	2	4
M Quigley (Retford Oaks Academy)	3	4
S Odabashy (Tuxford Academy)	2	4
T Hill (Tuxford Primary Academy)	2	4

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

• Working with the leadership team to review the deployment of educational staff, the Academy uses modelling tools which allow its allocations by year group to be compared to best practice across the 11 to 19 sector.

• The Academy has been able to prioritise resources to priorities and has seen good outcomes in both exam results and more importantly in the levels of progress made by pupils.

• The Academy Improvement Plan has identified key areas of development and budgetary provision has been made to enable the Senior Leadership Team to carry out these actions.

• Through the Diverse Academies Learning Partnership (DALP) the Trust has taken part in collaborative work in the development of curriculum, CPD and leadership. The Trust has made significant contributions to collaborative work and received support from the other partners in delivering its provision to achieve enhanced pupil outcomes. The Trust believes this collaborative working is an important aspect of the journey to achieve an " Outstanding " Ofsted rating and best practice within education.

• The DALP partnership has also provided specialist input in Maths and English.

• Sharing the Chief Executive / Accounting Officer and Chief Financial Officer roles across the across the DALP

partnership which lowers the cost for the Trust.

• The Trust has undertaken a review of its support services during the year and put in place revised terms and conditions for teaching support staff and reduced the number of other support staff employed.

• Undertaking joint procurement with DALP to lower the cost of cleaning and catering.

• Sharing HR, Careers and Educational Welfare posts with DALP lowers the cost for the Trust.

In the context of Educational funding reducing in real terms over the next 3 years the Trust is actively looking for further efficiencies.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 The National Church of England Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy'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 Finance & General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint ICCA as internal auditor.

GOVERNANCE STATEMENT (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included specific follow up of control checks on the following areas:

- Fixed assets
- Payroll
- Expense claims
- Financial reporting and control account reconciliations

On a termly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Chief Executive 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 14/11/17 and signed on their behalf, by:

K A Mitford
Chair of Trustees

K A Mitford

D Clinton
Accounting Officer

D Clinton

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The National Church of England Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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.

D Clinton
Accounting Officer

Date: - 14/11/17

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of The National Church of England Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's 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 14/12/17 and signed on its behalf by:

K A Mitford

K A Mitford
Chair of Trustees

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

Opinion

We have audited the financial statements of The National Church of England Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

Auditor's responsibilities for the audit of the financial statements

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

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

Smith Cooper Limited

Sarah Flear (Senior Statutory Auditor)
for and on behalf of
Smith Cooper Limited
Chartered Accountants and Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB
Date: 14 December 2018

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The National Church of England Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The National Church of England Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The National Church of England Academy 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 The National Church of England Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The National Church of England Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The National Church of England Academy Trust's funding agreement with the Secretary of State for Education dated 15 August 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the outcome of the 2016 regularity audit
- a review of the evidence used to support the Accounting Officer's conclusions on the Regularity Statement
- a review of the adequacy of the internal audit function and the adequacy of the program of work
- a review of the internal audit reports during the year ended 31 August 2017
- a review of the internal control environment and whether the environment has regard to regularity of transactions. Consideration to significant changes in the control environment and whether this has led to potential weaknesses

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

- confirmation through enquiry and sample testing that gifts and hospitality are given and received in line with the Trust's policies
- confirmation through enquiry and sample testing that the use of expense claims or credit cards and petty cash adheres to internal control principles and that items are not for personal benefit
- confirmation through enquiry and sample testing that expenditure does not contravene the funding agreement
- confirmation through enquiry and sample testing that the lines of delegation and limits set both internally and by the ESFA have been adhered to
- consideration to procurement and tendering procedures ensuring these have been correctly adhered to and administered
- consideration to the compliance of the Trust's delegated authorities over financial transactions and evidence of prior approval from the Secretary of State where applicable
- a review of declarations of business interests for all governors/directors and key staff
- a review of transactions with connected parties ensuring these have been completed following correct procurement and tendering procedures
- a review of contracts entered into or renewed after 7 November 2013, ensuring they are in accordance with the not for profit principles and relevant statements of assurance have been obtained
- a review of meeting minutes of the various committees

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Limited

Smith Cooper Limited
Chartered Accountants and Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: 14 December 2017

THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	*As restated Total funds 2016 £000*
Income from:						
Donations and capital grants	2	1	-	76	77	*208*
Charitable activities	3	7	6,334	-	6,341	*6,137*
Other trading activities	4	32	-	-	32	*29*
Investments	5	2	-	-	2	*8*
Total income		42	6,334	76	6,452	*6,382*
Expenditure on:						
Charitable activities		41	6,621	528	7,190	*6,995*
Total expenditure	6	41	6,621	528	7,190	*6,995*
Net income / (expenditure) before transfers		1	(287)	(452)	(738)	*(613)*
Transfers between Funds	15	-	(227)	227	-	*-*
Net income / (expenditure) before other recognised gains and losses		1	(514)	(225)	(738)	*(613)*
Actuarial gains/(losses) on defined benefit pension schemes	20	-	212	-	212	*(1,397)*
Net movement in funds		1	(302)	(225)	(526)	*(2,010)*
Reconciliation of funds:						
Total funds brought forward as previously stated		434	(3,062)	8,910	6,282	*8,292*
Prior year adjustment		-	-	624	624	*624*
Total funds brought forward as restated		434	(3,062)	9,534	6,906	*8,916*
Total funds carried forward		435	(3,364)	9,309	6,380	*6,906*

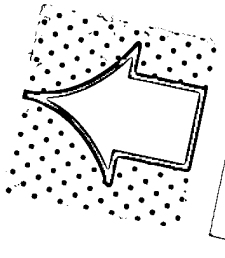
THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07708713

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	£000	As restated 2016 £000
Fixed assets					
Tangible assets	11		**9,309**		*9,706*
Current assets					
Debtors	12	**121**		*207*	
Cash at bank and in hand		**894**		*1,304*	
		1,015		*1,511*	
Creditors: amounts falling due within one year	13	**(497)**		*(885)*	
Net current assets			**518**		*626*
Total assets less current liabilities			**9,827**		*10,332*
Creditors: amounts falling due after more than one year	14		**(138)**		*(163)*
Net assets excluding pension scheme liabilities			**9,689**		*10,169*
Defined benefit pension scheme liability	20		**(3,309)**		*(3,263)*
Net assets including pension scheme liabilities			**6,380**		*6,906*
Funds of the academy					
Restricted income funds:					
Restricted income funds	15	**(55)**		*201*	
Restricted fixed asset funds	15	**9,309**		*9,534*	
Restricted income funds excluding pension liability		**9,254**		*9,735*	
Pension reserve		**(3,309)**		*(3,263)*	
Total restricted income funds			**5,945**		*6,472*
Unrestricted income funds	15		**435**		*434*
Total funds			**6,380**		*6,906*

The financial statements on pages 22 to 45 were approved by the Trustees, and authorised for issue, on 14/12/17 and are signed on their behalf, by:

K A Mitford
Chair of Trustees



THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	*2016 £000*
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	**(337)**	*126*
Cash flows from investing activities:			
Dividends, interest and rents from investments		**2**	*8*
Purchase of tangible fixed assets		**(130)**	*(336)*
Capital grants from DfE/ESFA		**76**	*205*
Net cash used in investing activities		**(52)**	*(123)*
Cash flows from financing activities:			
Receipt/(payment) of other loans		**(21)**	*51*
Net cash (used in)/provided by financing activities		**(21)**	*51*
Change in cash and cash equivalents in the year		**(410)**	*54*
Cash and cash equivalents brought forward		**1,304**	*1,250*
Cash and cash equivalents carried forward	18	**894**	*1,304*

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

1. Accounting Policies

The National Church of England Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation of financial statements

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

The National Church of England Academy Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling which is the functional currency of the Academy Trust. Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

The Trustees have reviewed the way in which income and expenditure are reported in the financial statements which they believe align more accurately to the Academies Accounts Direction. This has necessitated a restatement of certain prior year reported amounts with regards income and expenditure.

1.2 Prior year adjustment

From a review of a valuation of the land and buildings undertaken during the year ended 31 August 2016 it was noted that upon conversion to an Academy Trust the financial statements did not take into account the value of the the land leased from the local authority over 125 years. A prior year adjustment has been made in the financial statements to reflect the inclusion of that land. This has resulted in an adjustment to prior year fixed assets and the restricted fixed asset fund of £624,000.

1.3 Going concern

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

1. Accounting Policies (continued)

1.4 Income

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

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

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

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

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

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

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

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

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

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

Long-term leasehold land	-	over the lease term of 125 years straight line
Long-term leasehold buildings	-	between 10 and 25 years straight line
Furniture and equipment	-	between 5 and 10 years straight line
Computer equipment	-	3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.7 Operating leases

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

1.8 Liabilities and provisions

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

1. Accounting Policies (continued)

1.9 Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities
Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument legal form.

All financial assets and liabilities are measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.10 Taxation

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

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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.

1. Accounting Policies (continued)

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

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

1.12 Agency arrangements

The Academy Trust acts as an agent in the administering and distributing of 16-19 bursary funds from the ESFA. Related payments received from the ESFA and susequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included in the Balance Sheet as amounts due to the ESFA. The funds received and paid and any balances held are disclosed in note 24

1.13 Fund accounting

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

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

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

1. Accounting Policies (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Pension scheme
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation
The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets.

2. Income from donations and capital grants

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	*Total funds 2016 £000*
Donations	1	-	-	1	*3*
Capital Grants	-	-	76	76	*205*
	1	-	76	77	*208*
Total 2016	*3*	-	*205*	*208*	

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

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	*As restated Total funds 2016 £000*
DfE/ESFA grants				
General annual grant (GAG)	-	5,660	5,660	*5,627*
Other DfE/EFSA grants	-	249	249	*248*
	-	5,909	5,909	*5,875*
Other government grants				
Special education projects	-	109	109	*120*
Local authority grants	-	132	132	*39*
	-	241	241	*159*
Other income from the academy trust's educational operations				
Other income	7	22	29	*40*
School trip income	-	162	162	*63*
	7	184	191	*103*
Total 2017	7	6,334	6,341	*6,137*
Total 2016	*20*	*6,117*	*6,137*	

4. Other trading activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	*As restated Total funds 2016 £000*
Hire of facilities	32	-	32	*29*
	32	-	32	*29*
Total 2016	*29*	-	*29*	

5. Investment income

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	*Total funds 2016 £000*
Short term deposits	2	-	2	*8*
Total 2016	*8*	*-*	*8*	

6. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	*As restated Total 2016 £000*
Academy's educational operations:					
Direct costs	4,172	-	310	4,482	*4,431*
Support costs	983	851	874	2,708	*2,564*
	5,155	851	1,184	7,190	*6,995*
Total 2016	*4,966*	*1,026*	*1,003*	*6,995*	

Net income/(expenditure) for the year includes:

	2017 £000	*2016 £000*
Fees payable to the auditor for:		
- Audit	9	*12*
- Other services	6	*4*
Operating lease rentals	10	*20*
Depreciation	527	*483*

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

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

7. Analysis of expenditure by activities

	Direct costs educational operations 2017 £000	Support costs 2017 £000	Total 2017 £000	*Total 2016 £000*
Academy's educational operations	**4,482**	**2,708**	**7,190**	*6,995*
Total 2016	*4,431*	*2,564*	*6,995*	

Analysis of support costs

	Total 2017 £000	*As restated Total 2016 £000*
Staff costs	**983**	*897*
Depreciation	**528**	*483*
Tecnology costs	**34**	*27*
Governance costs	**42**	*71*
Premises costs	**328**	*543*
Other support costs	**793**	*543*
	2,708	*2,564*
At 31 August 2016	*2,564*	

8. Staff costs

Staff costs were as follows:

	2017 £000	*2016 £000*
Wages and salaries	**3,859**	*3,867*
Social security costs	**376**	*317*
Operating costs of defined benefit pension schemes	**811**	*663*
	5,046	*4,847*
Apprenticeship levy	**8**	*-*
Supply staff costs	**91**	*119*
Staff restructuring costs	**10**	*-*
	5,155	*4,966*

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

	2017 No.	*2016 No.*
Teachers	**79**	*74*
Administration and support	**65**	*91*
Management	**3**	*3*
	147	*168*

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

	2017 No.	*2016 No.*
In the band £60,001 - £70,000	**1**	*2*
In the band £70,001 - £80,000	**1**	*0*
In the band £80,001 - £90,000	**0**	*1*
In the band £100,001 - £110,000	**1**	*0*

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £385,175 (2016: 277,913).

9. Trustees' remuneration and expenses

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

		2017	*2016*
		£000	*£000*
S W Jones (Principal)	Remuneration	**105-110**	*95-100*
	Pension contributions paid	**15-20**	*10-15*
A Thornton (Staff Trustee)	Remuneration	**40-45**	*40-45*
	Pension contributions paid	**0-5**	*5-10*
M J Hall (Staff Trustee)	Remuneration	**-**	*10-15*
	Pension contributions paid	**-**	*0-5*
H L Baker (Staff Trustee)	Remuneration	**-**	*5-10*
	Pension contributions paid	**-**	*0-5*
E Greaves (Staff Trustee)	Remuneration	**35-40**	*20-25*
	Pension contributions paid	**5-10**	*0-5*

During the year ended 31 August 2017, travel expenses totalling £2,825 (2016 - £103) were reimbursed to 4 Trustees (2016 - 1).

C B Pickering, Executive Principal and Accounting Officer and L Mosley, Chief Finance Officer are employed by Diverse Academy Trust. Their remuneration, which forms part of the management recharge to the Academy Trust, is disclosed in the financial statements of Diverse Academy Trust. Other related party transactions involving the Trustees are set out in note 23.

10. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,402 *(2016 - £1,330).*

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

11. Tangible fixed assets

	Long leasehold land £000	Long leasehold buildings £000	Furniture and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2016 (as restated)	**650**	**10,909**	**158**	**108**	**247**	**12,072**
Additions	**-**	**28**	**69**	**33**	**-**	**130**
Transfer between classes	**-**	**247**	**-**	**-**	**(247)**	**-**
At 31 August 2017	**650**	**11,184**	**227**	**141**	**-**	**12,202**
Depreciation						
At 1 September 2016 (as restated)	**26**	**2,233**	**39**	**68**	**-**	**2,366**
Charge for the year	**5**	**474**	**24**	**24**	**-**	**527**
At 31 August 2017	**31**	**2,707**	**63**	**92**	**-**	**2,893**
Net book value						
At 31 August 2017	**619**	**8,477**	**164**	**49**	**-**	**9,309**
At 31 August 2016 (as restated)	*624*	*8,676*	*119*	*40*	*247*	*9,706*

12. Debtors

	2017 £000	*2016 £000*
Trade debtors	**33**	*4*
VAT	**19**	*58*
Other debtors	**2**	*4*
Prepayments and accrued income	**67**	*141*
	121	*207*

13. Creditors: Amounts falling due within one year

	2017 £000	*2016 £000*
Other loans	**30**	*26*
Trade creditors	**177**	*361*
Other taxation and social security	**93**	*96*
Other creditors	**21**	*22*
Accruals and deferred income	**176**	*380*
	497	*885*

13. Creditors: Amounts falling due within one year (continued)

	2017 £000	*2016 £000*
Deferred income		
Deferred income at 1 September 2016	**85**	*69*
Resources deferred during the year	**87**	*85*
Amounts released from previous years	**(85)**	*(69)*
Deferred income at 31 August 2017	**87**	*85*

The other loans of £30,000 (2016: £26,000) are loans from Salix Finance Limited to fund capital expenditure. The loans do not bear any interest and are not secured against any asset. The terms of repayment and age analysis of the loans is stated above.

14. Creditors: Amounts falling due after more than one year

	2017 £000	*2016 £000*
Other loans	**138**	*163*

Included within the above are amounts falling due as follows:

	2017 £000	*2016 £000*
Between one and two years		
Other loans	**30**	*30*
Between two and five years		
Other loans	**85**	*89*
Over five years		
Other loans	**23**	*44*

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £000	*2016 £000*
Repayable by instalments	**23**	*44*

The other loans of £138,000 (2016: £163,000) are loans from Salix Finance Limited to fund capital expenditure. The loans do not bear any interest and are not secured against any asset. The terms of repayment and age analysis of the loans is stated above.

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

15. Statement of funds

	Balance at 1 September 2016 - (as restated) £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
General Funds	434	42	(41)	-	-	435
Restricted funds						
General Annual Grant (GAG)	201	5,660	(5,665)	(227)	-	(31)
Other DfE/ESFA grants	-	249	(249)	-	-	-
Other government grants	-	241	(241)	-	-	-
Other restricted funds	-	184	(208)	-	-	(24)
Pension reserve	(3,263)	-	(258)	-	212	(3,309)
	(3,062)	6,334	(6,621)	(227)	212	(3,364)
Restricted fixed asset funds						
DfE/ESFA capital grants	389	76	(108)	-	-	357
Transfer on conversion	8,900	-	(420)	227	-	8,707
Capital expenditure from GAG	245	-	-	-	-	245
	9,534	76	(528)	227	-	9,309
Total restricted funds	6,472	6,410	(7,149)	-	212	5,945
Total of funds	6,906	6,452	(7,190)	-	212	6,380

Statement of funds - prior year (as restated)

	Balance at 1 September 2016 - (as restated) £000	*Income £000*	*Expenditure £000*	*Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 August 2016 - (as restated) £000*
Unrestricted funds						
General Funds	*550*	*60*	-	*(176)*	-	*434*
	550	*60*	-	*(176)*	-	*434*

15. Statement of funds (continued)

Restricted funds

General Annual Grant (GAG)	*476*	*5,627*	*(5,889)*	*(13)*	-	*201*
Other DfE/ESFA grants	-	*248*	*(248)*	-	-	-
Other government grants	-	*159*	*(159)*	-	-	-
Other restricted funds	-	*83*	*(82)*	*(1)*	-	-
Pension reserve	*(1,732)*	-	*(134)*	-	*(1,397)*	*(3,263)*
	(1,256)	*6,117*	*(6,512)*	*(14)*	*(1,397)*	*(3,062)*

Restricted fixed asset funds

DfE/ESFA capital grants	*243*	*205*	*(59)*	-	-	*389*
Transfer on conversion	*9,315*	-	*(415)*	-	-	*8,900*
Capital expenditure from GAG	*64*	-	*(9)*	*190*	-	*245*
	9,622	*205*	*(483)*	*190*	-	*9,534*
Total restricted funds	*8,366*	*6,322*	*(6,995)*	*176*	*(1,397)*	*6,472*
Total of funds	*8,916*	*6,382*	*(6,995)*	-	*(1,397)*	*6,906*

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

Restricted general funds
General Annual Grant (GAG), other than DfE/EFSA grants and local authority grants are to be applied for the primary purpose of the Academy Trust in line with the master funding agreement and other specific funding letters. Restricted funds also includes the pension reserve which represents the potential liability due by the Academy at the year end.

Restricted fixed asset funds
The restricted fixed asset funds relate predominantly to the assets acquired on conversion to an Academy Trust, being the property together with any fixed asset additions made since conversion.

Unrestrictd funds
Unrestricted funds represent other incoming resources to the Trust applied for the general purposes of the Trust at the discretion of the Trustees.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

16. Analysis of net assets between funds

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	9,309	9,309
Current assets	435	580	-	1,015
Creditors due within one year	-	(497)	-	(497)
Creditors due in more than one year	-	(138)	-	(138)
Provisions for liabilities and charges	-	(3,309)	-	(3,309)
	435	(3,364)	9,309	6,380

Analysis of net assets between funds - prior year (as restated)

	Unrestricted funds	*Restricted funds*	*Restricted fixed asset funds*	*Total funds*
	2016 £000	*2016 £000*	*2016 £000*	*2016 £000*
Tangible fixed assets	-	-	*9,706*	*9,706*
Current assets	*434*	*929*	*148*	*1,511*
Creditors due within one year	-	*(728)*	*(157)*	*(885)*
Creditors due in more than one year	-	-	*(163)*	*(163)*
Provisions for liabilities and charges	-	*(3,263)*	-	*(3,263)*
	434	*(3,062)*	*9,534*	*6,906*

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £000	*2016 £000*
Net expenditure for the year (as per Statement of Financial Activities)	(738)	*(613)*
Adjustment for:		
Depreciation charges	528	*483*
Interest receivable	(2)	*(8)*
Decrease/(increase) in debtors	87	*(125)*
(Decrease)/increase in creditors	(394)	*460*
Capital grants from DfE and other capital income	(76)	*(205)*
Defined benefit pension scheme cost less contributions payable	187	*67*
Defined benefit pension scheme finance cost	71	*67*
Net cash (used in)/provided by operating activities	(337)	*126*

18. Analysis of cash and cash equivalents

	2017 £000	*2016 £000*
Cash in hand	**894**	*1,304*
Total	**894**	*1,304*

19. Capital commitments

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

	2017 £000	*2016 £000*
Contracted for but not provided in these financial statements	-	*10*

20. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)

20. Pension commitments (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £462,000 *(2016 - £447,000)*.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £218,000 *(2016 - £199,000)*, of which employer's contributions totalled £165,000 *(2016 - £150,000)* and employees' contributions totalled £53,000 *(2016 - £49,000)*. The agreed contribution rates for future years are 18.3% for employers and 5.5 - 12.5% for employees.

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

	2017	*2016*
Discount rate for scheme liabilities	**2.60 %**	*2.20 %*
Rate of increase in salaries	**4.20 %**	*4.10 %*
Rate of increase for pensions in payment / inflation	**2.70 %**	*2.30 %*

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

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

A senstivity analysis showing how the measurement of scheme liabilities would have been affected by changes in the relevant assumptions that were reasonably possible at the balance sheet date are as follows:

20. Pension commitments (continued)

Sensitivity analysis	At 31 August 2017 £000	*At 31 August 2016 £000*
Discount rate +0.1%	**6,000**	*5,362*
Discount rate -0.1%	**6,306**	*5,625*
Mortality assumption - 1 year increase	**6,356**	*5,636*
Mortality assumption - 1 year decrease	**5,952**	*5,352*

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

	Fair value at 31 August 2017 £000	*Fair value at 31 August 2016 £000*
Equities	**1,880**	*1,534*
Gilts and bonds	**432**	*235*
Property	**332**	*269*
Cash and other liquid assets	**59**	*95*
Other assets	**139**	*96*
Total market value of assets	**2,842**	*2,229*

The actual return on scheme assets was £329,000 *(2016 - £274,000).*

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000	*2016 £000*
Current service cost	**(352)**	*(217)*
Net interest cost	**(71)**	*(67)*
Total	**(423)**	*(284)*

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

	2017 £000	*2016 £000*
Opening defined benefit obligation	**5,492**	*3,557*
Current service cost	**352**	*217*
Interest cost	**121**	*142*
Employee contributions	**53**	*49*
Actuarial losses	**147**	*1,596*
Benefits paid	**(14)**	*(69)*
Closing defined benefit obligation	**6,151**	*5,492*

20. Pension commitments (continued)

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

	2017 £000	*2016 £000*
Opening fair value of scheme assets	**2,229**	*1,825*
Interest income	**50**	*75*
Actuarial losses	**359**	*199*
Employer contributions	**165**	*150*
Employee contributions	**53**	*49*
Benefits paid	**(14)**	*(69)*
Closing fair value of scheme assets	**2,842**	*2,229*

21. Operating lease commitments

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

	2017 £000	*2016 £000*
Amounts payable:		
Within 1 year	**4**	*14*
Between 1 and 5 years	**-**	*7*
Total	**4**	*21*

22. 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.

23. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Academy Trust is related to Diverse Academies Trust by virtue of common executive directorship.

During the year the Academy Trust received management charges in respect of administrative and teaching assistance from Diverse Academies Trust totalling £299,693 (2016: £201,440) and in return provided similar assistance with a management charge totalling £106,159 (£5,239). At 31 August 2017 a balance of £25,954 (2016: £2,109) was due from Diverse Academies Trust and £43,126 (2016: £8,859) was owed to Diverse Academies Trust.

Also during the year the Academy Trust received services from Southwell and Nottingham Diocese Board of Finance amounting to £9,578 (2016: £9,031), a charity in which Rev Canon K Herrod is a Trustee. A balance of £200 (2016: £nil) was outstanding at 31 August 2017.

24. Agency Arrangements

The Academy Trust administers the disbursement of the 16-19 bursary funds on behalf of the ESFA. During the year it received £4,142 (2016: £11,719) and disbursed £9,534 (2016: £10,670). The Academy Trust retained a beneficial interest in individual transactions such that -£5,392 (2016: £1,049) has been recognised in income and expenditure in the statement of financial activities.