

Company Registration No. 07816548 (England and Wales)

**NENE EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



# **NENE EDUCATION TRUST**

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# NENE EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

D Hughes (until 9 September 2019)  
L Jones  
P Cantley (Diocese corporate member)  
P Worden  
M Spinks-Wilson (from 16 September 2019)

### Trustees

M Busby  
D Hughes (Chair of Trustees)  
L Jones (Resigned 25 September 2018)  
Rev D Spenceley (Resigned 31 August 2019)  
C Ward (Resigned 31 August 2019)  
C Hill (Chief Executive Officer)  
M Spinks-Wilson  
N Bonser-Ward  
A Harper (Resigned 31 August 2019)  
A Ling (Resigned 12 July 2019)  
S Richardson  
N Wilson  
R Hargrave (Appointed 16 September 2018)  
A Laughton (Appointed 16 September 2018)  
S Atkins (Diocesan corporate director)  
Dr R E Whittaker (Diocesan corporate director) (Appointed 23 May 2019)

### Senior management team

- Chief Executive Officer	C Hill
- Interim Chief Operating Officer	D McMillan (appointed 1 May 2019)
- Director of Primary Education	M Coleman
- Director of Finance & Business	D Philips (resigned 31 March 2019)
- Director of HR	S Charles
- Trust Estates Manager	R Alexander

### Company registration number

07816548 (England and Wales)

### Registered office

Nene Education Trust  
Mountbatten Way  
Raunds  
Northamptonshire  
NN9 6PA

### Academies operated

Manor School Sports College  
St Peters CofE Academy  
Stanwick Primary School  
Windmill Primary School  
Newton Road School  
Woodford Church of England Primary School  
Raunds Park Infants School

### Location

Northamptonshire  
Northamptonshire  
Northamptonshire  
Northamptonshire  
Northamptonshire  
Northamptonshire  
Northamptonshire

### Principal

J Davenport  
J Casswell  
C Nield  
M Coleman  
K Mills  
K Murphy  
L Jeffery

# NENE EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	Baldwins Audit Services Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL
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<b>Bankers</b>	Lloyds Bank plc 48 Market Street Wellingborough Northamptonshire NN8 1AG
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<b>Solicitors</b>	VSH Law Montague House 1 Chancery Lane Thrapston Kettering Northamptonshire NN14 4LN
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# NENE EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

In July 2018 Windmill Primary School and Newton Road School joined the Nene Education Trust (formerly Manor Learning Trust) creating an extended multi-academy trust which already included a junior academy, St Peter's Church of England Academy, Stanwick Primary Academy and a secondary academy, Manor School Sports College in Raunds. In June 2019 the Trust further expanded to include Woodford Church of England School and Raunds Park Infants School. Its academies have a combined pupil capacity of 2,085 and had a roll of 1,960 in the October 2018 Census.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company operates as the Nene Education Trust comprised of Manor School Sports College, St Peters CE Academy, Stanwick Primary Academy, Windmill Primary School, Newton Road School, Raunds Park Infants School and Woodford Church of England Primary School.

The trustees of Nene Education Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business.

##### Method of recruitment and appointment or election of trustees

Trustees of the Academy Trust are nominated by either the Secretary of State for Education, The Peterborough Diocese Church Schools Trust or members of the charitable company. Parent Governors are elected by parents of registered pupils at the academies. The CEO is treated as an ex officio trustee. The articles of association require no less than three Trustees.

New Trustees are recruited through a skills and need based approach. During this year the trust board appointed A Laughton, R Hargrave and R Whittaker (Diocese) to the Board.

The term of office for any Trustees, shall be 4 years except the CEO who remains a trustee whilst in post. Trustees are eligible for re-election at the meeting at which they retire.

##### Policies and procedures adopted for the induction and training of trustees

During the year under review the Trustees held 6 Board Meetings. The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Trustees will be given a tour of the academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction tends to be done informally and is tailored specifically to the individual. All trustees have access to a tranche of professional training courses throughout the year as well as training delivered to all Trustees and LGB members on Safeguarding.

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Organisational structure

The management structure of the Trust consists of the Members Board, Board of Trustees, the Local Governing Bodies, specific committees, and the CEO.

The Trustees fulfil a strategic role: setting general policy, approving an annual Trust plan and budget, monitoring performance against the plan and budget and making decisions about the Trustees of the charitable company, and capital expenditure, appointment of the CEO and COO.

The CEO has taken on the role of Accounting Officer. The board delegates a number of functions to the Local Governing Bodies (LGBs) at each academy. The Education Standards Committee reviews annual improvement plans. The Finance Committee recommends budgets to the board of trustees. Each LGB monitors key areas of performance and oversees parent and community liaison. Each Local Governing Body (LGB) reviews annual improvement plans and budgets and recommends these to the board of trustees, monitors academy performance and oversees parent and community liaison.

The Trust Central Team consists of CEO, PA to the CEO, Chief Operations Officer, HR Director, Executive Administrator, Finance Manager, Finance Assistant, Estate Manager, and Director of Primary Education. These managers control the academies at an Executive level implementing the policies laid down by the Trustees and reporting back to them.

#### Arrangements for setting pay and remuneration of key management personnel

Salaries for all key management are approved by the Board of Directors pay review arrangements as set out in the pay policy. The pay increase to key management follows National Agreements in line with Department of Education guidance. For Principals a pupil number banding calculation is used to inform the pay range salary. For the CEO salary, a job evaluation and comparison is made to similar posts in similar sized trusts.

#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	2.80

##### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	6,731,000
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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#### Related parties and other connected charities and organisations

Nene Education Trust owns 100% of the issued ordinary shares of Manor Sports and Leisure Limited, a company incorporated in England and Wales (registration no. 07877519). Further details regarding the subsidiary company are given in note 14 to the financial statements.

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Objectives and activities**

#### Objects and aims

The principal object and activity of the Academy Trust is to provide education for pupils of different abilities between the ages of 4 and 19.

In accordance with the articles of association the Academy Trust has adopted a "Scheme of Governance" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academies, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

#### Objectives, strategies and activities

The main objectives of the Academy Trust during the year ended 31 August 2019 are summarised below:

- Build a strong infrastructure across the Multi Academy Trust.
  - in order to allow educational leaders to focus on improving educational outcomes and provision and at the same time improving both work and financial efficiencies to impact positively on budgets for each Academy.
  - For each of the areas below it is essential that all of these infrastructures are underpinned by clarity of roles of both Academy and Central Team staff along with the service standards that can be expected to raise the standard of educational achievement of all pupils;
- Raise attainment and improve progression by improving provision.
  - All Academies will be judged Good or better by the seventh term of joining the Trust.
  - Schools already recognised as Good by Ofsted will maintain this judgement at subsequent inspections but will have at least two Outstanding areas.
- Develop a self-improving school system
  - School Improvement Framework in place for Primary and Secondary
  - The impact of the Trust-wide Education Strategy is visible in all schools.
  - Strategic partners offer external validation to the school improvement strategy
  - MAT to MAT partnerships are established to add value to the wider education system
- Ensure excellence in leadership and governance.
  - Develop a range of high quality Leadership Programmes facilitated by professional learning communities (PLC) at all levels of the organisation (including Governance).
  - Talent management programme in place to identify and develop talented teachers.

#### Equal Opportunities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice in the workplace. Nene Education Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and need of all people are fully valued. To this end, the Trust has an Equalities Statement, updated annually and an Equality Plan which scopes out areas for action in the following year.

#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Trustees ensure that the Academy's activities, as described above, are undertaken in line with the charitable objects and aims of the Trust. The Academy Trust follows the school admissions criteria and policies of Northamptonshire County Council to ensure that the basis for admissions is transparent and as fair as possible to all potential pupils applying to the academy, and is comparable to other local state-funded schools and academies.

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Strategic report

#### Achievements and performance

The academy trust challenges all students to make the best of their considerable talents and abilities. An excellent curriculum, good teaching by committed staff and a culture of high aspirations ensure students of all abilities achieve well and enjoy their learning.

Headline figures reflect the changes introduced by the DfE in respect to accountability for the performance tables. Comparison from year to year is impossible (at Secondary level) due to the nature of the changes introduced. Nonetheless, our students are achieving well with overall performance being at or broadly in line with national performance outcomes.

Developing Character, Raising Aspirations and Celebrating Achievement as the core principles of the Nene Education Trust underpin all that we are trying to achieve.

#### Key performance indicators

#### Primary Education Review

#### Curriculum Developments – all phases

At NET we use the broadest definition of curriculum – an umbrella term denoting the totality of the learning experience in school.

Due to the unique character of each of our schools Nene Education Trust do not dictate a prescribed curriculum that is common across all of our schools. It is the responsibility of the Principal of each school to ensure that the curriculum that is developed drives the vision and meets the mission of Nene Education Trust. They will be responsible and accountable for establishing the 'what', 'when' and 'how' of their curriculum.

However, within this, a broad overview of curriculum principles have been established to enable Principals to quality assure their provision and cross-reference their provision against the aims of the Trust.

#### Curriculum Principles

- **The Whole Child** – NET schools will provide a curriculum that develops the whole child –they will gain knowledge and understanding; develop character and work collaboratively with other young people from our network of schools to develop messages of positive identity and values to themselves and each other. This will be advocated throughout the whole curriculum but in particular through Sports, Arts and Mental Wellbeing.
- **Broad and balanced** – to support the above the provision in schools will provide opportunities and experiences that are both broad and balanced. All of our schools will ensure that all young people are given the opportunity to find and develop their own talents.
- **Knowledge Engaged** - Our schools will deliver a curriculum that has a balance between knowledge and skills. Teaching will make the curriculum relevant and meaningful to children for applying their knowledge into a range of contexts.
- **Sequencing** - We are clear that the end point for our curriculum, for all schools, is at 18 when students will leave formal education. To ensure continuity, schools must be aware of and be able to articulate and demonstrate how their story aligns with the next phase.
- **Inclusion & Inclusivity** – Our schools will deliver a curriculum that provides all young people, regardless of background and immutable characteristics, with an equal opportunity to achieve the learning outcomes of their programme.

In all our schools we have developed the Whole Child through a creative arts project that has enabled our young people to deliver messages to each other about the importance of being yourself and being proud of who you are.



# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

Drama, Music and Dance projects have been delivered initially to classes in a variety of year groups within schools and then progressed to selected children working collaboratively from all 5 schools. From this a performance piece was created that toured all schools and to date over 1000 children have been involved through participation or as audience members. On Tuesday 18th June 2019 at the Derngate Theatre as part of the Northampton Arts Festival a group of children, who took part in the larger project, performed and showcased the song writing and drama components of the project. This was an opportunity for our amazing performers to reinforce to the wider educational community of Northamptonshire our Trust's values of celebrating achievement, raising aspirations and developing the whole character of every individual child.

#### Primary Phase Achievements 2018/2019

At KS2 combined attainment at the expected standard in Reading, Writing and Maths we have 2 schools that were in line with or above national average (Woodford @ 69% and Windmill @ 65%) and 2 schools that were marginally below national average (St. Peter's @ 62% and Stanwick @ 63%).

#### Year 6 Data Headlines Table (including context)

	Newton Road Primary	Stanwick Primary	St. Peter's Junior	Windmill Primary	Woodford CE Primary
No. pupils	41	24	50	62	13
RWM Combined	29%	63%	64%	65%	69%
RWM Higher Combined	2%	13%	10%	0%	15%
Reading progress	-4.4	-3.4	-0.2	0.3	-0.4
Writing progress	-1.8	-2.6	-0.3	-1.9	1.9
Maths progress	-4.8	-4.3	-1.8	-1.0	2.6
Avg score reading	97	105	104	104	103
Avg score maths	97	103	103	104	106

#### Disadvantaged pupils (PP) attainment

Whole trust:

- KS1 PP 2019 48% v 66% 23 PP students 102 non PP students (this gap has closed significantly from 2018 when the gap was 31%)
- PP45% v 60% 49PP students 126 non PP students (this gap has grown since 2018 when the gap was only 4%) This gap can be attributed to the fall in PP performance at Newton Road and St Peters.

#### Individual schools Combined PP Gap @ end of KS2 – by school (data from FFT Aspire)

	(PP v non-PP)	
Newton Road Primary	33% v 28%	15 PP students
Stanwick Primary	50% v 64%	NB There were only 4 PP pupils at Stanwick
St. Peter's Junior	40% v 74%	15 PP students
Windmill Primary	60% v 65%	15 PP students
Woodford Primary	33% v 80%	NB There were only 3 PP pupils at Woodford.

#### KS2 Progress

The trust outcomes for our students in terms of progress is 'developing' as the progress from KS1 to 2 is in line with national average in more than half of the academies in the trust.

Woodford Primary School currently adds the most value to pupils in Key Stage 2 and is performing above national averages for this in writing and maths. At St. Peter's and Windmill pupils make broadly average progress in Reading, Writing and Maths. The progress made by pupils at Newton Road and Stanwick Primary was disappointing despite the attainment at Stanwick reaching a three year high.

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### EYFS/Phonics/KS1 Data Headlines

NET DATA OVERVIEW KS1 and EYFS	Newton Road Primary	Stanwick Primary	Park Infants	Windmill Primary	Woodford Primary
<b>Y2 Combined expected or higher standard in Reading, Writing and Maths.</b>	45%	79%	72%	68%	60%
<b>GLoD EYFS</b>	62%	78%	58%	63%	85%
<b>Year 1 Phonics</b>	57%	73%	85%	73%	88%
<b>Year 2 Phonics retake</b>	83%	33%	0%	75%	0%

Performance in Year 1 Phonics in our 5 infant range schools is varied but does reflect the nature of the community and context in which the schools are based.

In 2018/2019 there was a similar story to the above with EYFS 'Good Level of Development'.

There have been many reasons to celebrate our sporting achievements recently. At the inaugural East Northants Sports Awards hosted in Rushden, Newton Road School came out winners in the Primary Sports School of the Year category – a wonderful achievement! Manor School Sports College was nominated in the Secondary Sports School of the Year category and Windmill Primary School was nominated in the Beat the Street Champion category.

### MANOR SCHOOL SPORTS COLLEGE GCSE Exam Results 2018/2019:

Whilst validated national results are awaited, 2018/19 results demonstrate further improvements in a number of key measures in comparison to 2016/17 and 2017/18. Significant improvements (5%+) were seen at Grade 5+ and 7+ (compared to 2017/18) in English and maths and 5 strong passes (5+) including English and maths. Although the unvalidated Progress 8 and Attainment 8 scores declined slightly from 2017/18 (+0.06 to -0.04) and 47.08 to 46.64 respectively, the last 2 years still represent the best 2 years of school performance in recent history. The Progress 8 scores still ensures that the school is broadly average with the confidence interval being well above 0 for a cohort that came into school below National.

Recent research by Bristol University and Northern Powerhouse produced The Fair Secondary Schools Index which considered factors including deprivation, ethnicity and special needs, demonstrated that the DfE P8 of +0.06 that Manor School achieved in 2017/18 would have been +0.14 on the fair index, uplifting Manor School 270 places nationally and 4 places in Northamptonshire to be the 13th most successful school in the county on this measure.

Subject area strengths (with reference to SISRA SPI) include: English, English Literature, French, German, Music and BTEC Business.

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Measure	2017	2018	National 2018	2019	SISRA Collaboration
Cohort size	104	119	-	128	210,286
Progress 8 (P8)	-0.11	0.06	0	-0.04	0
Attainment 8 (A8)	44.49	47.11	46.53	46.67	46.89
Average A8 grade	4.45	4.71	4.66 (Note 2)	4.67	4.8
% 4+ English & Maths	51.9	65	64	58.6	64.9
% 5+ English & Maths	26.9	35.3	43	41.4	42.4
% 7+ English & Maths	6.7	6.7	11.1 (Note 2)	10.9	11.5
% Entered EBacc	57.7	70	38	41.4	38.3
% 4+ Achieved EBacc	24	32	24	22.7	23.3
% 5+ Achieved EBacc	17.3	18	17	16.4	15.5
EBacc Average Point Score (APS)	5.47 (Note 1)	4.14	4.04	3.95	4.05

### Key Strengths

- The focus on rigour and challenge in learning is having a positive impact on the percentages of students achieving higher grades, particularly at 5+ and 7+ in English and maths.
- Headline measures are significantly closer to national averages for 2018 and SISRA collaboration data in nearly all areas of headline measures.
- Although the EBacc APS has dipped since 2019, the percentage of pupils entering and achieving standard and strong passes in the EBacc has improved.

Subject areas performing positively against the SISRA collaboration project include business BTEC, English, French, German, music, chemistry and health and social care. The SISRA collaboration shows improvements in Spanish and physical education.

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

	2018		2019		SISRA Collaboration	
<b>Attainment/Progress 8 Summary</b>	No.	%	No.	%		Diff
Attainment 8	47.11		46.67		46.87	-0.20
Average A8 grade	4.71		4.67		4.69	-0.02
Progress 8	0.06		-0.04		0.008	-0.048
<b>Basics 9-7</b>	No.	%	No.	%		Diff
7+ English & Maths	8	6.7	14	10.9	11.5 %	-0.6 %
7+ English	29	24.4	32	25	22.4 %	2.6 %
7+ Maths	12	10.1	16	12.5	18.7 %	-6.2 %
<b>Basics 9-5</b>	No.	%	No.	%		Diff
5+ English & Maths	42	35.3	53	41.4	42.4 %	-1.0 %
5+ English	75	63	90	70.3	60.7 %	9.6 %
5+ Maths	44	37	57	44.5	48.5 %	-4.0 %
<b>Basics 9-4</b>	No.	%	No.	%		Diff
4+ English & Maths	77	64.7	75	58.6	64.9 %	-6.3 %
4+ English	100	84	107	83.6	76.8 %	6.8 %
4+ Maths	83	69.7	78	60.9	70.5 %	-9.6 %
<b>5+ passes including English and Maths</b>	No.	%	No.	%		Diff
5 standard passes inc EM	71	59.7	73	57	60.7 %	-3.7 %
5 strong passes inc EM	41	34.5	51	39.8	39.4%	0.4%
<b>English Attainment and Progress</b>	No.	%	No.	%		Diff
Attainment 8	10.42		10.47		10.11	0.36
Progress 8	0.229		0.176		0	0.176
<b>Maths Attainment and Progress</b>	No.	%	No.	%		Diff
Attainment 8	8.42		8.33		9.16	-0.83
Progress 8	-0.301		-0.407		0	-0.407

### English & Maths

The percentage of students achieving English & maths at 5+ and 7+ rose between 2018 and 2019. A 5% increase at 5+ and a 4% increase at 7+ is positive and suggests that our golden thread of challenge in lessons is having a positive impact for our highest attainers.

Unfortunately there has been a 6% drop in the percentage of students achieving English & maths at 4+. Within this, English have maintained their above SISRA and above National performance and we should be proud of their continued high level performance. Therefore, the focus has to remain with maths, where, while challenge is increasing in lessons, hence the improvements at 5+ and 7+, our lower attaining students are not always accessing the learning.

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

### **5 'Pass' grades including English & Maths**

The impact of the basics measures increasing at 5+ and 7+, along with improvements in science at 7+ has helped to improve the percentage of students achieving 5 or more strong passes including English and maths. This new headline measure is a key indicator of success across the curriculum including the basics and it is pleasing to see this very close to the SISRA collaboration figures and marginally above the national average for 2018.

### **Post 16 Analysis**

#### **Cohort Context**

The 2019 cohort achieved a negative P8 score (-0.11) when they finished Year 11 and so attainment at entry to sixth form is low. The cohort is also very small with only 51 students being included and 45 students completing all course.

Although the 2018 sixth form cohort had a lower P8 score (-0.31) when they finished Year 11, the sixth form included a wider range of BTEC courses including the football academy which reduced the percentage of entries to academic courses.

80% of the cohort had received unconditional offers by February 2019. This certainly had an attitudinal impact on some students.

Cohort	Measure	2017	2018	2019
Whole cohort	Cohort size	85	68	51
	APS Per Pupil	87.35	60.94	53.73
	APS Per Entry	27.82	22.90	21.06
	Average Grade Per Entry	C-	D+	D
A Level	Cohort size	64	59	38
	APS Per Entry	20.6	23.08	21.40
	Average Grade Per Entry	D	D+	D
Academic	Cohort size	64	59	40
	APS Per Entry	20.17	23.21	21.54
	Average Grade Per Entry	D	D+	D
Applied General	Cohort size	50	21	15
	APS Per Entry	38.21	22.19	18.96
	Average Grade Per Entry	D+	M-	P+

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Key Strengths**

- Achievement of higher grades is improving in A Level and other academic courses. The number of students achieving 3+ A\*-B, 3+A\*-C and 3+A\*-E is improving across A Level and other academic courses and the number of students achieving 3+ A\*-B and 3+ A\*-C or equivalent is improving across the entire cohort.
- There are positive and improving performances in Art, Drama, English Language, German, History and Media.
- The Extended project qualification has increased in cohort size during a reduction in the size of the entire cohort and has seen a strong improvement.
- Improvements are evident in subjects which are KS5 only (Law, Psychology and Media) suggesting that using subject teachers of these areas as part of the sixth form team is having a positive impact.
- 41 out of 45 students have confirmed destinations (as of 31 August 2019). 29 students are enrolling onto University courses and 3 are starting further college courses. Nine students are beginning apprentice courses and two are entering full time employment, either temporarily while they make further choices or permanently with training. One student is still undecided at this stage and another is deciding between an apprenticeship with the BBC and University.

### **Sporting Achievements (Manor School):**

- Netball – year 7 – 10 teams won district competitions; year 11 runners up
- Futsal – year 9 won county school games, qualified for Regional
- Hockey – year 9 boys qualified for schools games (couldn't attend due to trips)
- Athletics – qualified for County – Owen Wells, La-Sean Collins, Harriet Cleaver
- Cross Country – qualified for County – Harvey Walker, Oakley Thorne, Zak Kirk-Bates

### **Going concern**

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

### **Financial review**

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

The balance of restricted and unrestricted funds, excluding fixed asset and pension reserve funds, decreased by £418,000, representing the operating deficit figure for the year.

During the year ended 31 August 2019, total revenue expenditure was £12.6m (2018: £8.1m) and total incoming funds from the DfE and other sources were £11.2m (2018: £8.0m). In addition, the transfer of existing academies to the Nene Education Trust is treated as a donation in the accounts, which has added a further £1.7m to the income figure for the year.

# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Trust received transfer balances from the local authority in respect of Raunds Park Infants School of £194,000 and Woodford CofE School of £103,000.

The following Capital Improvement Grant funding was secured:

- Newton Road - £414,000 for building condition improvements (ESFA CIF Funding);
- Manor School - £227,000 to upgrade fire equipment across the site (ESFA CIF Funding);
- St Peters CofE School - £74,000 to upgrade fire equipment across the site (ESFA CIF Funding);
- Manor School - £662,000 for capacity improvements (S106 funding).

#### Reserves policy

The Trustees regularly review the level of reserves. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. It is the policy of the Trustees to maintain free reserves at a level which ensures that all management and administrative costs can be met throughout the year. The Trustees have determined that the approximate level of free reserves should be £0.5m in order to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with contingencies. During the 2017/18 financial year, the Trustees agreed to a temporary reduction to the level of free reserves from £0.5m to £0.2m during a period where lagged funding was having an adverse impact on reserves. This level will revert to £0.5m by 2022/23 following receipt of the necessary additional funding. The Trust's level of free reserves reported at 31 August 2019 is £0.23m.

Details of Fixed Asset and Pension Reserves are shown in Note 20.

#### Investment policy

The Trust does not hold any investments other than cash at bank and its initial £1 investment in its subsidiary undertaking, Manor Sports and Leisure Ltd. Where funds allow, the Trustees agree to transfer money to interest bearing deposit accounts for a limited period. The total income from these investments was £1,000 (2018: £2,000).

#### Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trustees regularly review the risks faced by the Academy Trust and have completed a "Risk Map" to identify the critical areas of concern. As far as possible the Trustees have put in place management controls to minimise/mitigate risks.

The Trustees consider the following items are the principal risks facing the Trust:

- Poor budgetary discipline
- Staffing insufficient to meet the trust objectives
- Failure of infrastructure and IT

# **NENE EDUCATION TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Fundraising**

The Trust's Academies occasionally engage in fundraising activities, either for a specific venture such as an overseas trip or a leisure activity, or to support a charitable event, especially nationally recognised events such as Children in Need or Comic Relief. Funds raised through such appeals are purely expended on associated costs in the case of trips and activities or donated in full to the appropriate charity.

### **Plans for future periods**

The Nene Education Trust has compiled a Strategic Development Plan outlining the goals and targets of the Trust over the period 2019-2022. The plan shares and defines the vision of Trustees for the next 3-4 years, expanding on the Trust's strategic objectives, defining key goals and performance measures and builds on individual Academy successes already achieved. The vision is to ensure that our children and young people are challenged continually to complete their education successfully, to develop self-confidence and self-esteem and to be proactive in determining their career pathway.

The core aims for each Academy will be:

- Developing Character
- Raising Aspirations
- Celebrating Achievement

The Trust will achieve its vision through focusing on the following four strategic objectives that will be reviewed and measured bi-annually by the trust board:

- Build a strong infrastructure across the MAT (Finance, HR, IT, Buildings/Estates and a Growth Strategy)
- Raise attainment and improve progression by improving provision
- Develop a self-improving school system
- Ensure excellence in leadership and governance

The Growth Strategy for the Trust is to remain open to approaches from schools in East Northamptonshire, with a view to increasing Academy numbers as follows:

- 2019/20 by 2 primaries and 1 secondary
- 2020/21 no further growth (NET now 2 secondaries and 8 primaries)

### **Employee consultation and disabled employees**

#### **Disabled employees**

Nene Education Trust is committed to equality and diversity of all its employees. Capital investment is utilised to adapt the physical environment of all Trust buildings to ensure accessibility, in terms of: ramps to access classrooms and all teaching blocks, disabled toilets are installed, and door widths are adequate to enable wheelchair access. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by providing support throughout all recruitment processes, by making support resources available and through ongoing training and career development.

#### **Employee consultation**

The meeting arrangements which the Academy Trust operates allows for information on matters that affect employees to be cascaded through the Principals and Senior Leadership Teams to all employees.

During the year we have introduced leadership programmes, a staff wellbeing charter and staff survey to further assist with employee engagement/development.



# NENE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

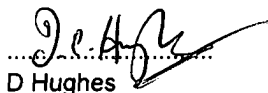
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### **Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10.12.19 and signed on its behalf by:



D Hughes

**Chair of Trustees**

# NENE EDUCATION TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Nene Education 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M Busby	5	6
D Hughes (Chair of Trustees)	6	6
L Jones (Resigned 25 September 2018)		
Rev D Spenceley (Resigned 31 August 2019)	4	6
C Ward (Resigned 31 August 2019)	4	6
C Hill (Chief Executive Officer)	6	6
M Spinks-Wilson	6	6
N Bonser-Ward	6	6
A Harper (Resigned 31 August 2019)	6	6
A Ling (Resigned 12 July 2019)	2	6
S Richardson	6	6
N Wilson	5	6
R Hargrave (Appointed 16 September 2018)	4	5
A Laughton (Appointed 16 September 2018)	4	5
S Atkins (Diocese corporate representative)	3	6
Dr R E Whittaker (Diocese corporate representative) (Appointed 23 May 2019)	1	1

The finance & resources committee is a sub-committee of the main board of trustees. The Committee is responsible for advising the Board on matters relating to the Trust's finance arrangements, and aid the Board to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity. The Finance & Resources Committee is responsible to the Trust Board. The Committee's Terms of Reference are agreed and adopted by the Board and can only be amended with the approval of the Board.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Ward (Resigned 31 August 2019)	5	5
C Hill (Chief Executive Officer)	5	5
N Bonser-Ward	5	5
A Ling (Resigned 12 July 2019)	4	5

# NENE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### Audit committee

The audit committee is a sub-committee of the main board of trustees. The main purposes are to ensure a comprehensive audit programme is undertaken to review the Risk Map making recommendations and ensuring there is a robust system of internal controls in place. The Audit Committee makes recommendations to the board of directors as set out in the Terms of Reference which is reviewed annually.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
L Jones (Resigned 25 September 2018)	2	3
S Richardson	2	3
A Laughton (Appointed 16 September 2018)	3	3
E Hudson	3	3

### Review of value for money

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

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

- Staff are our most valuable resource. We have introduced leadership programmes, a staff wellbeing charter and staff survey.
- Collaborating with other multi academy trusts, using benchmarking to inform purchasing decisions. We have completed the ICFP and SRMA to ensure accurate benchmarking of budgets;

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Nene Education Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# NENE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance & resources 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 Baldwins Audit Services as internal auditor.

The role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis the Audit Committee reports to the board of Trustees on the operation of the system of control and on the discharge of the board of Trustees' financial responsibilities. During the year ended 31 August 2019 the audit committee used the termly checks performed by the internal auditors, Baldwins Audit Services, to assist its reporting.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising.

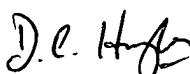
### Review of effectiveness

As accounting officer the Chief Executive Officer 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 noted above;
- the work of the Audit Committee;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 10.12.19 and signed on its behalf by:

  
D Hughes  
Chair of Trustees

  
C Hill  
Chief Executive Officer

# **NENE EDUCATION TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

I confirm that I and the academy trust's 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 2018.

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



C Hill  
Accounting Officer

10.12.2019

# NENE EDUCATION TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who are also the directors of Nene Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

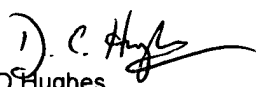
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 10.12.19 and signed on its behalf by:

  
D Hughes  
Chair of Trustees

# **NENE EDUCATION TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NENE EDUCATION TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Opinion**

We have audited the accounts of Nene Education Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# **NENE EDUCATION TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NENE EDUCATION TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# NENE EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NENE EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Baldwins Audit Services*

Mr Paul Tyler (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services

13/12/2019

Statutory Auditor

Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
NN15 6BL

# **NENE EDUCATION TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NENE EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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In accordance with the terms of our engagement letter dated 2 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nene Education Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Nene Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Nene Education Trust's funding agreement with the Secretary of State for Education dated 31 October 2015 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment and testing of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the followings areas:
  - Sample test of delegated authority procedures
  - Enquiry and review of transactions with connected parties
  - Review of governance procedures including inspection of trustee and relevant board minutes
  - Sample test of procurement procedures
- Communication with the accounting officer

# NENE EDUCATION TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NENE EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Conclusion

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

*Baldwins Audit Services*

**Reporting Accountant**  
Baldwins Audit Services  
Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
NN15 6BL

Dated: ...13/12/2019

# NENE EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000s	Restricted funds: General Fixed asset £'000s £'000s	Total 2019 £'000s	Total 2018 £'000s
<b>Income and endowments from:</b>					
Donations and capital grants	3	11	13	847	871
Donations - transfer from local authority on conversion	29	297	(339)	1,430	1,388
Charitable activities:					
- Funding for educational operations	4	472	9,781	-	10,253
Other trading activities	5	125	-	-	125
Investments	6	1	-	-	1
<b>Total</b>		<b>906</b>	<b>9,455</b>	<b>2,277</b>	<b>12,638</b>
<b>Expenditure on:</b>					
Raising funds	7	82	-	-	82
Charitable activities:					
- Educational operations	9	647	10,807	1,084	12,538
<b>Total</b>	<b>7</b>	<b>729</b>	<b>10,807</b>	<b>1,084</b>	<b>12,620</b>
<b>Net income/(expenditure)</b>		<b>177</b>	<b>(1,352)</b>	<b>1,193</b>	<b>18</b>
Transfers between funds	20	(335)	331	4	-
<b>Other recognised gains/(losses)</b>					
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(1,334)	-	(1,334)
<b>Net movement in funds</b>		<b>(158)</b>	<b>(2,355)</b>	<b>1,197</b>	<b>(1,316)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		348	(1,366)	20,949	19,931
Total funds carried forward		190	(3,721)	22,146	18,615

# NENE EDUCATION TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£'000s	£'000s
<b>Fixed assets</b>			
Tangible assets	13	22,080	20,877
<b>Current assets</b>			
Stocks	15	5	5
Debtors	16	1,064	433
Cash at bank and in hand		250	1,024
		1,319	1,462
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(980)	(692)
<b>Net current assets</b>		339	770
<b>Total assets less current liabilities</b>		22,419	21,647
Creditors: amounts falling due after more than one year	18	(41)	(48)
<b>Net assets before defined benefit pension scheme liability</b>		22,378	21,599
Defined benefit pension scheme liability	22	(3,763)	(1,668)
<b>Total net assets</b>		18,615	19,931
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	20		
- Fixed asset funds		22,146	20,949
- Restricted income funds		42	302
- Pension reserve		(3,763)	(1,668)
<b>Total restricted funds</b>		18,425	19,583
<b>Unrestricted income funds</b>	20	190	348
<b>Total funds</b>		18,615	19,931

The accounts on pages 26 to 55 were approved by the trustees and authorised for issue on 10.12.19 and are signed on their behalf by:

  
D Hughes  
Chair of Trustees

Company Number 07816548

# NENE EDUCATION TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000s	2018 £'000s
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	23	(1,626)	412
Cash funds transferred on conversion		297	-
		<u>(1,329)</u>	<u>412</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments	1	2	
Capital grants from DfE Group	599	293	
Capital funding received from sponsors and others	248	5	
Purchase of tangible fixed assets	(286)	(225)	
		<u>562</u>	<u>75</u>
<b>Net cash provided by investing activities</b>			
		562	75
<b>Cash flows from financing activities</b>			
Repayment of other loan	(7)	(6)	
		<u>(7)</u>	<u>(6)</u>
<b>Net cash used in financing activities</b>			
		(7)	(6)
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>		<u>(774)</u>	<u>481</u>
Cash and cash equivalents at beginning of the year		1,024	543
<b>Cash and cash equivalents at end of the year</b>		<u>250</u>	<u>1,024</u>

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Nene Education Trust meets the definition of a public benefit entity under FRS 102 and is a private charitable company, limited by guarantee and registered in England and Wales. The company's registered number and registered office address can be found on pages 1 to 2 of these financial statements.

The presentation currency of the financial statements is the pound sterling (£'000).

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

##### 1.3 Basis of consolidation

The financial statements contain information about Nene Education Trust as an individual charitable company and do not contain consolidated financial information as a parent of a group. In the trustees' opinion the results of the subsidiary are not material to an understanding of the academy trust's financial statements as in accordance with S405(2) of Companies Act 2006.

##### 1.4 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Raunds Park Infants School and Woodford Church of England Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The land and buildings of Raunds Park Infants School have been leased to the Trust by Northamptonshire County Council under a 125 year lease at a peppercorn rent. Use of the land & buildings of Woodford Church of England Primary School has been granted to the Trust under a Church Supplemental Agreement for a peppercorn rent. Further details of the transaction are set out in note 29.

##### 1.5 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### Other income

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

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.



# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### 1.6 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### 1.7 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

In accordance with the accounting treatment set out by the Academies Accounts Direction, the land and buildings associated with St Peter's Church of England Academy and Woodford Church of England Primary School have been included as an asset in the financial statements, based on a full market value at the date of conversion.

The academy trust has a legal agreement for the use of the land and buildings under a church supplemental agreement. These are rolling agreements with a minimum two years written notice period for termination, no such notice has been given at the date of signing the accounts.

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

Land and buildings	2% of cost
Property improvements	10% of cost
Computer equipment	25% of cost
Fixtures, fittings & equipment	10% of cost
Motor vehicles	20% of cost

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

Assets in the course of construction are included at cost. Depreciation on those 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.

#### 1.8 Liabilities

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

#### 1.9 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.10 Investments

The academy trust's shareholding in the wholly owned subsidiary, Manor Sports and Leisure Limited, is included in the balance sheet at cost less any impairment. There is no readily available market value for this subsidiary and the cost of a valuation exceeds the benefit derived.

#### 1.11 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.12 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### 1.13 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

#### 1.14 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.15 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 2 Critical accounting estimates and areas of judgement

(Continued)

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Capital grants	-	847	847	293
Other donations	11	13	24	78
	<u>11</u>	<u>860</u>	<u>871</u>	<u>371</u>

The income from donations and capital grants was £871,000 (2018: £371,000) of which £11,000 was unrestricted (2018: £63,000), £13,000 was restricted (2018: £10,000) and £847,000 was restricted fixed assets (2018: £298,000).

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	8,716	8,716	6,354
Start up grants	-	50	50	-
Other DfE group grants	-	686	686	563
	-	9,452	9,452	6,917
<b>Other government grants</b>				
Local authority grants	-	283	283	84
Special educational projects	-	-	-	57
	-	283	283	141
<b>Other funding</b>				
Other incoming resources	472	46	518	522
<b>Total funding</b>	472	9,781	10,253	7,580

The income from funding for educational operations was £10,253,000 (2018: £7,580,000) of which £472,000 was unrestricted (2018: £415,000) and £9,781,000 was restricted (2018: £7,165,000).

### 5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Hire of facilities	28	-	28	5
Catering income	-	-	-	6
Other income	97	-	97	7
	125	-	125	18

The income from other trading activities was £125,000 (2018: £18,000) of which £125,000 was unrestricted (2018: £18,000).

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Short term deposits	1	-	1	2

The income from funding for investment income was £1,000 (2018: £2,000) of which £1,000 was unrestricted (2018: £2,000).

### 7 Expenditure

	Staff costs £'000s	Non Pay Expenditure Premises £'000s	Other £'000s	Total 2019 £'000s	Total 2018 £'000s
Expenditure on raising funds					
- Allocated support costs	67	-	15	82	20
Academy's educational operations					
- Direct costs	7,225	490	981	8,696	6,258
- Allocated support costs	1,834	1,151	857	3,842	1,814
	<u>9,126</u>	<u>1,641</u>	<u>1,853</u>	<u>12,620</u>	<u>8,092</u>

#### Net income/(expenditure) for the year includes:

	2019 £'000s	2018 £'000s
Fees payable to auditor for:		
- Audit	16	11
- Other services	5	3
Operating lease rentals	99	94
Depreciation of tangible fixed assets	514	370
Net interest on defined benefit pension liability	54	39

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 8 Central services

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

##### Back office functions

- Accounting services
- Human resources
- Payroll
- ICT services
- Facilities advisory
- Catering management
- Insurance services
- Staff cover
- Health and safety audits
- Administration support

##### Teaching and learning

- Principal - leadership and management
- Science specialist teaching years 5 and 6
- Specialist PE teaching
- Specialist music support
- Safeguarding support
- SENCO support

The academy trust charges for these services as a percentage of funding. For the year ended 31 August 2019, the charges were based on 7% of school funding.

The amounts charged during the year were as follows:

	2019 £'000s	2018 £'000s
Manor School Sports College	277	137
St Peters CofE Academy	51	52
Stanwick Primary School	51	52
Windmill Primary School	101	13
Newton Road School	80	14
Woodford Church of England Primary School	12	-
Raunds Park Infants School	14	-
	<u>586</u>	<u>268</u>

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
<b>Direct costs</b>				
Educational operations	326	8,370	8,696	6,258
<b>Support costs</b>				
Educational operations	321	3,521	3,842	1,814
	<u>647</u>	<u>11,891</u>	<u>12,538</u>	<u>8,072</u>

The expenditure on charitable activities was £12,538,000 (2018: £8,072,000) of which £647,000 was unrestricted (2018: £478,000), £10,807,000 was restricted (2018: £7,224,000) and £1,084,000 was restricted fixed assets (2018: £370,000).

	2019 £'000s	2018 £'000s
<b>Analysis of support costs</b>		
Support staff costs	1,834	1,130
Depreciation	96	108
Technology costs	207	-
Premises costs	1,079	349
Other support costs	598	203
Governance costs	28	24
	<u>3,842</u>	<u>1,814</u>

Included within the above premises costs are £570,000 of repair/maintenance costs related to the restricted fixed asset fund for which specific funding has been received.



# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2019 £'000s	2018 £'000s
Wages and salaries	6,731	4,499
Social security costs	598	406
Pension costs	1,512	1,031
	<hr/>	<hr/>
Amounts paid to employees	8,841	5,936
Agency staff costs	249	53
Staff restructuring costs	36	5
	<hr/>	<hr/>
Total staff expenditure	9,126	5,994
	<hr/>	<hr/>

Staff restructuring costs comprise:

Redundancy payments	4	-
Severance payments	32	5
	<hr/>	<hr/>
	36	5
	<hr/>	<hr/>

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £31,600 (2018: £4,871). Individually, the payments were: £31,600.

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	124	85
Administration and support	187	118
Management	8	9
	<hr/>	<hr/>
	319	212
	<hr/>	<hr/>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	115	76
Administration and support	113	70
Management	8	9
	<hr/>	<hr/>
	236	155
	<hr/>	<hr/>

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff

(Continued)

#### Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	-	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	2	-
	<u>2</u>	<u>3</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £706,854 (2018: £700,592).

### 11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as trustees.

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

C Hill (Chief Executive Officer):

- Remuneration £95,000 - £100,000 (2018: N/A)
- Employer's pension contributions £15,000 - £20,000 (2018: N/A)

During the year, travel and subsistence payments totalling £443 (2018: £Nil) were reimbursed or paid directly to 2 trustees (2018: 0 trustees).

Other related party transactions involving the trustees are set out within the related parties note.

### 12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the costs of the insurance forms part of the overall insurance cost for the Academy Trust which was £35,730 (2018: £54,046).

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 13 Tangible fixed assets

	Land and buildings	Property improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Cost</b>						
At 1 September 2018	21,694	720	100	108	34	22,656
Transfer on conversion	1,430	-	-	-	-	1,430
Additions	-	179	8	99	-	286
At 31 August 2019	23,124	899	108	207	34	24,372
<b>Depreciation</b>						
At 1 September 2018	1,535	118	68	26	32	1,779
Charge for the year	417	72	13	11	-	513
At 31 August 2019	1,952	190	81	37	32	2,292
<b>Net book value</b>						
At 31 August 2019	21,172	709	27	170	2	22,080
At 31 August 2018	20,159	602	32	82	2	20,877

The net book value of land and buildings comprises:

	2019 £'000s	2018 £'000s
Freeholds	13,216	13,465
Long leaseholds (over 50 years)	7,956	6,694
	21,172	20,159

### 14 Fixed asset investments

	Total
<b>Historical cost:</b>	
At 31 August 2019	-
At 31 August 2018	-

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 14 Fixed asset investments

(Continued)

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Manor Sports and Leisure Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activities	Capital and reserves £'000s	Profit/(loss) for the year £'000s
Manor Sports and Leisure Limited	hire of sports and business facilities	30	26

### 15 Stocks

2019  
£'000s

2018  
£'000s

Catering stock

5

5

### 16 Debtors

2019  
£'000s

2018  
£'000s

Trade debtors

9

2

Amounts owed by group undertakings

31

47

VAT recoverable

262

55

Other debtors

297

67

Prepayments and accrued income

465

262

1,064

433

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17	Creditors: amounts falling due within one year	2019 £'000s	2018 £'000s
	Government loans	8	8
	Trade creditors	607	370
	Other taxation and social security	149	122
	Other creditors	18	16
	Accruals and deferred income	198	176
		<u>980</u>	<u>692</u>
		<u><u>980</u></u>	<u><u>692</u></u>
18	Creditors: amounts falling due after more than one year	2019 £'000s	2018 £'000s
	Government loans	41	48
		<u>41</u>	<u>48</u>
	<b>Analysis of loans</b>		
	Not wholly repayable within five years by instalments	49	56
	Less: included in current liabilities	(8)	(8)
		<u>41</u>	<u>48</u>
	Amounts included above	<u>41</u>	<u>48</u>
		<u><u>41</u></u>	<u><u>48</u></u>
	<b>Loan maturity</b>		
	Debt due in one year or less	8	8
	Due in more than one year but not more than two years	8	8
	Due in more than two years but not more than five years	23	23
	Due in more than five years	10	17
		<u>49</u>	<u>56</u>
		<u><u>49</u></u>	<u><u>56</u></u>

Included within other creditors are Salix loans totalling £49,000 (2018: £56,000), of which £8,000 (2018: £8,000) is due within one year and £41,000 (2018: £48,000) is due after more than one year. The salix loans are interest free and repayable in six-monthly instalments over eight years.

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

19	Deferred income	2019 £'000s	2018 £'000s
	Deferred income is included within:		
	Creditors due within one year	150	124
		<u>150</u>	<u>124</u>
	Deferred income at 1 September 2018	124	54
	Released from previous years	(124)	(54)
	Resources deferred in the year	150	124
		<u>150</u>	<u>124</u>
	<b>Deferred income at 31 August 2019</b>	<b>150</b>	<b>124</b>

At the balance sheet date, the academy trust was holding funds received in advance for rates relief, free school meals and school trips for the 2019/20 academic year.

20	Funds	Balance at 1 September 2018 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	148	8,716	(9,195)	331	-
	Start up grants	-	50	(50)	-	-
	Other DfE / ESFA grants	99	686	(785)	-	-
	Other government grants	-	283	(283)	-	-
	Other restricted funds	55	59	(72)	-	42
	Pension reserve	(1,668)	(339)	(422)	(1,334)	(3,763)
		<u>(1,366)</u>	<u>9,455</u>	<u>(10,807)</u>	<u>(1,003)</u>	<u>(3,721)</u>
	<b>Restricted fixed asset funds</b>					
	Fixed asset fund	20,946	1,430	(418)	122	22,080
	DfE group capital grants	3	847	(666)	(118)	66
		<u>20,949</u>	<u>2,277</u>	<u>(1,084)</u>	<u>4</u>	<u>22,146</u>
	<b>Total restricted funds</b>	<b>19,583</b>	<b>11,732</b>	<b>(11,891)</b>	<b>(999)</b>	<b>18,425</b>
	<b>Unrestricted funds</b>					
	General funds	348	906	(729)	(335)	190
		<u>348</u>	<u>906</u>	<u>(729)</u>	<u>(335)</u>	<u>190</u>
	<b>Total funds</b>	<b>19,931</b>	<b>12,638</b>	<b>(12,620)</b>	<b>(1,334)</b>	<b>18,615</b>

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

### 20 Funds

(Continued)

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the academy trust together with other restricted general funds.

Under the funding agreement with the Secretary of State, the academy trust was not subject to any restriction on the amount of GAG that it could carry forward at 31 August 2019.

During the period, a transfer of £4,000 was made from unrestricted funds to restricted fixed asset funds in respect of capital expenditure in the period funded from unrestricted income. Also during the period a transfer of £331,000 was made from unrestricted funds to restricted general funds in respect of an excess of restricted general expenditure over income.

Other restricted general funds at 31 August 2019 comprise:

	2019	2018
	£'000s	£'000s
Bikeability fund	27	30
Sports Game Organiser fund	15	25

The above funds all represent funding received less specific costs relating to each activity during the year. The activities are generally government funded and are all closely associated with the educational objectives of the academy trust.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Funds

(Continued)

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

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	6,354	(6,145)	(61)	148
Other DfE / ESFA grants	-	563	(464)	-	99
Other government grants	-	141	(141)	-	-
Other restricted funds	113	117	(175)	-	55
Pension reserve	(1,326)	(579)	(299)	536	(1,668)
	<u>(1,213)</u>	<u>6,596</u>	<u>(7,224)</u>	<u>475</u>	<u>(1,366)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	13,718	6,598	(360)	990	20,946
DfE group capital grants	644	293	(10)	(924)	3
Private sector capital sponsorship	-	5	-	(5)	-
	<u>14,362</u>	<u>6,896</u>	<u>(370)</u>	<u>61</u>	<u>20,949</u>
<b>Total restricted funds</b>	<u>13,149</u>	<u>13,492</u>	<u>(7,594)</u>	<u>536</u>	<u>19,583</u>
<b>Unrestricted funds</b>					
General funds	<u>348</u>	<u>498</u>	<u>(498)</u>	<u>-</u>	<u>348</u>
<b>Total funds</b>	<u>13,497</u>	<u>13,990</u>	<u>(8,092)</u>	<u>536</u>	<u>19,931</u>



# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Funds

(Continued)

#### Total funds analysis by academy

	2019	2018
	£'000s	£'000s
Fund balances at 31 August 2019 were allocated as follows:		
Manor School Sports College	(131)	134
St Peters CofE Academy	91	90
Stanwick Primary School	(25)	10
Windmill Primary School	70	212
Newton Road School	(17)	88
Woodford Church of England Primary School	84	-
Raunds Park Infants School	156	-
Central services	4	116
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	232	650
	<hr/>	<hr/>
Restricted fixed asset fund	22,146	20,949
Pension reserve	(3,763)	(1,668)
	<hr/>	<hr/>
Total funds	<u>18,615</u>	<u>19,931</u>

The following schools showed a carried forward deficit at 31 August 2019:

- Manor School Sports College
- Stanwick Primary School
- Newton Road School

The reason for the schools being in deficit are:

- Manor School Sports College - The deficit was due to the contract for the provision of school transport being heavily subsidised by the school implemented by previous leadership. There is now a 3 year exit strategy from the contract and the finances incorporated within the budget to bring it back into balance. Additionally, following a review of the sixth form provision, a decision has been taken to retain the breadth of provision but this also has been factored into future budgets.
- Stanwick Primary School / Newton Road School - The deficit was caused by significant long term absence without any insurance to cover the costs. This has been rectified in 2019/20.

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Funds

(Continued)

##### Total cost analysis by academy

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

	Teaching and educational support staff £'000s	Other support staff costs £'000s	Educational supplies £'000s	Other costs excluding depreciation £'000s	Total 2019 £'000s	Total 2018 £'000s
Manor School Sports College	3,368	821	182	1,052	5,423	5,312
St Peters CofE Academy	568	115	30	117	830	822
Stanwick Primary School	588	143	43	146	920	854
Windmill Primary School	1,291	270	84	243	1,888	256
Newton Road School	994	295	44	635	1,968	223
Woodford Church of England Primary School	83	19	4	28	134	-
Raunds Park Infants School	118	22	4	37	181	-
Central services	215	216	6	326	763	144
	<u>7,225</u>	<u>1,901</u>	<u>397</u>	<u>2,584</u>	<u>12,107</u>	<u>7,611</u>

#### 21 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	22,080	22,080
Current assets	223	953	143	1,319
Creditors falling due within one year	(33)	(911)	(36)	(980)
Creditors falling due after one year	-	-	(41)	(41)
Defined benefit pension liability	-	(3,763)	-	(3,763)
<b>Total net assets</b>	<u>190</u>	<u>(3,721)</u>	<u>22,146</u>	<u>18,615</u>

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	20,877	20,877
Current assets	348	986	128	1,462
Creditors falling due within one year	-	(684)	(8)	(692)
Creditors falling due after one year	-	-	(48)	(48)
Defined benefit pension liability	-	(1,668)	-	(1,668)
<b>Total net assets</b>	<b>348</b>	<b>(1,366)</b>	<b>20,949</b>	<b>19,931</b>

### 22 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hyman Robertson LLP. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 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 or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 22 Pension and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

##### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £720,850 (2018: £496,971).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.9% to 24.6% for employers and 5.5% to 12.5% for employees.

As described in note 29 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 22 Pension and similar obligations

(Continued)

Total contributions made	2019 £'000s	2018 £'000s
Employer's contributions	432	274
Employees' contributions	115	74
Total contributions	547	348
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.4
Commutation of pensions to lump sums - Pre April 2008 service	50.0	50.0
Commutation of pensions to lump sums - Post April 2008 service	75.0	75.0

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

	2019 Years	2018 Years
Retiring today		
- Males	21.2	22.1
- Females	23.3	24.2
Retiring in 20 years		
- Males	22.3	23.9
- Females	24.7	26.1

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000s	2018 £'000s
Discount rate + 0.1%	267	181
Discount rate - 0.1%	(267)	(181)
Mortality assumption + 1 year	348	294
Mortality assumption - 1 year	(348)	(294)
CPI rate + 0.1%	222	147
CPI rate - 0.1%	(222)	(147)

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 22 Pension and similar obligations

(Continued)

#### The academy trust's share of the assets in the scheme

	2019 Fair value £'000s	2018 Fair value £'000s
Equities	4,465	3,910
Bonds	1,053	792
Property	558	423
Other assets	124	159
Total market value of assets	6,200	5,284

The actual return on scheme assets was £283,000 (2018: £204,000).

#### Amount recognised in the Statement of Financial Activities

	2019 £'000s	2018 £'000s
Current service cost	765	534
Past service cost	35	-
Interest income	(155)	(96)
Interest cost	209	135
Total operating charge	854	573

#### Changes in the present value of defined benefit obligations

	2019 £'000s	2018 £'000s
At 1 September 2018	6,952	4,786
Obligations acquired on conversion	489	-
Transferred in on existing academies joining the academy trust	-	1,902
Current service cost	765	534
Interest cost	209	135
Employee contributions	115	74
Actuarial loss/(gain)	1,462	(428)
Benefits paid	(64)	(51)
Past service cost	35	-
At 31 August 2019	9,963	6,952

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 22 Pension and similar obligations

(Continued)

#### Changes in the fair value of the academy trust's share of scheme assets

	2019 £'000s	2018 £'000s
At 1 September 2018	5,284	3,460
Assets acquired on conversion	150	-
Transferred in on existing academies joining the academy trust	-	1,323
Interest income	155	96
Actuarial gain	128	108
Employer contributions	432	274
Employee contributions	115	74
Benefits paid	(64)	(51)
At 31 August 2019	6,200	5,284

### 23 Reconciliation of net income to net cash flow from operating activities

	2019 £'000s	2018 £'000s
Net income for the reporting period (as per the statement of financial activities)	18	5,898
Adjusted for:		
Net surplus on conversion to academy	(1,388)	(6,019)
Capital grants from DfE and other capital income	(847)	(298)
Investment income receivable	(1)	(2)
Defined benefit pension costs less contributions payable	368	260
Defined benefit pension scheme finance cost	54	39
Depreciation of tangible fixed assets	514	370
(Increase) in stocks	-	(1)
(Increase) in debtors	(632)	(31)
Increase in creditors	288	196
Net cash (used in)/provided by operating activities	(1,626)	412

### 24 Contingent liabilities

During the year of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a government capital grant was received, the academy trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the academy trust's site and premises and other assets held for the purpose of the academy trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 25 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000s	2018 £'000s
Amounts due within one year	93	94
Amounts due in two and five years	106	192
Amounts due after five years	-	3
	<u>199</u>	<u>289</u>

#### 26 Capital commitments

	2019 £'000s	2018 £'000s
Expenditure contracted for but not provided in the accounts	<u>686</u>	<u>60</u>

#### 27 Related party transactions

Owing to the nature of the academy trust'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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place with the Trust's wholly owned subsidiary, Manor Sports & Leisure Limited, in the period of account:

- a) The academy trust recharged staff costs and other expenses totalling £95,788 (2018: £89,907) to the subsidiary
- b) The subsidiary recharged other costs of £1,090 (2018: £527) to the academy trust
- c) The subsidiary contributed £12,500 (2018: £10,000) toward the maintenance of the all-weather pitch
- d) The subsidiary agreed to gift £Nil (2018: £30,000) to the academy trust
- e) At 31 August 2019 other debtors included £30,962 (2018: £46,579) due from the subsidiary

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

#### 28 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.



# NENE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 29 Conversion to an academy

On 1 June 2019, Raunds Park Infants School and Woodford Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nene Education Trust from the Northamptonshire County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Woodford Church of England Primary School	Northamptonshire	1 June 2019
Raunds Park Infants School	Northamptonshire	1 June 2019

	2019 £'000s
<b>Net assets transferred:</b>	
Leasehold land and buildings	1,430
Cash	297
Pension scheme deficit	(339)
	<u>1,388</u>

	Unrestricted Funds £'000s	Restricted funds:		Total 2019 £'000s
		General £'000s	Fixed asset £'000s	
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	1,430	1,430
LA budget funds	297	-	-	297
LGPS pension funds	-	(339)	-	(339)
	<u>297</u>	<u>(339)</u>	<u>1,430</u>	<u>1,388</u>