

Company Registration No. 08753719 (England and Wales)

NEXUS EDUCATION SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020



NEXUS EDUCATION SCHOOLS TRUST

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NEXUS EDUCATION SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Chandler
A Webber
S Charman
M Jones
C Lloyd

Trustees

P Chandler (Chair)
P Farrow (Accounting officer)
N Kimber
D Stacey
J Millins
R Parks
D Townsend

Senior management team

- CEO	P Farrow
- CFO	A Smith
- Director of Education	P Watt
- Head of Estates and Premises	N Ide
- Headteacher	E Blake
- Headteacher	J Butler
- Headteacher	A Morris
- Headteacher	A Hills
- Headteacher	E Laws
- Headteacher	C Maragh
- Headteacher	L Richards
- Headteacher	A James
- Headteacher	R Williams
- Headteacher	M Veysey

Company secretary

S Dossetter

Company registration number

08753719 (England and Wales)

Registered office

Worsley Bridge Primary School
Brackley Road
Beckenham
Kent
BR3 1RF

NEXUS EDUCATION SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Nexus Educational Schools Trust
Farnborough Primary School
Worsley Bridge Primary School
Alexandra Infants School
Alexandra Juniors School
Manor Oak Primary School
Highfield Infants School
Highfield Junior School
Pickhurst Infants School
Perry Hall Primary School
EYELA Teaching School
Bickley Primary School
Balgowan Primary School

Location

Bromley
Farnborough
Beckenham
Beckenham
Beckenham
Orpington
Bromley
Bromley
Bromley
Orpington
Orpington
Bromley
Bromley
Beckenham

Chief Executive Officer

P Farrow
A James
R Williams
A Hills
C Maragh
J Butler
A Morris
A Morris
E Laws
L Richards
E Laws
E Blake
M Veysey

Independent auditor

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Bankers

Lloyds Bank Plc
6-8 Market Square
Bromley
Kent
BR1 1NA

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates eleven academies all situated in the London Borough of Bromley. The Schools are a mix of 2-11 Primary Schools, Nursery, Infant, and Junior schools. On 1 September 2019 Balgowan Primary School joined the Trust, further enhancing the knowledge skills and capacity within the Trust. The Trust has a specialist provision for pupils with Autistic Spectrum disorder at Alexandra Infant School and includes a mainstream nursery at Manor Oak with a 2-5 age range. The Trust also has a Teaching school, EYELA specialising in Early Years Education. The NEST schools have a combined capacity of 4,072 and has a roll of 3,761 pupils in the October 2020 census, which includes bulge classes and a primary school growing year on year from two forms of entry to three.

Over the next three years Nexus Education Schools Trust plans to grow further, through the physical growth of its present schools with addition forms of entry and the extension of nursery education as well as the addition of new schools joining the Trust. The Trust has a strategic plan to develop a second hub, replicating the Bromley hub but growing at a slower rate. Growth of the second hub will be through school to school support, merger, or new school development. The Trust works with a variety of partner organisations, NEST has partnership agreement with two Multi Academy Trusts, each of 4 schools, to provide education support programmes and teacher training. In addition, the Trust supports a group of maintained schools providing school improvement activities. The Trust has a strategic aim to further develop nursery education and an extended childcare programme to provide families and members of the community with high quality early years education and extended days.

The impact of Corona Virus (COVID 19) on all schools has been significant; financially, physically and emotionally. All NEST schools were open to the children of key workers and those who are vulnerable throughout the lockdown period, by working as a hub organisation. Robust risk assessments enabled resources to be used effectively, facilitating community confidence and high attendance rates in the five hub schools. The Trust opened an Easter school to support key worker families during the Easter holiday period, this was facilitated by NEST staff. All NEST staff have worked tirelessly to implement government guidance and continue to adapt and provide high quality education opportunities for all NEST children both in school and through remote learning when needed.

Some strategic priorities for growth and development have had to be slowed to enable full focus on working within a pandemic.

Structure, governance and management

Constitution

NEST Academy Trust is a company limited by guarantee with no share capital (registration no. 08753719) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Trust Directors act as the Trustees for the charitable activities of Nexus Education Schools Trust (N.E.S.T) and are also Directors of the charitable company for the purposes of company law. Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Members' liability

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

Principal activities

The principal activity of the Trust is to advance for the public benefit, education in the United Kingdom. In particular, but without prejudice, to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a School offering a broad and balanced curriculum for pupils of different abilities between the ages of 4 -11.

Trustees' indemnities

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

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees' and officers' indemnity element from the overall cost of the RPA scheme membership.

Method of recruitment and appointment or election of trustees

The Trustees are appointed under the terms of the Academy's Articles of Association and are subject to retirement after four years but are eligible for re-appointment at the meeting at which they retire. New appointments are made through an advertisement, application and interview process which seeks the skills required for the implementation of the strategic plan for member schools.

Members

The Members of the Academy Trust shall comprise:

- the signatories to the Memorandum to the extent their membership has not terminated in accordance with these Articles; provided that at any time the minimum number of Members shall not be less than three.
- any person appointed under Article 15A, that the Members agree through the passing of a special resolution to appoint such additional Members as they think fit.
- An employee of the Academy Trust cannot be a Member of the Academy Trust

Trustees

The Members may appoint up to 7 trustees (Directors), subject to Article 50.

Under the terms of the Articles in place throughout the year, NEST multi academy trust shall have the following trustees:

- up to 7 trustees, subject to Articles 48 and 49 and appointed under Article 50 to include individuals with relevant skills which may include (without limitation), finance, HR and school improvement
- the number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum
- a Chief Executive Officer /Executive Head Teacher. The total number of trustees including those under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of trustees
- The Academy Trust may also have any Co-opted Trustee appointed under Article 58.

Trustees are appointed based on their skills. When vacancies arise, new trustees shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a trustee to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Article or part thereof shall not apply.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of trustees

An induction programme is in place for new trustees and members of the School's Local Committees. Training and induction are provided for all new trustees and Local Committee Members and is dependent on their existing experience. Each new Trustee and Local Committee Member receives induction training through NEST. All are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees or Local Committee Members. A key expectation covered as part of the induction process is the 'Seven Principles of Public Life.' Trustees and Local Committee Members are expected to attend training and networking events as appropriate to their area of expertise throughout their appointment.

Organisational structure

The Trust has an organisational structure to enable its efficient running, which includes a separate Local Committee for each school. The Trust is held to account by its members. The management structure through devolved responsibility enables the efficient running, involvement in decision making at all levels and the successful implementation of the Trust's and each School's strategic priorities. A Scheme of Delegated Authority is in place which sets out the responsibilities at all levels of governance within the Trust.

Trust Board

The Trust Board is responsible for setting general policy, adopting an annual strategic plan and budget, monitoring of the Trust's schools' performance, financial expenditure and impact through benchmarking. The Committees of the Trust Board monitor the effectiveness of individual schools in upholding the objectives, policies and procedures of the Trust.

Trust Board Sub Committees

The Trust Board has two Sub Committees, the HR, Pay and Performance Committee and Finance, Audit and Risk Committee, comprised of allocated trustees. The Sub Committees enable the Trust to fulfil its statutory responsibilities for the organisation.

Advisory Committees

NEST has two Advisory Committees with representatives from the Trust Board and nominated representatives from the Local Committees. Each of the two Sub Committees has a distinct area of focus

- Education, Strategy, Remuneration and Nomination (ESRN)
- Finance, Resources, Audit and Risk (FRAR)

The prime function of these Committees is to monitor the performance of schools against local and national data, to ensure high standards of achievement and progress of all pupils, value for money and compliance. The Committees evaluate the impact of the Trust using benchmark data and overall effectiveness, to support and develop a strategic plan for schools. The overall strategy for schools covers the quality of provision, age range, curriculum, assessment, staffing and community access. The Committee's remit is to ensure our schools are safe, purposeful and equitable for all.

The CEO is the Accounting Officer and has management responsibility for the organisation. The scheme of delegation and finance policies set out authorisation levels at each school.

Local Committees (School Level)

The Local Committees are Committees of the Trust Board, established pursuant to the Articles. The Local Committees will act in accordance with these Terms of Reference and with the Scheme of Delegation for each school, unless otherwise directed by the Trustees. Local Committees are accountable to the Trust Board for their decisions.

The staffing and accountability structure of an individual school is based on its pupil numbers and demographics. All schools will have a Local Committee and Senior and Middle Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Local Committee members are responsible for setting general policy, agreeing a draft budget, ratified by the Trust board, adopting an annual School Improvement Plan, monitoring the Academy, with budgets against key school priorities and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Leadership (School level)

The Senior Leadership Teams are structured based on the needs of the school; in general they include the Headteacher, Deputy Headteacher and Inclusion leads. These leaders control the Academy at an executive level implementing the policies laid down by the Board and Local Committee and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for senior leader posts contain at least one Local Committee Member. Some spending control is devolved to Middle Leaders, with limits above which the Headteacher must countersign. The Central Team, Trust Board and its Committees, monitor, evaluate, and supports the work of the Local Committee and management teams within each school.

The term of office for any Trustee or Local Committee member shall be four years, this time limit shall not apply to the Chief Executive Officer. Trustees may be re-appointed if re-elected.

The Local Committee representation for each school is recommended to consist of the Headteacher, up to two staff members, up to three community members and two parent members; all of whom have been elected or appointed by the school community. The Local Committee may also have any Co-opted member appointed to support the strategic priorities of the school or the Trust and where appropriate Trust board nominees.

Future Local Committee members shall be appointed or elected. Where it is not possible for a Local Committee Member to be appointed or elected, due to the fact that an Academy has not yet been established or it requires support, then the Trust board will oversee the appointment and management of the Local Committee.

From March 2020, following government guidance on COVID 19, all governance meetings have been virtual. No elections for parent members have taken place. The Trust followed good practice guidance from Department of Education, ESFA and The National Governance Association to ensure compliance and business continuity.

Arrangements for setting pay and remuneration of key management personnel

There is no pay and remuneration for Trustees or Local Committee Members, other than to claim expenses set out in the Trustees and Governors Allowance policy.

Pay and remuneration for all staff employed by the Trust is reviewed annually. The Trust Board HR and Pay and Performance Committee are delegated responsibility for reviewing and setting pay awards for all staff including the CEO and Central Team, in line with benchmarked data, external advice from the Department of Education, relevant advisory bodies and Trade Unions. All layers of senior leadership remuneration is in line with the Bromley Management structure or ISR unit rating for the individual school and the School Teacher Pay and Conditions document (STPCD). Where leaders are working across two schools in an executive role, the combined unit of the schools will be used to formulate an ISR rating for the executive role. Where recruitment and retention of leaders is problematic or set skills are required then the board may enhance the ISR point by up to 25% in line with the recommendations of the STPCD.

The Trust has a robust model of performance management for all its leaders completed by nominated Local Committee Members supported by Trust Educational Advisors. Recommendation for pay awards by the Local Committee are agreed by the Trust Board. The role and performance of the Chief Executive Officer, and key management person within the Trust, is reviewed and assessed with external information by the Trust Board Pay Committee.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Engagement with employees

NEST employs an average 341 FTE employees. The Trust provides information on relevant matters and those that may concern them. Throughout this accounting period the focus on the organisation is to support and sustain the workforce to enable the continued delivery of education to our communities throughout the lockdown period and COVID 19 pandemic. Robust risk assessments, mitigating measures and informed communication have supported our work force, enabling the Trust to cover for health absence and self-isolating periods during the pandemic. We maintained full pay to school-based staff as a grant funded organisation and were able to support the wider employed sector by offering holiday provision for key worker children due to the commitment of the NEST Staff.

The Trust is committed to equal opportunities for all staff, prospective employees and members of our community. Equality of opportunity is at the forefront of decisions by understanding and tackling barriers which could lead to unequal outcomes for different groups. The Trust is committed to eliminating unlawful discrimination in all aspects of employment practice; through working with focus groups and developing agreed policy. We also seek to celebrate and value the achievements and strengths of all members of the schools community. Everyone in our schools should feel safe, secure, valued and of equal worth.

We remain committed to rewarding our staff through an annually reviewed structures and appropriate salary scale. The Trust is also committed to developing its staff through continued professional training and apprenticeship schemes. The Trust's strategic priority is to provide a broad spectrum of services to its communities and enabling further development and growth opportunities for staff.

We are proud that our staff are committed to the organisation which is highlighted in the low levels of staff mobility. NEST seeks to maintain positive relationships with employees through the provision of information and consultation procedures where appropriate, and by working with recognised Trade Unions.

Engagement with suppliers, customers and others in a business relationship with the academy trust

All contractors rose successfully to the challenge posed by COVID 19 by keeping food, essential commodities and building projects on schedule and delivered. Suppliers in partnership with the Trust adapted delivery methods and supported the new COVID expectations, in order to keep our schools open and safe and our communities supported.

The Trust has maintained good relationships with supplier partners that are critical to each school's opening. The Trust has also ensured services are paid for in a timely manner to support the viability of smaller contractors.

Changes to school guidance surrounding COVID19 has meant that a number of providers were not able to deliver extended services to our schools due to government guidance. Robust risk assessments and strong partnership working has enabled these businesses to comply with new expectations and begin the process of restarting delivery of the services to our schools.

The Trust and its schools worked in partnership with families to provide accessible learning environments. Community confidence in the risk assessment measures and learning opportunities ensured that attendance was high and there was access to good quality home learning for children working at home.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other connected charities and organisations

NEST provides services to other schools and Academy Trusts, primarily education support and consultancy services. All income is incorporated within the balance sheet.

NEST incorporates the teaching school 'EYELA' and two National Support schools for which it receives additional grant funding, accounted for in the balance sheets.

All schools have strong Parent Associations. They are separate charities and work within the local and school community for the benefit of the pupils at the individual school.

Balgowan Primary Academy joined the Trust in September 2019. The Balgowan Academy company has begun the process of winding up and closure.

Prior to joining Nexus Education Schools Trust some schools were members of an Umbrella Trust organisation called the Academy Learning Collaborative (ALC). The representatives of each of the schools stepped down in 2017 and no further transactions took place. The ALC continued as an incorporated company with three non-NEST schools. The ALC closed as a company in August 2019.

Objectives and activities

Objects and aims

NEST aims to advance education for public benefit by establishing, maintaining and developing schools including but not limited to academies offering a broad and balanced curriculum. Our principle activities are enshrined in the Trust objectives and delivered through our mission, vision and values commitment statement.

Children are central to everything we do; we aspire for excellence and opportunity for all

Vision - "Excellence and opportunity for all"

Aims

- To create an inclusive culture of learning, where all children will be challenged in their thinking, strive for continuous improvement, and be motivated to become lifelong learners
- To empower our children to become respected citizens, make valuable contributions locally and globally and contribute to our a sustainable future
- To develop a strong network of diverse and inclusive schools with similar values, aspirations and a commitment to enable all learners to succeed
- To drive improvement within the collaborative and deliver excellent outcomes for all
- To minimise the barriers to progress and achievement in the schools and the communities in which we work
- To advocate the interests of member schools and their children in local, national and global planning and policy
- To achieve efficiencies in the provision and procurement of goods and services
- To secure funding for educational projects within and beyond the Trust
- To further develop successful educational partnerships beyond the Trust

Our Trust Schools value:

- each child's intellectual, physical, aesthetic, spiritual, emotional, moral and social development
- individual differences and the individual needs of each child
- friendship and our sense of community, the involvement of parents, families and carers in the life of the school fostering a positive, supportive home/school relationship
- equality of opportunity for all
- truthfulness, honesty, politeness and consideration towards others
- respect and tolerance of the opinions and beliefs of others
- commitment and determination to realise dreams and the ability to inspire confidence and courage to achieve success
- the qualities of patience and sensitivity
- self-discipline, self-respect, empathy and the capacity to live as an independent, self-motivated person with an awareness of our sociality and the world community
- our children's inquisitive and imaginative minds, their questions and ideas.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

As an organisation we recognise that each school's community is different. We value each school's uniqueness and its contribution in ensuring pupils have the best education and experiences. Each school is linked to the success of the organisation. We believe passionately that by working together we can make a greater difference, providing strong educational outcomes and wider opportunities for our pupils as well as enhanced prospects for our staff and communities.

Each organisation commits to our NEST vision and values. It is a reminder that we have made a choice to be a part of the wider organisation of Nexus Education Schools Trust and that we are all obligated to the community as a whole.

NEST Education Vision: -

Nurture
Educate
Succeed
Transform

Our CHOICE core values are: -

- Collaboration
- Honesty
- Opportunity
- Inclusivity
- Confidence
- Enjoyment

The Trust schools are caring communities with learning at their heart. Nexus Education Schools Trust is a Primary School Trust for pupils aged 4 to 11. All School staff encourage children to aim high, be honest and work together. Senior leaders, Local Committee Members and Trustees work with colleagues and other partners to promote high standards and teamwork. There is a sense of purpose, fun and enjoyment in each of the schools which is nurtured and sustained. Leaders work to ensure that we keep the best of what we have while continually striving to improve and build on strong foundations

Each school enables each child to practise important skills for life such as being responsible, learning to read, write, spell, be numerate, make informed choices and to love learning across a wide curriculum that includes science, art, music, sport, languages and humanities.

The Trust strives to enhance facilities, buildings and outdoor spaces to deliver today's modern, demanding and creative curriculum.

The culture and ethos of the Trust schools is one where everyone works hard to ensure that the children are safe, secure, and part of a friendly caring community; where children are happy and excited about coming to school; where all learn, achieve and make progress and develop knowledge, skills and understanding across a wide curriculum; where pupils thrive, and develop the skills they need for life-long learning.

Objectives, strategies and activities

The main objectives of the Trust during the year ended 31 August 2020 are summarised below

Excellent Outcomes

NEST Schools consistently aim to deliver high a quality of education through expert teaching, strong community governance and compliance: -

- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care
- to raise the standard of educational achievement of all pupils through high calibre teaching, training, support and effective monitoring and evaluation process with improving outcomes
- to improve the effectiveness of the schools by keeping the curriculum and organisational structure under continual review, ensuring a broad, balanced and engaging curriculum.

Financial Sustainability

NEST strategy and provision is financially sustainable with appropriate reserves to enable the Trust to pursue its educational objectives and provide additional investment: -

- to provide value for money for the funds expended
- to procure and centralise efficiently to provide long term cost savings across the Trust
- to plan, manage and action risk appropriately
- to comply with all appropriate statutory and curriculum requirements to conduct the Multi Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Structure

NEST continues to align and develop existing provision within its group of schools and deliver support services to other organisations to provide sustainable growth and partnerships:-

- to provide a successful, structured organisation which enables the Trust to work collaboratively with others
- to provide a hub model which comprises a sufficient number of schools to operate together providing efficient governance, procurement and support for excellent educational quality and opportunity for all in a highly efficient manner
- to continue to develop services to enhance provision and support within each school and its community and develop staff through training and retention programmes

COVID 19 brought challenges and adaptations to provision both nationally and locally. This has meant that the Trust has had to refocus its priorities in the six month from March 2020 to August 2020, as the pandemic brought new government guidance and lockdown measures which affected schools and the provision of services.

Public benefit

The Trust Board Directors and members confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The aim of the Trust is to provide a rich extended curriculum to promote and support the advancement of education and opportunity for all pupils.

The Trustees ensure that the admissions arrangement for all schools within the Trust adhere to the Schools' Admission Code. All schools within the Trust adopt admissions arrangements which are in-line with those of the Local Authority. Schools within the Trust serve their local community.

The criteria used to admit pupils to the Trust schools:-

- Looked after children
- Acute medical or social needs, in exceptional circumstances
- Children attending linked infant schools
- Siblings
- Children of members of staff
- Proximity to the school

The Trust Articles aim to serve its schools and local communities through the use of facilities for the benefit of the school and its community. The Trust ensure the appropriateness of policies and procedures are in place to support the maximum use of its facilities and generation of funds for its schools.

Nexus Educational Trust has not made any charitable donations from monies it has received by way of any government grant funding. However its pupils in its schools have carried out charitable fund raising activities, such as fayres, sponsored events, cake sales etc. and donated funds raised, in full to a wide range of local, national and international charities.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Outcomes

Educational outcomes encompass not just results data. COVID 19 has had a significant impact on the work of the Trust this year. Our priority is to do all we can to keep our workplaces as safe as possible for pupils and staff. We have reprioritised the delivery of education to support the needs of the communities within our organisation. The current levels of uncertainty, and the unprecedented nature of the pandemic continues to influence our decision making and remains challenging across the whole sector. It is not yet clear how long the pandemic will last and what the medium to long term effect of this pandemic will be on society. Our schools have had to be flexible and adaptable, whilst maintaining high levels of confidence and support within each community. We are proud of our schools in the way in which they have created calm and stability during these uncertain times.

Nexus Education Schools Trust (NEST) group of schools are committed to the shared vision *'Excellence and opportunity for all'*. All Trust schools are graded by OFSTED as Good or Outstanding. The Trust has internal monitoring and evaluating systems and also uses external teams and organisations to evaluate each school's performance. Additional support is appropriately devolved to all school wherever they are on their improvement cycle.

The Government directed that formal testing in 2020 was halted due to the pandemic. Teacher assessment data was applied and reported to families up to March 2020, and up to this point performance and attainment were in line with strong attainment outcomes seen in previous years. Trust guidance and support focussed on ensuring high quality home learning, accessibility and training. New whole Trust initiatives to support home learning and IT strategies were deployed in partnership with government funded initiatives for IT access with a particular focus on supporting the most vulnerable and disadvantaged.

In 2020, data to March showed that pupils were on track to meet their expected outcomes in all subjects at Key Stage 1 and 2, with exceptionally strong performance data at Highfield, Balgowan, Parry Hall and Famborough Primary Schools. The COVID 19 lockdown affected the Reception year groups the most across the Trust as space and social distancing restricted access to the school environment. These pupils (now Year 1) were targeted in the first wave of reopening and will initially continue to follow an EYFS based curriculum to enable them to develop their characteristics of learning and reintegrate into school life.

Early Years Education is excellent across the Trust with all schools significantly above national expectations in all areas of the Early Years Foundation Stage. Results for a Good Level of Development are very strong and 10% above National. EYELA Teaching School as a Centre of Excellence supports high performance, research and development in teacher training.

Phonics is a strength across the Trust with a combined result of pupils meeting the expected standard above National (82%) and significant high attainment at Balgowan Primary (93%), Highfield Infants (91%), Pickhurst Infants (93%) Perry Hall Primary (92%) and Bickley Primary (90%).

In 2019, excellent teacher knowledge, exposition and assessment ensured that all pupils made strong progress by the end of the Key Stage 1 in Maths, English and Reading across the Trust being significantly above National in the majority of schools. Greater Depth results in Reading, Writing and Maths show a combined increase on national results of 46%, with exceptional performance at Highfield Infants' with 47% achieving the higher standard and at Pickhurst Infants where 44% attained Greater Depth in Reading.

At Key Stage 2, Trust performance improved in attainment in 2019. Combined results in English and Mathematics were above National by 5% at Expected and 10% at Exceeding.

Attendance averages across the Trust are strong. Attendance during the period of 'lockdown' was high between 92- 97%, highlighting community confidence in the safety compared to 65% in some areas nationally. The Trust quickly adapted provision to ensure environments were COVID safe and mitigation measures were in place. Support for pupils within the home environment was continually adapted and focussed on the social, emotional and welfare of pupils and families as well as academic learning. The challenge to deliver high quality learning within and beyond school continues. Secure strategies are in place for pupils to transition between home and school learning as needed. There have been limited bubble closures across the Trust to date.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial stability

The Trust continually reviewed, evaluated and adapted support to schools in finance management, deployment of resources, quality of education, staffing, training, curriculum opportunities, premises improvement and maintenance.

Covid19 reprioritised planned financial expenditure, with the adaption of and increased safeguarding measures required to fight the pandemic. Income from self-generated activities delivering wraparound care, training and support ceased, impacting on staffing levels and schools resourcing provided by external services.

Additional ongoing costs were balanced with the hub offer for key workers ensuring the Trust had sufficient staff and resources to meet demand. Centralised oversight and support ensured efficient financial management during the period.

Structure

Schools have benefited by being part of a large organisation through the centralisation and delivery of a robust safeguarding and adaption of priorities during the pandemic. The Trust continued to work with partner schools to support the challenges which they faced during the pandemic.

Some strategic priorities such as nursery development were put on hold and focus concentrated on the immediate challenges. Feedback from schools, governance and partner schools highlighted the successful working relationship and appreciation on being part of a Trust.

Key performance indicators

The Trust adjusted its KPIs to incorporate the education provision during the pandemic. Teaching and learning was differentiated to meet the resourcing and accessibility needs within each community. Over 90% of pupils accessed home learning and this was effectively monitored and evaluated by staff providing appropriate next steps.

Pupils had access to a broad and rich range of learning experiences across the curriculum. There was a strong focus on emotional and wellbeing. All schools had a clear strategy to improve the mental health and wellbeing of pupils and staff.

Strong partnership with parents and family members supported pupil's achievement, ensuring continued positive progress from their starting points.

Schools were committed to enabling the most vulnerable groups to access education and provided informed communication links and programmes differentiated to meet need.

Trust attendance was significantly above national data for the key worker group attending schools. With some Trust schools having 97- 100% attendance for eligible year groups. School safeguarding procedures were robust and complied with expectations securing community confidence. All school environments were Health and Safety compliant

All children had an entitlement to opportunities beyond the curriculum schools prioritise such as school residential, school visits and theatre trips (see website information on the NEST child).

NEST has had minimal vacancies during the period and staff attendance has been excellent. Where members of staff were unable to attend due to restrictions, resources in place enabled them to work efficiently from home.

Strong Trust Leadership supported leadership capacity in each school to reduce workload across all NEST schools.

Robust financial parameters were maintained in all schools ensuring value for money.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Effective communication and improvements to IT throughout the period allowed schools to start to adapt to meet new expectations. This will continue to be built on throughout the next period ensuring continued high levels of communication and access to good quality learning experiences.

Supportive and effective Governance throughout the period has provided stability and accountability.

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.

Protecting the success of the academy trust

The Trust continues to ensure it is outward looking and maintains strong partnerships and affiliations with schools and organisations outside of the Trust. NEST's aim for promotion is to enable it to achieve its charitable purpose to advance education for public benefit.

The Trust works with a variety of partners to enrich and grow our organisation both formally and informally. These partnerships benefit all communities, helping to share knowledge, resources and expertise across a wide range of schools and organisations. The Trust and its staff continue to provide outreach support and training to other organisations and are participants in forum and committees which help to inform, influence and shape future education developments.

A new website for the Trust and all schools in 2020 will support the promotion of the Trust's work.

Financial review

Most of the Academy's income is obtained from the Education, Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. COVID 19 has had significant impact on the delivery model of the organisation and the need to reprioritise funds to meet the demands of the pandemic.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting 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.

During the year ended 31 August 2020, total expenditure of £21,623k (2019: £18,991k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £2,131k (2019: £3,409k).

At 31 August 2020 the net book value of fixed assets was £75,085k (2019: £60,579k). Movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Bromley Pension Fund, in which the Academy participates, showed a deficit of £5,862k (2019 £4,628k) at 31 August 2020.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of unrestricted reserves should be equivalent to one month's expenditure, approximately £1,558k (2019: £1,553k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of unrestricted reserves of £3,264k (2019: £2,365k) calculated as total funds less the amount held in fixed assets and restricted funds. The trustees expect the excess of general unrestricted funds to reduce in the coming periods.

Financial position

The Trust held fund balances at 31 August 2020 of £73,520k (2019: £61,536k) comprising £70,256k (2019: £59,171k) of restricted funds and £3,264k (2019: £2,365k) of unrestricted general funds. Of the restricted funds, £75,085k (2019: £63,093k) is represented by tangible fixed assets, £748k (2019: £52k) of capital funds and £285k (2019: £708k) of unspent restricted funds.

The pension reserve which is considered part of restricted funds was £5,862k (2019: £4.682k) in deficit.

The total of unrestricted reserves incorporates an element of continued development work at different school sites and is also required at Worsley Bridge to cover costs associated with a growing school. The Trust has a reserves policy that requires one month's expenditure for each school within the group to be held by each school. Individual school reserves are assigned to the school. However the Trust and its partner schools understand the fragility of the funding structure and the need for effective budgeting to maintain services and the reserves required under policy to ensure organisational viability. It is however a challenge to maintain services with increasing costs with the assigned funding.

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The Trust Board of trustees has a risk management policy and a risk register reviewed by the Audit and risk committee. Each school has a risk register that is monitored by the Local Committee on an annual basis. The Trust reviews these risks annually. The key areas identified are strategic, reputational, operational, organisational, compliance and financial.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Risk management

The Trustees have assessed the major risks to which the Multi Academy Trust is exposed, in particular, those relating to specific teaching, provision of facilities and other operational areas of the trust and its finances. The Trustees have implemented a number of systems, to assess risks that each school faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures e.g. vetting of new staff and visitors to maintain strict safeguarding protocols and manage risk. Any prospective school joining the Trust has a full due diligence review to minimise any future risk to the organisation. Where there is significant financial risk the Trust has ensured there is adequate insurance cover. Nexus Education Schools Trust (NEST) Multi Academy Trust has an effective system of internal control which is explained in the governance statement.

The major risks to which the MAT is exposed are:

- COVID 19 implications and associated costs
- Fluctuating pupil numbers
- Increasing staffing costs and associated pension contributions
- Local and national funding formula changes.
- Changes to major funding streams which have not been anticipated
- Staff recruitment and retention
- Changes to policy on academies by Government
- Failures in safeguarding or health and safety at schools within the MAT.

The main financial risks to which each school is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk also arises, in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £5,862k (2019:£4,682k). The principal risks and uncertainties that Nexus Education Schools Trust faces are mitigated by the risk management process that the Academy Trust has in place.

Over view of risk and mitigating actions

Loss of Key individual

- Key person loss/ succession risk mitigate through effective recruitment, retention, succession planning and leadership development
- Suitable staffing structure with the MAT to support growth
- Pay panel reviews staff salaries regularly to ensure they are competitive.
- Trustees' benchmark CEO and key central staff pay against other MATs to ensure it is competitive.
- Highly effective CPD ensures high retention rate
- Talent spotting and development programme across the MAT to provide succession opportunities and carer development.

Safeguarding

- All staff and committee members trained annually, with updates throughout the year.
- Safeguarding audits of schools internally by school leaders and Local Committees Members and externally if needed.
- Suitably trained staff to support pupil welfare programmes
- Suitably qualified staff to monitor and ensure compliance in health and safety across the Trust.
- Robust risk assessments implemented and reviewed effectively

Financial Controls, planning and forecasts

- Centralisation of financial management
- Economies of scale through gradual expansion, the centralising of contracts and efficient larger procurement
- Three year planning of budgets
- Balanced budget setting, and in year strong financial monitoring of delegated budgets
- Support and training to ensure financial efficiencies and compliance to procedure and protocol
- Centralised support, training and monitoring of budgets to provide cost effective delivery and efficient use of time.
- Alternative funding streams through grant bids, school services and additional income generation externally by central team

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

Trust schools raise additional funds via their Parent Teacher Association, for the procurement of additional resources for use by the school. Funding is raised through the school community rather than the wider community. All participants are aware for the need to protect the vulnerable and emphasis is on willingness and ability to donate not pressure. Charitable fund raising events are for the benefit of registered charitable organisations; some of whom provide lead personnel to inform and encourage pupils and staff to raise awareness and funds for the charity. No organisation is paid by the Trust for these services and all funds collected are donated. All funds are monitored and accounted for by the NEST finance team. The Trust is proud of its schools' emphasis on helping and supporting others and this is an important part of the education of young people to understand and support others.

Streamlined energy and carbon reporting

Energy consumption

Aggregate of energy consumption in the year	kWh
	3,231,876

Emissions of CO2 equivalent

	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	404.15	
- Fuel consumed for owned transport	0.05	
		404.20

Scope 2 - indirect emissions

- Electricity purchased		239.40
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Scope 3 - other indirect emissions

- Fuel consumed for transport not owned by the academy trust		1.74
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Total gross emissions		645.34
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Intensity ratio

Tonnes CO2e per pupil		0.17
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Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have minimised the requirement for onsite meetings/travelling to and from schools across our estate by using virtual meeting formats for communication with trustees, local committees and school staff. With the support of Condition Improvement Fund and School Condition Allocation Grant funding, we are upgrading and modernising our school buildings to be more energy efficient with the introduction of new heating systems and roofing improvements.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Over and above managing the business through the pandemic, we must ensure that we continue to develop the Trust and our aims for the organisation are pursued with vigour. We will be responsive and drive through a small number of initiatives and priorities that will quickly make a difference to our pupils. We will also ensure that we continue to develop our long term strategies and innovative approaches to meet the needs of the people we serve.

The Trust will continue striving to improve the levels of performance of its pupils in all areas of the school curriculum. It endeavours to provide appropriate resources including staffing that will have significant impact on pupil achievement and attainment. The Trust has refocussed its IT strategy throughout the pandemic and will continue to build on this initiative.

All schools have a very good understanding of their strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. Pupil's knowledge, skills and learning gaps are a prime focus for all schools with catch up programmes being instigated with additional funding. The schools will continue to make good use of external validation to secure judgements on the quality of provision and subsequent outcomes. The School Improvement Plans (SIP) have key areas identified for improvement and are based on regular analysis of data and budgeted which is meticulously analysed by the Central Team, Headteachers, Heads of School and the Senior Leadership Teams (SLT).

School improvement and quality assurance strategies are constantly under review and effectively identify underperforming areas and address them through a combination of rigorous monitoring, high quality continuous staff development, including coaching and thorough analysis of pupil performance data. The Schools make good provision for personalised learning, support and intervention programmes for individual pupils and the quality of provision for inclusion is very good due to bespoke programmes aimed at raising achievement.

The drive for excellence is evident in many aspects of school life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff continuing professional development is good; as is the way that all staff work relentlessly at sharing best practice across the Trust to fulfil each school's moral imperative to improve the quality of learning for all our pupils. Our fundamental approach is to improve on our previous best.

In 2020 -21 the Trust will continue to work with its partner organisations, provide and develop its internal and external provision, through the growth in nursery education and additional classes to existing schools. Schools will continue to work with their communities through the next stages and eventual end to the pandemic.

Nexus Education Schools Trust will continue to provide efficient and effective resourcing for its schools. It has a long term aim to provide a structure catering for over 5,000 pupils, providing its partner schools economies of scale, greater collaboration and challenge. NEST will continue to support and work with external agencies, Local Authorities and other Multi Academy Trusts to provide the best possible opportunities and outcomes for all.

The Trust has a strategic aim to extend the learning opportunities to wider age ranges and provide high quality wrap around care and holiday provision to cluster of schools. This will mean the excellent education provision provided by our schools can be extended into other services for our communities.

COVID 19 has impacted every sector of society and this will add to the challenges in recruitment. The Trust will continue to monitor the recruitment and retention of staff at all levels with due regard to the equality of opportunity, gender and training for apprenticeships.

Safeguarding and well-being for staff and pupils continues to be central to all Trust policies and strategic developments and will continue to be promoted robustly through the management and development of Trust resources, including the estate, and their effective usage.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

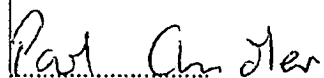
In so far as the trustees are aware:

- 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.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

On 7 September 2020 Group Audit Services Limited, trading as Wilkins Kennedy Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

The trustees report, incorporating a strategic report, was approved by order of the Board of trustees, as the company directors, on 15/12/2020..... and signed on its behalf by:



P Chandler
Chair

NEXUS EDUCATION SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Nexus Education Schools 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 Nexus Education Schools Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. There was an increase in number of meetings due to the move to Multi Academy Trust Status. The Board of Trust Directors has formally met 5 times during the year. Attendance during the year at meetings of the Board of trustees was as follows:

Trustees	Meetings attended	Out of possible
P Chandler (Chair)	5	5
P Farrow (Accounting officer)	5	5
N Kimber	5	5
D Stacey	5	5
J Millins	4	5
R Parks	4	5
D Townsend	5	5

There were no changes to trustees in the accounting period. The Trust Board met five times to ensure coverage of its responsibilities through the frequent monitoring of financial, academic and standards reports and enabling the Board to have a tight control on the effectiveness and growth of the organisation. Headline data has continued to improve and the Board and its Committees have through the robust monitoring of attainment and progress been forensic in their review of the most vulnerable groups, with planned interventions and catch up programmes in place to mitigate the impact of COVID. The Board acknowledges that the setting of balanced budgets for 2020/21 is a challenge with all resources and provision being reviewed and evaluated for impact in the light of COVID. The financial mechanisms, process and procedures have further been enhanced to support schools manage challenging budget controls.

The Board continues to use external and internal mechanisms to accurately assess and evaluate the performance of the Board and its schools; through OFSTED, Challenges partners, Regional Schools Commission, Department of Education, Education Schools Funding agency and auditors.

As part of the review of Governance and the growth of the MAT from two to nine schools, the Board reviewed and reorganised the delegated responsibilities to the committees of Audit and Risk; Pay and Performance. There will a further review of sub-committee membership in 2020/21 with the addition of new Trustees to the Board.

The Board has two Sub Committees:-

- Finance, Audit and Risk
- HR, Pay and Performance

NEXUS EDUCATION SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Board has two Advisory Committees, with members from its Local Committees and the Board. These committees meet termly:-

- Finance, Resources, Audit and Risk
- Education Standards, Remuneration and Nomination

These committees provide an additional layer of accountability and scrutiny for the organisation. Advice and recommendations are proposed to the Board and its sub committees.

- OFSTED inspections and the successful outcomes
- Internal and external quality assurance reviews
- Peer reviews within the MAT
- Data reviews of standards and vulnerable group attainment and progress.
- Scrutiny of minutes
- Forums and effective communication procedures between governance layers
- Internal and external audit.

The Finance, Audit and Risk Committee review the audit reports from each school, monitoring the effectiveness of the scheme of delegation and assessing any risk and recommendations from the Finance, Resources, Audit and Risk Advisory Committee. The Committee reviews risk and potential liabilities and the policies related to the protocol and procedures within the organisation. The Finance, Audit and Risk Committee's main purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It reports to the Board termly and the Accounting Officer as part of the Trust's annual reporting requirements. A representative from our auditors joins this Committee annually.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
P Farrow (Accounting officer)	3	3
D Stacey	3	3
R Parks	3	3
D Townsend	2	3

The Board HR, Pay and Performance Committee reviews national and local pay award recommendations, bench marking any Board Pay decisions with comparable organisation, guidance from the Department of Education and Education Funding Agency as well as recruitment and retention initiatives. The performance of staff with significant control both centrally and at school level is reviewed and pay awards decided by the Trust Pay Committee. The Committee has the delegated powers to review and be part of the review of senior staff performance review under the capability and appeal framework.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
P Chandler (Chair)	1	1
P Farrow (Accounting officer)	1	1
N Kimber	1	1
D Stacey	1	1
J Millins	1	1

NEXUS EDUCATION SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As accounting officer the CEO has responsibility for ensuring that the 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 each school's use of its resources has provided good value for money during each academic year, and reports to the Board of Trust Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Improving academic standards across the Trust
- Breadth of opportunities in sport and music through the procurement of additional specialist staff
- Providing school to school support through the provision of a National Leader of Education
- Improving the facilities in the school
- Continuing to develop high calibre staff through continued professional development training.

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 Nexus Education Schools Trust for the period 1 September 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Resources, Audit and Risk 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 not to appoint a Responsible Officer within its Trust, but to have its Auditors Wilkins Kennedy cover this role, by providing additional external checks and balances. The Board have appointed Wilkins Kennedy, to complete the internal audit function. Wilkins Kennedy's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

From 1 September 2020, Baxter & Co have been appointed as Internal Auditors.

NEXUS EDUCATION SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In particular the checks carried out in the current period include:

- Procurement
- Financial Procedures, Accounting Records and Systems
- Monthly Management Reporting and KPI's
- Compliance and Governance

Wilkins Kennedy reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board's financial responsibilities. The role is carried out by a separate office at Wilkins Kennedy with no connection to the audit team, this is to ensure the reviews are carried out independently.

The Trust can confirm that the internal auditor has delivered their schedule of work as planned. Any material control issues arising as a result of the internal auditor's work are being rectified.

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 of the Internal Audit Review;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Resources, Audit and Risk Committee and the Audit and Risk 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 15/12/2020..... and signed on its behalf by:



P Chandler
Chair



P Farrow
Accounting officer

NEXUS EDUCATION SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Nexus Education Schools Trust, I have considered my responsibility to notify the academy trust Board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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.



P Farrow
Accounting Officer

15/12/2020...

NEXUS EDUCATION SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Nexus Education Schools Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 15/12/2020 and signed on its behalf by:



P Chandler
Chair

NEXUS EDUCATION SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEXUS EDUCATION SCHOOLS TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Nexus Education Schools Trust for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

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.

NEXUS EDUCATION SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEXUS EDUCATION SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 has 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.

NEXUS EDUCATION SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEXUS EDUCATION SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

Azets Audit Services Limited

Michelle Wilkes FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

18 December 2020
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Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

NEXUS EDUCATION SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEXUS EDUCATION SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 12 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nexus Education Schools Trust during the period 1 September 2019 to 31 August 2020 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 Nexus Education Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Nexus Education Schools 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 Nexus Education Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Nexus Education Schools Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

NEXUS EDUCATION SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services Limited

Reporting Accountant

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 18 December 2020
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NEXUS EDUCATION SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	234	50	1,227	1,511	3,008
Donations - Transfer of maintained school into the Trust		-	-	-	-	2,755
Donations - transfer of existing academy into the trust		311	(1,209)	12,756	11,858	-
Charitable activities:						
- Funding for educational operations	4	-	18,377	-	18,377	13,945
- Funding for eyela teaching school	28	-	23	-	23	40
Other trading activities	5	983	19	-	1,002	862
Investments	6	5	-	-	5	2
Total		<u>1,533</u>	<u>17,260</u>	<u>13,983</u>	<u>32,776</u>	<u>20,612</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	356	20,488	699	21,543	18,896
- EYELA Teaching school		-	80	-	80	95
Total	7	<u>356</u>	<u>20,568</u>	<u>699</u>	<u>21,623</u>	<u>18,991</u>
Net income/(expenditure)		1,177	(3,308)	13,284	11,153	1,621
Transfers between funds	18	(278)	874	(596)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	831	-	831	(1,990)
Net movement in funds		899	(1,603)	12,688	11,984	(369)
Reconciliation of funds						
Total funds brought forward		2,365	(3,974)	63,145	61,536	61,905
Total funds carried forward		<u>3,264</u>	<u>(5,577)</u>	<u>75,833</u>	<u>73,520</u>	<u>61,536</u>

NEXUS EDUCATION SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2019		Funds	General	Fixed asset	2019
	Notes	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	339	25	2,644	3,008
Donations - Transfer of maintained school into the Trust		71	(274)	2,958	2,755
Charitable activities:					
- Funding for educational operations	4	-	13,945	-	13,945
- Funding for eyela teaching school	28	-	40	-	40
Other trading activities	5	818	44	-	862
Investments	6	2	-	-	2
Total		<u>1,230</u>	<u>13,780</u>	<u>5,602</u>	<u>20,612</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	329	17,995	572	18,896
- EYELA Teaching school		-	95	-	95
Total	7	<u>329</u>	<u>18,090</u>	<u>572</u>	<u>18,991</u>
Net income/(expenditure)		901	(4,310)	5,030	1,621
Transfers between funds	18	(477)	3,284	(2,807)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,990)	-	(1,990)
Net movement in funds		424	(3,016)	2,223	(369)
Reconciliation of funds					
Total funds brought forward		<u>1,941</u>	<u>(958)</u>	<u>60,922</u>	<u>61,905</u>
Total funds carried forward		<u>2,365</u>	<u>(3,974)</u>	<u>63,145</u>	<u>61,536</u>

NEXUS EDUCATION SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	75,085	63,093
Current assets			
Debtors	14	669	1,601
Cash at bank and in hand		5,481	4,068
		<u>6,150</u>	<u>5,669</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(1,666)	(2,483)
Net current assets		<u>4,484</u>	<u>3,186</u>
Total assets less current liabilities		<u>79,569</u>	<u>66,279</u>
Creditors: amounts falling due after more than one year	16	(187)	(61)
Net assets before defined benefit pension scheme liability		<u>79,382</u>	<u>66,218</u>
Defined benefit pension scheme liability	20	(5,862)	(4,682)
Total net assets		<u>73,520</u>	<u>61,536</u>
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds		75,833	63,145
- Restricted income funds		285	708
- Pension reserve		(5,862)	(4,682)
Total restricted funds		<u>70,256</u>	<u>59,171</u>
Unrestricted income funds	18	<u>3,264</u>	<u>2,365</u>
Total funds		<u>73,520</u>	<u>61,536</u>

The accounts on pages 30 to 57 were approved by the trustees and authorised for issue on 15/12/2020 and are signed on their behalf by:



P Chandler
Chair

Company Number 08753719

NEXUS EDUCATION SCHOOLS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash used in operating activities	21	(380)	(2,368)
Cash funds transferred on conversion		667	71
		<u>287</u>	<u>(2,297)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		5	2
Capital grants from DfE Group		1,159	2,644
Capital funding received from sponsors and others		6	-
Purchase of tangible fixed assets		<u>(186)</u>	<u>(128)</u>
Net cash provided by investing activities		984	2,518
Cash flows from financing activities			
New other loan		167	70
Repayment of other loan		<u>(25)</u>	<u>-</u>
Net cash provided by financing activities		142	70
Net increase in cash and cash equivalents in the reporting period		<u>1,413</u>	<u>291</u>
Cash and cash equivalents at beginning of the year		4,068	3,777
Cash and cash equivalents at end of the year		<u><u>5,481</u></u>	<u><u>4,068</u></u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 Conversion to an academy trust

1.4 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.

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.

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.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 and a group of similar items costing £3,000 are written off in the period of acquisition. All other assets are capitalised.

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

The Property has been included at the valuation provided by the ESFA when completing their desktop valuation. The academies have a 125 year lease from the date of conversion for the use of the land and buildings with the local authority. Two of the schools hold the freehold title to land and buildings.

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	Buildings 2%; Land is not depreciated
Computer equipment	33.3%
Fixtures and fittings	25%

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.

1.7 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.

1.8 Leased assets

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

1.9 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.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 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 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 based on quadrennial valuations using a prospective unit credit 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 net income or expenditure 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.

1.12 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 the Education Funding Agency and Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and the Department for Education.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	1,221	1,221	2,644
Other donations	234	56	290	364
	<u>234</u>	<u>1,277</u>	<u>1,511</u>	<u>3,008</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	15,190	15,190	11,940
DfE teaching grants	-	23	23	40
Other DfE group grants	-	2,371	2,371	1,439
	-	17,584	17,584	13,419
Other government grants				
Local authority grants	-	633	633	542
Exceptional government funding				
Coronavirus job retention scheme grant	-	81	81	-
Coronavirus exceptional support	-	82	82	-
	-	163	163	-
Other funding				
Other incoming resources	-	20	20	24
Total funding	-	18,400	18,400	13,985

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £82k of additional free school meal and cleaning costs. These costs are included in notes 7 and 9 below as appropriate.

- The academy furloughed some of its wrap around care staff under the government's CJRS. The funding received of £81k relates to staff costs in respect of 25 staff which are included within note 10 below as appropriate.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	80	-	80	65
Catering income	246	-	246	227
School clubs	478	-	478	403
EYLA course income	-	19	19	44
Other income	179	-	179	123
	983	19	1,002	862

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Short term deposits	5	-	5	2

7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's educational operations					
- Direct costs	12,842	495	1,150	14,487	10,968
- Allocated support costs	3,137	2,202	1,717	7,056	7,928
EYELA Teaching school					
- Direct costs	53	-	2	55	64
- Allocated support costs	20	-	5	25	31
	16,052	2,697	2,874	21,623	18,991

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	21	20
- Other services	15	18
Depreciation of tangible fixed assets	699	572
Net interest on defined benefit pension liability	98	66

8 Central services

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

- School Improvement
- Financial services
- Payroll and HR services
- Procurement and contract management
- Premises management
- Health and safety compliance management
- Security and asset management
- Legal support
- Safeguarding and compliance

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

- 5.25% of GAG School Budget Share

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2020 £'000	2019 £'000
Nexus Educational Schools Trust	-	-
Farnborough Primary School	58	69
Worsley Bridge Primary School	85	102
Alexandra Infants School	43	51
Alexandra Juniors School	53	65
Manor Oak Primary School	48	62
Highfield Infants School	57	67
Highfield Junior School	69	84
Pickhurst Infants School	76	90
Perry Hall Primary School	88	103
EYELA Teaching School	-	-
Bickley Primary School	84	34
Balgowan Primary School	127	-
	<u>788</u>	<u>727</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	39	14,448	14,487	10,968
EYELA Teaching school	-	55	55	64
Support costs				
Educational operations	317	6,739	7,056	7,928
EYELA Teaching school	-	25	25	31
	<u>356</u>	<u>21,267</u>	<u>21,623</u>	<u>18,991</u>

	EYELA £'000	Educational operations £'000	Total 2020 £'000	Total 2019 £'000
Analysis of support costs				
Support staff costs	20	3,106	3,126	2,537
Depreciation	-	204	204	211
Technology costs	1	185	186	157
Premises costs	-	1,998	1,998	3,704
Legal costs	-	3	3	25
Other support costs	4	1,481	1,485	1,267
Governance costs	-	79	79	58
	<u>25</u>	<u>7,056</u>	<u>7,081</u>	<u>7,959</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	11,700	8,924
Social security costs	1,032	788
Pension costs	3,229	2,209
Staff costs - employees	15,961	11,921
Agency staff costs	91	86
Staff development and other staff costs	16,052	12,007
	68	77
Total staff expenditure	16,120	12,084

Staff numbers

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

	2020 Number	2019 Number
Teachers	177	151
Administration and support	345	272
Management	14	12
	536	435

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	6
£70,001 - £80,000	7	3
£80,001 - £90,000	3	2
£90,001 - £100,000	1	1
£140,001 - £150,000	1	1

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 national insurance and pension contributions) received by key management personnel for their services to the academy trust was £1,485k - 14 staff (2019: £1,171k - 13 staff).

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Trustees' remuneration and expenses

One of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer only received remuneration in respect of services she provided undertaking the role of Chief Executive Officer under her contract of employment, and not in respect of her services as a trustee.

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

P Farrow (Chief Executive Officer):

- Remuneration £145,001 - £150,000 (2019: £145,001 - £150,000)
- Employer's pension contributions £30,000 - £35,000 (2019: £20,000 - £25,000)

During the year travel, hospitality and resources costs totalling £784 (2019: £2,805) were paid by the Trust to one Trustee.

12 Insurance for trustees and officers

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 September 2019	63,985	314	434	64,733
Transfer from existing academies	12,461	20	24	12,505
Additions	-	122	64	186
At 31 August 2020	76,446	456	522	77,424
Depreciation				
At 1 September 2019	1,161	188	291	1,640
Charge for the year	495	79	125	699
At 31 August 2020	1,656	267	416	2,339
Net book value				
At 31 August 2020	74,790	189	106	75,085
At 31 August 2019	62,824	126	143	63,093

Included in land and buildings is land of £52,401k (2019: 42,218k) which is not depreciated.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Debtors

	2020 £'000	2019 £'000
Trade debtors	30	33
VAT recoverable	83	360
Other debtors	4	-
Prepayments and accrued income	552	1,208
	<u>669</u>	<u>1,601</u>

15 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Other loans	25	9
Trade creditors	1	37
Other taxation and social security	243	206
Other creditors	495	414
Accruals and deferred income	902	1,817
	<u>1,666</u>	<u>2,483</u>

16 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Other loans	187	61

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due after more than one year (Continued)

	2020 £'000	2019 £'000
Analysis of loans		
Not wholly repayable within five years by instalments	87	25
Wholly repayable within five years	125	45
	<u>212</u>	<u>70</u>
Less: included in current liabilities	(25)	(9)
	<u>187</u>	<u>61</u>
Loan maturity		
Debt due in one year or less	25	9
Due in more than one year but not more than two years	25	9
Due in more than two years but not more than five years	75	27
Due in more than five years	87	25
	<u>212</u>	<u>70</u>

The above are capital loans with the ESFA of £212k which is repayable over 10 years.

17 Deferred income

	2020 £'000	2019 £'000
Deferred income is included within:		
Creditors due within one year	496	418
	<u>418</u>	<u>343</u>
Deferred income at 1 September 2019	418	343
Released from previous years	(418)	(343)
Resources deferred in the year	496	418
	<u>496</u>	<u>418</u>
Deferred income at 31 August 2020	<u>496</u>	<u>418</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for universal free school meals, rates grants, club and trip income relating to 2020/21.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	552	15,190	(16,505)	874	111
Other DfE / ESFA grants	-	2,453	(2,397)	-	56
Other government grants	-	714	(714)	-	-
EYELA Teaching school	156	42	(80)	-	118
Other restricted funds	-	70	(70)	-	-
Pension reserve	(4,682)	(1,209)	(802)	831	(5,862)
	<u>(3,974)</u>	<u>17,260</u>	<u>(20,568)</u>	<u>1,705</u>	<u>(5,577)</u>
Restricted fixed asset funds					
DfE group capital grants	52	1,472	-	(777)	747
Private capital	-	6	-	(5)	1
General fixed assets	63,093	12,505	(699)	186	75,085
	<u>63,145</u>	<u>13,983</u>	<u>(699)</u>	<u>(596)</u>	<u>75,833</u>
Total restricted funds	<u>59,171</u>	<u>31,243</u>	<u>(21,267)</u>	<u>1,109</u>	<u>70,256</u>
Unrestricted funds					
General funds	2,365	1,533	(356)	(278)	3,264
Total funds	<u>61,536</u>	<u>32,776</u>	<u>(21,623)</u>	<u>831</u>	<u>73,520</u>

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants: This includes the pupil premium, rates relief, universal free school meals, MAT funding, Teaching School Core Grant and NLE National Support Grants, and sports funding grant and exceptional COVID support grant.

Other government grants: This includes SEN funding, pupil premium, teachers pay grant, teachers pension grant High Needs and additional bulge class funding and CJRS.

Other Restricted funds: This includes other restricted grants and donations.

The transfer of funds relates to the purchase of fixed assets during the period, and the overspend on GAG.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	604	11,940	(15,276)	3,284	552
Other DfE / ESFA grants	-	1,439	(1,439)	-	-
Other government grants	-	542	(542)	-	-
EYELA Teaching school	167	84	(95)	-	156
Other restricted funds	-	49	(49)	-	-
Pension reserve	(1,729)	(274)	(689)	(1,990)	(4,682)
	<u>(958)</u>	<u>13,780</u>	<u>(18,090)</u>	<u>1,294</u>	<u>(3,974)</u>
Restricted fixed asset funds					
Transfer on conversion	-	2,958	-	(2,958)	-
DfE group capital grants	344	2,644	-	(2,936)	52
General fixed assets	60,578	-	(572)	3,087	63,093
	<u>60,922</u>	<u>5,602</u>	<u>(572)</u>	<u>(2,807)</u>	<u>63,145</u>
Total restricted funds	<u>59,964</u>	<u>19,382</u>	<u>(18,662)</u>	<u>(1,513)</u>	<u>59,171</u>
Unrestricted funds					
General funds	1,941	1,230	(329)	(477)	2,365
Total funds	<u>61,905</u>	<u>20,612</u>	<u>(18,991)</u>	<u>(1,990)</u>	<u>61,536</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

Total funds analysis by academy

	2020	2019
	£'000	£'000
Fund balances at 31 August 2020 were allocated as follows:		
Nexus Educational Schools Trust	224	242
Farnborough Primary School	155	109
Worsley Bridge Primary School	438	504
Alexandra Infants School	276	228
Alexandra Juniors School	206	227
Manor Oak Primary School	245	198
Highfield Infants School	490	515
Highfield Junior School	359	331
Pickhurst Infants School	231	205
Perry Hall Primary School	298	302
EYELA Teaching School	118	156
Bickley Primary School	177	56
Balgowan Primary School	332	-
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	3,549	3,073
Restricted fixed asset fund	75,833	63,145
Pension reserve	(5,862)	(4,682)
	<hr/>	<hr/>
Total funds	73,520	61,536
	<hr/>	<hr/>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020 £'000	Total 2019 £'000
Nexus Educational Schools Trust	292	1,014	2	1,003	2,311	4,070
Farnborough Primary School	876	91	45	235	1,247	1,272
Worsley Bridge Primary School	1,369	151	41	404	1,965	1,916
Alexandra Infants School	921	150	8	182	1,261	1,341
Alexandra Juniors School	816	133	13	224	1,186	1,187
Manor Oak Primary School	811	145	16	205	1,177	1,208
Highfield Infants School	834	244	21	264	1,363	1,299
Highfield Junior School	1,105	166	24	283	1,578	1,662
Pickhurst Infants School	1,244	321	39	244	1,848	1,882
Perry Hall Primary School	1,202	186	84	500	1,972	1,873
EYELA Teaching School	-	-	-	80	80	95
Bickley Primary School	1,298	173	21	299	1,791	614
Balgowan Primary School	2,127	352	40	625	3,144	-
	<u>12,895</u>	<u>3,126</u>	<u>354</u>	<u>4,548</u>	<u>20,923</u>	<u>18,419</u>

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	75,085	75,085
Current assets	3,264	2,138	748	6,150
Creditors falling due within one year	-	(1,666)	-	(1,666)
Creditors falling due after one year	-	(187)	-	(187)
Defined benefit pension liability	-	(5,862)	-	(5,862)
Total net assets	<u>3,264</u>	<u>(5,577)</u>	<u>75,833</u>	<u>73,520</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	63,093	63,093
Current assets	2,365	3,252	52	5,669
Creditors falling due within one year	-	(2,483)	-	(2,483)
Creditors falling due after one year	-	(61)	-	(61)
Defined benefit pension liability	-	(4,682)	-	(4,682)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	2,365	(3,974)	63,145	61,536

20 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 London Borough of Bromley. Both are 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £279k (2019: £204k) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,643k (2019: £820k).

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 pension 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 23.4% for employers and 5.5 to 12.5% for employees.

As described in note 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.

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	890	697
Employees' contributions	230	173
Total contributions	1,120	870

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.8	3.5
Rate of increase for pensions in payment/inflation	2.4	2.1
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.0

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

	2020 Years	2019 Years
Retiring today		
- Males	22.8	23.5
- Females	25.2	26.2
Retiring in 20 years		
- Males	24.7	26.2
- Females	27.2	28.5

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

	2020 £'000	2019 £'000
Discount rate + 0.1%	-381	(284)
Mortality assumption + 1 year	+500	218
CPI rate + 0.1%	+389	294

Defined benefit pension scheme net liability

Scheme assets	11,962	7,964
Scheme obligations	(17,824)	(12,646)
Net liability	(5,862)	(4,682)

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

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

	2020 Fair value £'000	2019 Fair value £'000
Equities	7,843	5,043
Other bonds	754	493
Cash	96	94
Government bonds	827	517
Property	456	336
Other assets	1,986	1,481
Total market value of assets	11,962	7,964

The actual return on scheme assets was £602,000 (2019: £510,000).

Amount recognised in the Statement of Financial Activities

	2020 £'000	2019 £'000
Current service cost	1,578	934
Past service cost	16	386
Interest income	(196)	(173)
Interest cost	294	239
Total operating charge	1,692	1,386

Changes in the present value of defined benefit obligations

	2020 £'000	2019 £'000
At 1 September 2019	12,646	8,090
Obligations acquired on conversion	-	1,000
Transferred in on existing academies joining the academy trust	3,504	(500)
Current service cost	1,578	934
Interest cost	294	239
Employee contributions	230	173
Actuarial (gain)/loss	(425)	2,327
Benefits paid	(19)	(3)
Past service cost	16	386
At 31 August 2020	17,824	12,646

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations (Continued)

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

	2020 £'000	2019 £'000
At 1 September 2019	7,964	6,361
Transferred in on existing academies joining the academy trust	2,295	226
Interest income	196	173
Actuarial gain	406	337
Employer contributions	890	697
Employee contributions	230	173
Benefits paid	(19)	(3)
At 31 August 2020	11,962	7,964

21 Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income for the reporting period (as per the statement of financial activities)	11,153	1,620
Adjusted for:		
Net surplus on conversion to academy	-	(2,755)
Net surplus on transfer of academy in the trust	(11,858)	-
Capital grants from DfE and other capital income	(1,227)	(2,644)
Investment income receivable	(5)	(2)
Defined benefit pension costs less contributions payable	704	623
Defined benefit pension scheme finance cost	98	66
Depreciation of tangible fixed assets	699	572
Decrease/(increase) in debtors	994	(612)
(Decrease)/increase in creditors	(833)	764
Stocks, debtors and creditors transferred on conversion	(105)	-
Net cash used in operating activities	(380)	(2,368)

22 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	4,068	1,413	5,481
Loans falling due within one year	(9)	(16)	(25)
Loans falling due after more than one year	(61)	(126)	(187)
	3,998	1,271	5,269

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency 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 shall repay to the Secretary of State sums determined by reference to:

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

24 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	12	9
Amounts due in two and five years	2	4
	<u>14</u>	<u>13</u>

25 Capital commitments

	2020 £'000	2019 £'000
Expenditure contracted for but not provided in the accounts	106	-

26 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.

No related party transactions took place in the year.

Expenditure related party transactions

N Ide (partner of P Farrow) and L Ide (son of P Farrow) (2019: N Ide), are employed by the academy trust who are connected to the governors. Their appointment was made in open competition. The connected party governor was not involved in the decision making process regarding appointment. They are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationship to a governor.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

27 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.

28 EYELA Teaching school trading account

	2020		2019	
	£'000	£'000	£'000	£'000
Direct income				
Government grants		23		40
Other income				
Fundraising and other trading activities		19		44
Total income		42		84
Direct costs				
Direct staff costs	53		43	
Staff development	(1)		14	
Educational supplies and services	3		7	
	55		64	
Other costs				
Support staff costs	20		21	
Technology costs	1		-	
Other support costs	4		10	
	25		31	
Total expenditure		(80)		(95)
Deficit from all sources		(38)		(11)
EYELA Teaching school balances at 1 September 2019		156		167
EYELA Teaching school balances at 31 August 2020		118		156

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

29 Transfer of existing academies into the academy trust

Balgowan Primary School

On 1 September 2019, Balgowan Primary School joined the Trust. Balgowan Primary School had previously transferred out of Local Authority control in 2011 to become an Academy Trust (Company Registration Number 07672683).

The transfer to the Trust (for £nil consideration) has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred have been recognised under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the assets and liabilities transferred.

	Transfer in recognised £'000
Net assets acquired	
Leasehold land and buildings	10,463
Other tangible fixed assets	2,042
Debtors	441
Creditors due within one year	(536)
Creditors due after one year	(10)
Cash and cash equivalents	667
Pension scheme	(1,209)
Total net assets	11,858

There were no fair value adjustments required to the values reported by the transferring trust.