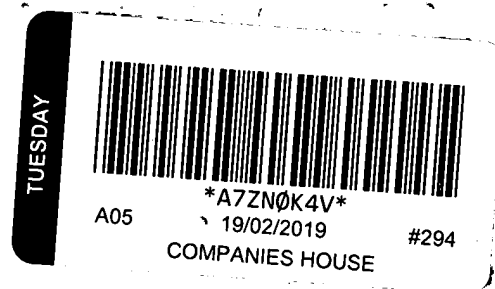


Company Registration No. 08753719 (England and Wales)

NEXUS EDUCATION SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



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
A Youd
J Millins (Appointed 13 November 2018)
R Parks (Appointed 13 November 2018)
D Townsend (Appointed 11 December 2018)

Senior management team

P Farrow	- CEO
A Smith	- CFO
P Watt	- Director of Education - appointed 01/09/18
J Butler	- Headteacher
A Golding	- Headteacher
A Hills	- Headteacher
A James	- Headteacher
E Laws	- Headteacher
C Maragh	- Headteacher
L Richards	- Headteacher
R Williams	- Headteacher

Company secretary

S Dossetter

Company registration number

08753719 (England and Wales)

Registered office

Worsley Bridge Primary School
Brackley Road
Beckenham
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 Junior School
Perry Hall Primary School
EYLA Teaching School

Location

Bromley
Farnborough
Beckenham
Beckenham
Beckenham
Orpington
Bromley
Bromley
Bromley
Orpington
Bromley

Headteacher

P Farrow
P Farrow
R Williams
A Hills
C Maragh
J Butler
A Golding
A Golding
E Laws
L Richards
E Laws

Independent auditor

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
BR6 ONZ

Bankers

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

Natwest
41 High Street
Beckenham
Kent
BR3 1DA

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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

The Trust operates nine academies all situated in the London Borough of Bromley. The Schools are a mix of 4-11 Primary Schools, Infant, and Junior schools. On 1 November 2017 our six partner schools joined the trust; followed in May 2018 by Alexandra Infant. 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 NEST schools have a with a combined capacity of 2640 and has a roll of 2650 approximately pupils in the census October 2018, which includes bulge classes and a school growing from two forms of entry to three.

Bickley Primary School, a maintained school resolved and will transfer to the trust in Autumn 2018. Balgowan Primary an academy, resolved in 2018 to transfer and will also join the NEST in 2019. This will increase the net capacity to over 3700 pupils across eleven sites in the next academic year. Both schools will further enhance the skills and knowledge within the Trust.

Over the next three years Nexus Education Schools Trust plans to grow further, through the growth of Worsley Bridge from two forms of entry to three. The Trust has a strategic plan to develop a second hub replicating the Bromley hub growing at a slower rate. Growth will be through school support, merger or new school development. The Trust aims to add a group of 6 schools by 2025. A combination of continued growth in its existing schools and the incorporation of new member schools will see projected total pupil numbers in the Trust rise steadily from the current 2640 to 3,700 in 2019 and over 4,500 by 2021. The Trust has prioritised expansion of quality primary education and extended opportunities for communities to access high quality provision through preschool education as well as new school and trust partnerships.

Structure, governance and management

Constitution

The 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.

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 Academy 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.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 reappointment 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.

Future 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.

FOR THE YEAR ENDED 31 AUGUST 2018

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure (continued)

- **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 bench mark 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, and staffing and community access. The committee's remit is to ensure our schools are safe, purposeful and equitable for all.

The committees review the progress of pupil groups within schools, including those with Special Educational Needs and disabilities those on free school meals, looked after pupils, young carers and the more able and vulnerable pupils. In 2017 -18 standards of achievement and progress for all groups of pupils were strong against national and local comparators. The monitoring of provision also highlighted the breadth of provision and the focus of the whole child. The Committee structure provides an extra layer of accountability and challenge within NEST.

- **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, 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 Development Plan, monitoring the Academy, using key objective budgets and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

- **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.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 and none were claimed during 2017 -18

Pay and remuneration for all staff employed by the Trust is reviewed annually. The Trust Board HR and Pay 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 Department of Education, relevant advisory bodies and Trade Unions. All layers of senior leadership remuneration is in line with the Bromley Management structure and ISR unit rating for the individual school. 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 Head Teachers completed by an external reviewer. Recommendation for pay awards by the Local Committee are agreed by the Trust board. The role and performance of the executive Head Teacher, a Key management person within the trust is reviewed and assessed by the Trust board pay committee with advice from an external improvement partner.

The Trust acknowledges that there needs to be a review of its pay policies and associated scales to ensure that these are aligned across all its schools. This will require consultation and subsequent harmonisation, which will begin in 2019.

Related parties and other connected charities and organisations

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

Prior to joining Nexus Education Schools Trust some schools were members of an Umbrella Trust organisation called the Academy Learning Collaborative (ALC) Schools that were members of the ALC were:

- | | |
|------------------------------|-----------------------------|
| - Alexandra Infant School | - Highfield Infants' School |
| - Alexandra Junior School | - Highfield Junior School |
| - Farnborough Primary School | - Perry Hall Primary School |
| - Manor Oak Primary School | |
| - | |

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 will be closed as a company in 2019.

Objectives and activities

Objects and aims

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 to enable them to make valuable contributions locally, globally and to contribute to our children's 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 learners and leaders
- To minimise the barriers to progress and achievement in the schools and 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

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Values

The shared vision and values of Nexus Education Schools Trust and all the member Academies underpins the culture and ethos of the Multi Academy Trust.

Nexus Education Schools Trust fully supports the independence and distinguishing characteristics of each of the Academies, it seeks to provide:

- a level of autonomy that is proportionate to the success of the Academy which, together with a focus purely on primary schools, is what gives Nexus its distinctiveness.
- Recognising the value of collaboration and the advantage of a public association, we will provide a voice on national issues affecting the Academy Trust and our academies, helping to communicate the Academy Trust's needs and concerns to those responsible for the funding and regulation of publicly funded schools.
- The Trust is outward looking and will endeavour to adapt with educational changes and societal influences

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;
- our friendships and our sense of community, the involvement of parents/families/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

As an organisation we recognise that each school's communities are 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 together we can make a greater difference; providing higher education outcomes and wider opportunities for our pupils and greater prospects for our staff and communities.

Each organisation commits to our **NEST CHOICE** 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.

Nurture
Educate
Succeed
Transform

Our CHOICE core values are: -

- Collaboration - enables us all to be part of the co-creation, review and development of an effective MAT, empowered through effective leadership.
- Honesty - provides an ethos of openness and fairness; providing challenge, reliability and integrity.
- Opportunity - provides progress and advancement for all
- Inclusivity - everyone one is respected, valued and safe. Learning engages and develops
- Confidence - to have a go and take risks, to equip us all for challenge, develop independent and assurance
- Enjoyment - innovative, creative and fun. Individuals have a zest and confidence to develop the provision and enhance its outcomes

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 leader, 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 we learn, achieve and make progress and to 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 period ended 31 August 2018 are summarised below:

Quality of education through 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;
- to improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review;

OUTCOME: School attainment performance is strong and continues to ambitious for all .Governance is reflective and evolving, striving for excellence and continuous improvement

Financial strategy and provision

- 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.

OUTCOME: Budgeting and expenditure is stable, schools continue to provide high quality provision but are mind-fall of future challenges through national and local financing agendas.

Developing sustainable growth and partnerships

- to provide a successful structured organisation to enable 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 excellence educational quality and opportunity for all in a highly efficient
- to continue to develop services to enhance provision and support within school and develop staff through training and retention programmes.

OUTCOME: Quality of education is strong and continues to improve as the Trust has grown. Schools are confident and willing to share expertise to enhance educational opportunities across schools. The Trust strong performance and provision provides opportunities for staff development and growth, maintaining and retaining highly skilled personnel in our partner schools.

Nexus Education Schools Trust schools strive to ensure pupils are happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at School. They develop as independent learners in an age appropriate way, developing how to learn and the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

All trust staff have an opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers and support staff will enthuse and inspire others to explore new ideas.

Parents fulfil their roles as true partners, recognising their role in the pupil - school - parent partnership to ensure that their child realises his/her potential.

Local Committee members will contribute to the life of their school on a wider scale, acting as professional colleagues to support each school in becoming a centre of excellence for their school community.

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
- Siblings
- Proximity to the School
- Children of staff

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

Strategic report

Achievements and performance

Growth and Partnership

2017/18 has been another successful year for the Trust and its partner schools. During the year the trust has worked in partnership with academies in the development, support and due diligence programme enabling these schools to join the Trust in 2017 -18. The Trust had been working outside the organisation with schools that require support and intervention through the National Support Schools programme.

Quality of education

The Trust has continued to support schools as they move to join the Trust through the school improvement programme, as well as schools outside of the Trust. Data and external reviews showing impact on standards, achievement and opportunity for all.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Trust has grown from two primary schools to nine in 2017/18, strengthening the Bromley hub. The trust welcomed seven standalone primary academies in 2017/18, bringing a wealth of expertise and opportunities for excellence across the Trust. The Trust provision was enhanced with the addition of specialist ASD provision at Alexandra Infant School and a 2-5 aged nurse at Manor Oak primary. Staff development and training and external links was further enhanced through the joining of Pickhurst Infant Academy and the provision of a teaching school as a centre of excellence for early years. This breadth of provision, skills and knowledge that these seven successful new schools brought to the trust has benefited the trust community of pupils, staff and governance. Further supporting the improvement to achievement and standards across the Trust.

The trust schools work within a richly diverse range of social, cultural and economic communities. The trust prides itself on being inclusive. The Trust academies continue to develop and adapt to the new education landscape.

Excellent Outcomes

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 whether they are on their improvement cycle. Worsley Bridge gained official accreditation by OFSTED in September 2018 moving from requiring improvement as a maintained school to good across all areas.

The Trust Board uses national, local and school data as Key performance indicators, along with the OFSTED framework. It monitors the schools against local and national data to ensure high standards of achievement. Each school is evaluated and RAG rated termly to monitor the effectiveness of each school. The Trust continually reviews, evaluates and supports schools in the finance management, deployment of resources, quality of education, staffing, training, curriculum opportunities, premises improvement and maintenance.

Attainment across the Trust has seen another highly successful year and all school have continued to secure excellent results which has seen overall Trust performance increase at the end of Key Stage 2. Combined results in English and mathematics have risen by 5%. The drive to ensure pupils attain the highest standards has seen all our school improve headline results to be above National; at Highfield Juniors 98% pupils attained the expected standard in core subjects with 95% of all pupils attaining the standard in all three subjects. Over 50% of pupils attained the higher standard in maths, reading, grammar punctuation and spelling.

Key Stage 1 results continued to show high performance and progress for pupils across the majority of Trust schools. At Highfield infants and Pickhurst Infants' pupils attained 90% and above in the core subjects. All schools have focused on closing the gap for disadvantaged pupils and through the promotion of excellent teacher knowledge, exposition and assessment; to ensure that all pupils make strong progress by the end of the Key Stage. The combined greater depth results in maths, english and reading across the Trust were significantly above National in the majority of schools. Greater depth in reading for pupils at Pickhurst saw 47% achieving the higher standard and in Maths at Perry Hall primary with 41% of pupils achieving the higher standard.

Phonics is a strength across the Trust with a combined result above National (81%) and significant high attainment at Highfield Infants (97%), Pickhurst Infants (95%) Perry Hall Primary (95%) and Farnborough Primary (87%) pupils meeting the expected standard

Early Years Education is excellent across the Trust with all schools significantly above national exceptional in all areas of the Early Years foundation stage. EYELA teaching school as a centre of excellence supports high performance, research and development in teacher training.

Achievement and performance is measured and challenged in all areas of school life and for all members of the schools community. Our schools and their staff strive to develop an 'I can' attitude in our pupils and staff, ensuring they are inclusive and that everyone can make the steps of success in academic, sports and the arts. Our schools aim to close gaps and work with their communities to enable all our pupils have the best possible opportunities, enabling to make a secure transition to the next step of the educational journey.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Trust continues to develop programmes to support and develop staff at all stages of their careers. Successful implementation of programmes in teacher training and induction in 2017 -18 have brought in new recruits to our school, through schools direct career routes and newly qualified teacher training programmes. This will be further developed in 2018 /19 with the Lead teacher programme, which will aim to develop experienced teachers to provide support and the modelling of best practices across the Trust.

The Trust aims to work with a variety of partners to enrich and grow our organisation. These partnerships benefit all communities, helping to share the knowledge, resources and expertise across a wide range of schools and organisations. Some of these partnerships leads to a joining with NEST and in 2018 -19 we are delighted to welcome:-

- Bickley Primary School, a two form entry, maintained school within the London Borough of Bromley
- Balgovan Primary School, a three form entry primary academy in Beckenham, part of the London Borough of Bromley

The Trust continues to ensure it is outward looking and maintains strong partnerships and affiliations with schools and organisations outside of the Trust.

In 2018/19 NEST will work in partnership with two Multi Academy Trusts, delivering a school improvement and quality assurance programme. We are delighted to be working with The Compass Education Trust, whose successful group of four primary schools will join NEST in the staff training and development programme to provide high quality teacher support and school development programmes which aims to develop expertise and specialism across NEST and Compass. The Trust will also provide a quality assurance framework to Compass through its central team.

We are also delighted to begin a newly formed partnership with The Communitas Education Trust based in Southwark and Lewisham a growing trust with three primaries and a newly established free school, which will enable both organisations to learn for one another and grow stronger organisations. These wider partnerships provide greater opportunities for staff to experience a wide variety of schools, developing skills and experience across a variety of settings, ultimately improving the provision and outcomes for pupils.

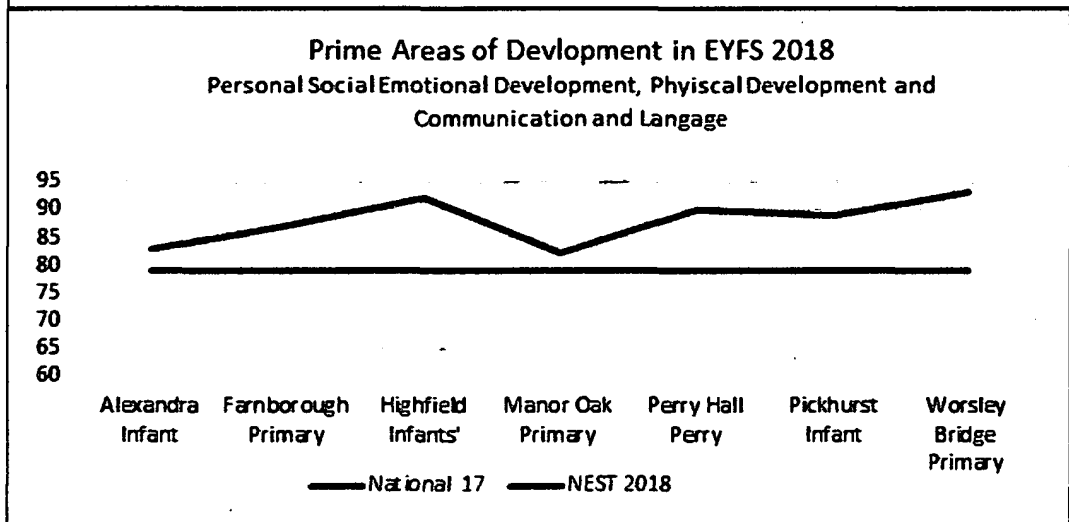
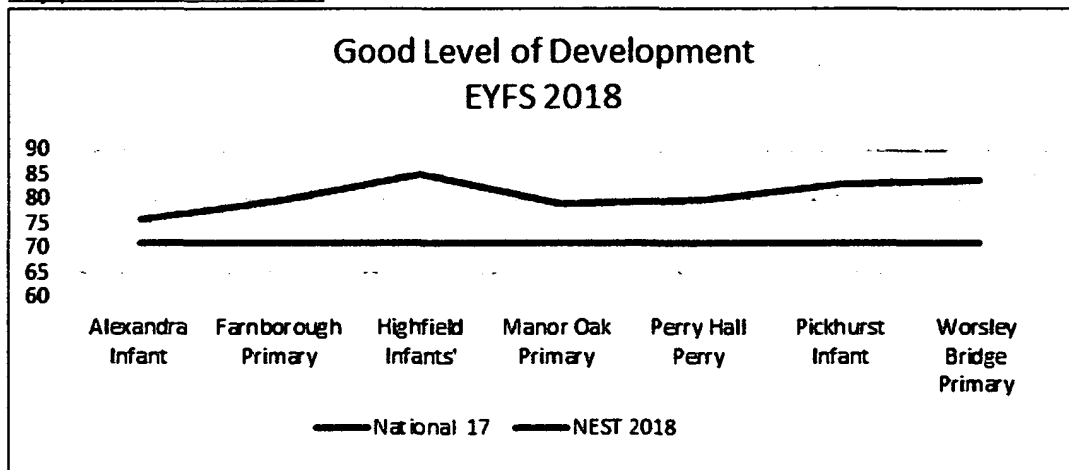
Published data is a national indicator for performance of schools and is included within this report as one of the trust's measure of schools. The tables below highlight the strong performance of our schools at the key points in primary education. They are however only one measure which are achieved through the excellent, personnel development and rich curriculum programmes on offer within Trust schools.

NEXUS EDUCATION SCHOOLS TRUST

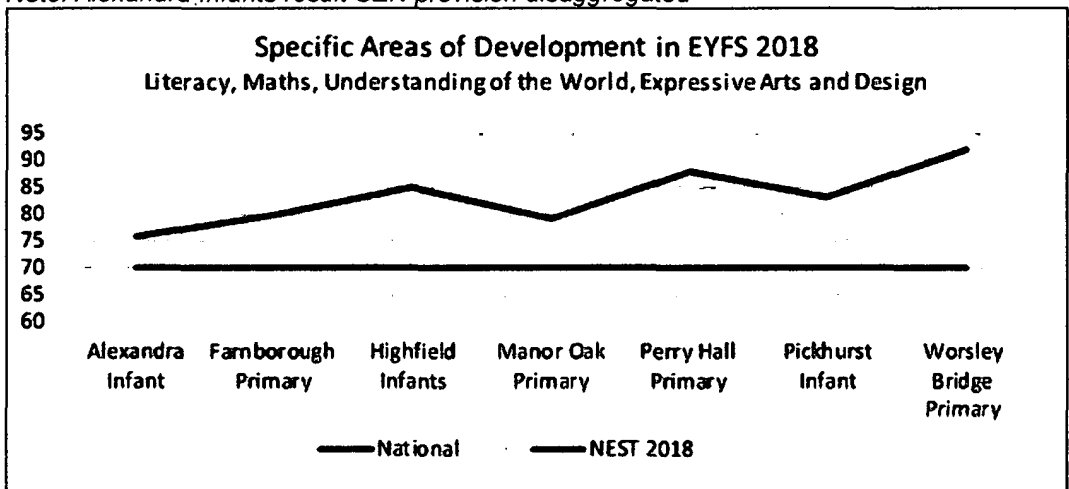
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators



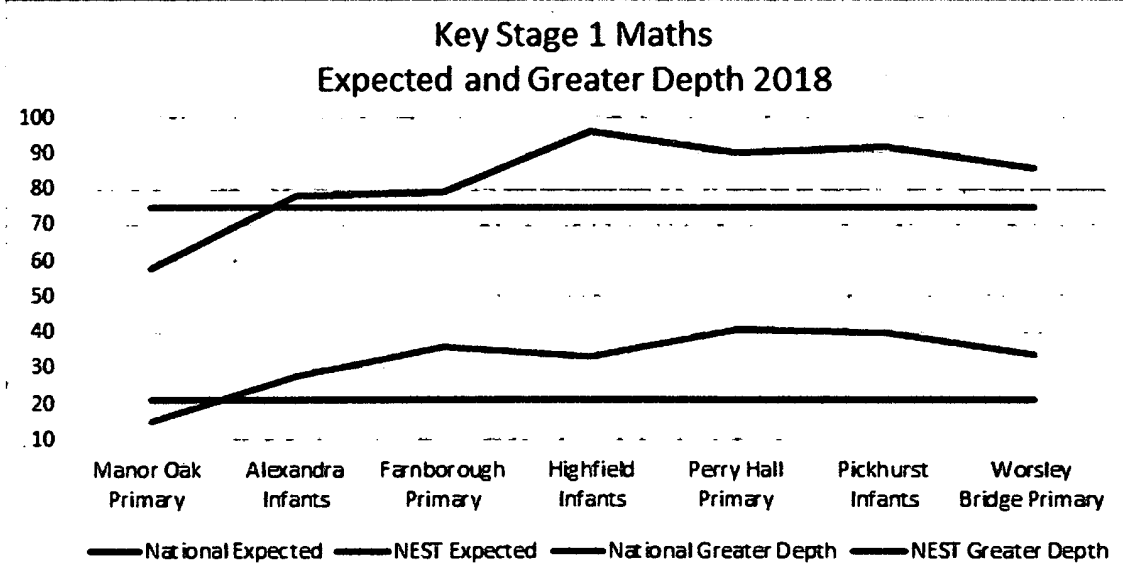
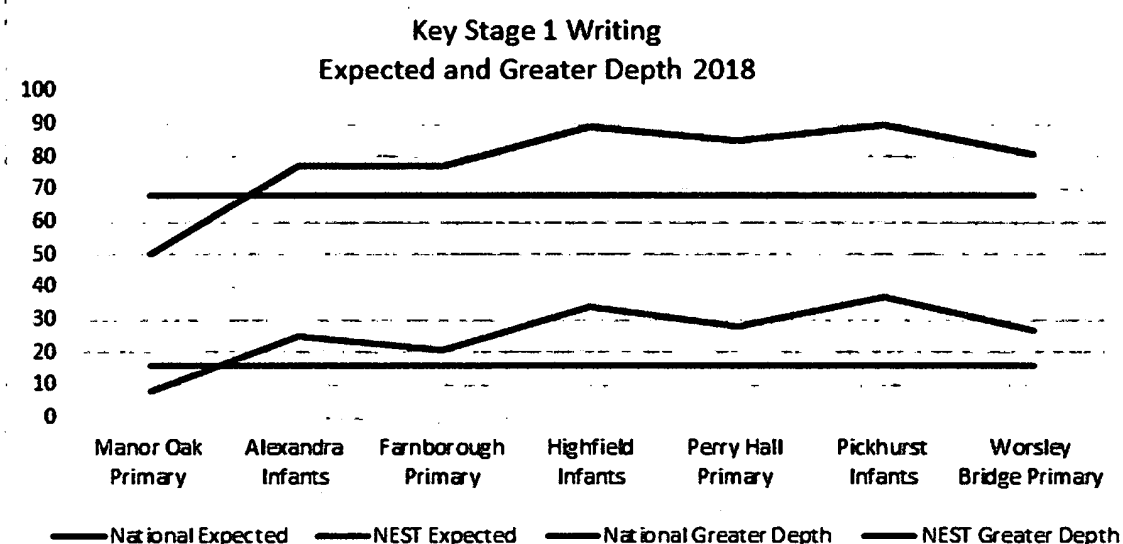
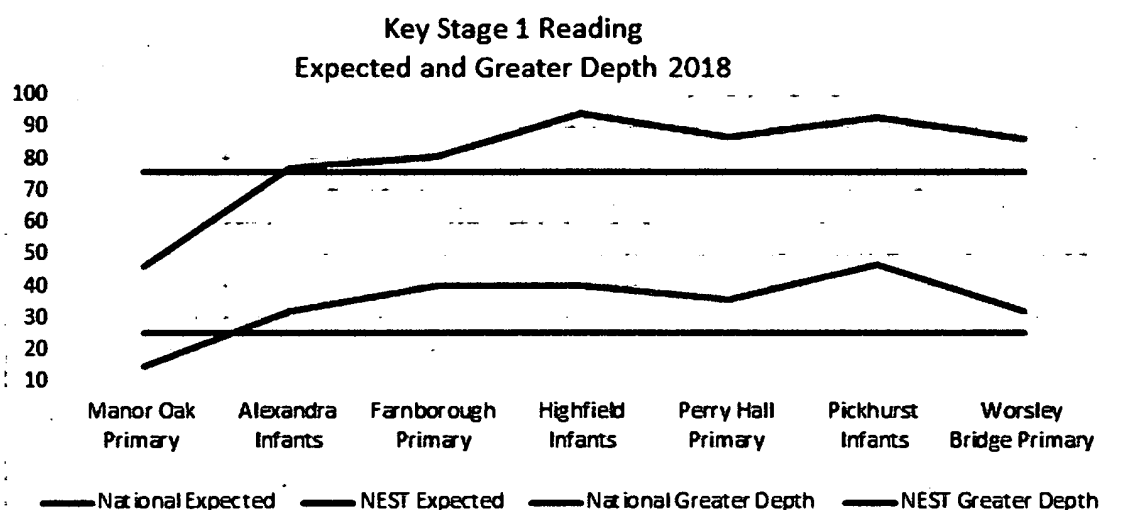
Note: Alexandra Infants result SEN provision disaggregated



NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

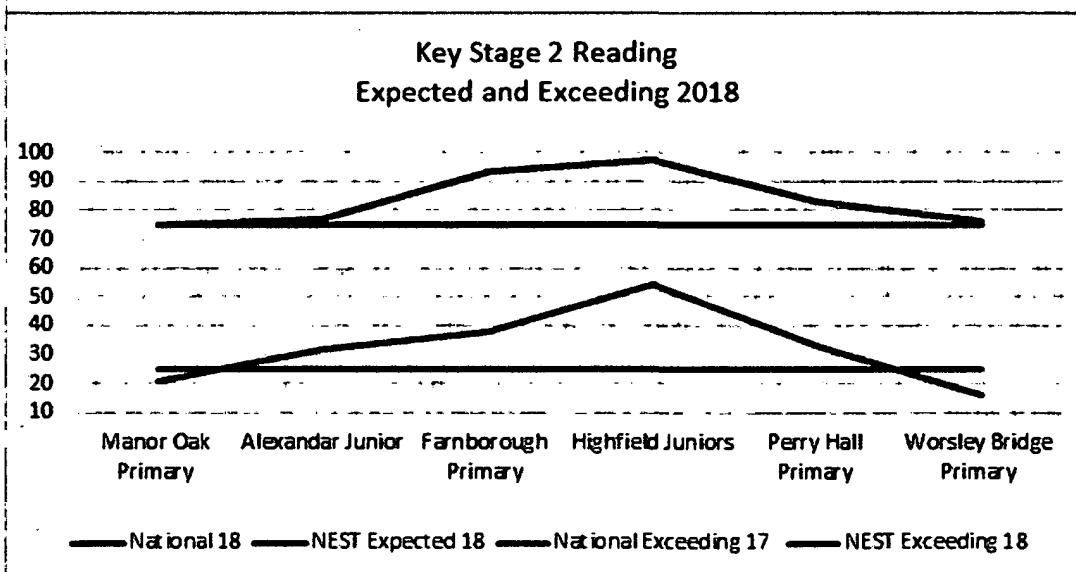
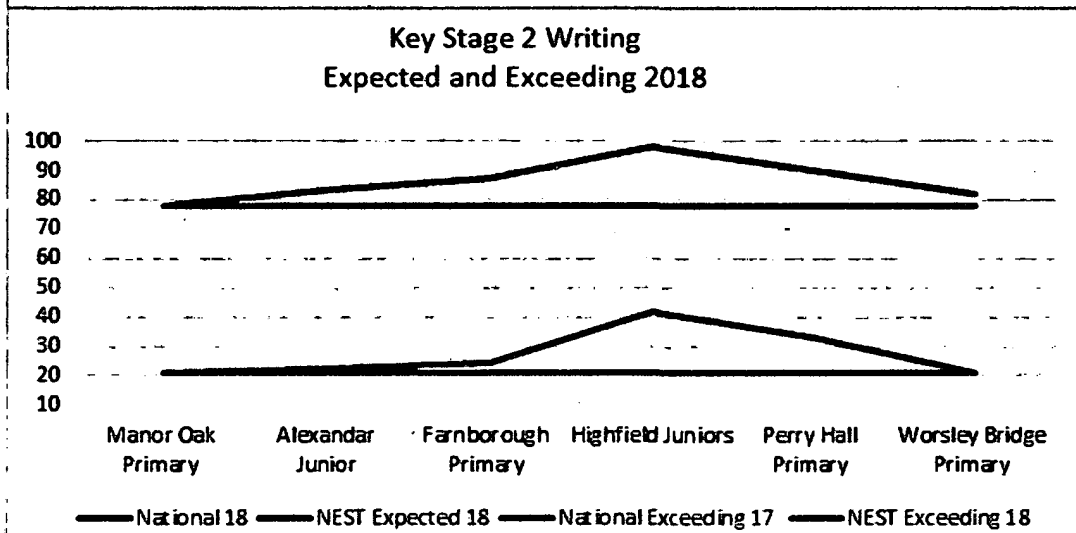
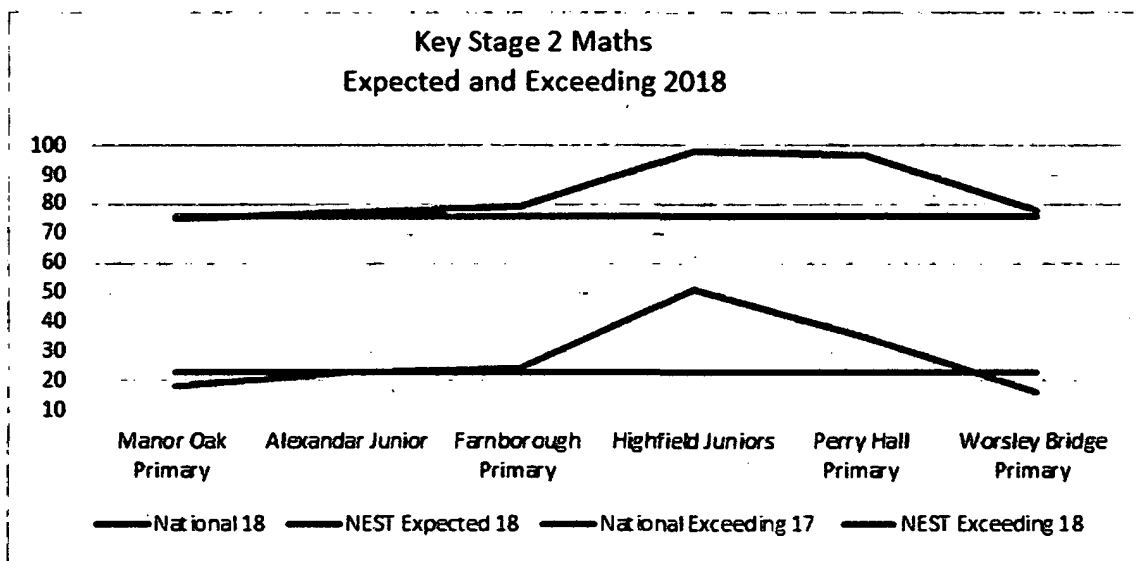
FOR THE YEAR ENDED 31 AUGUST 2018



NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

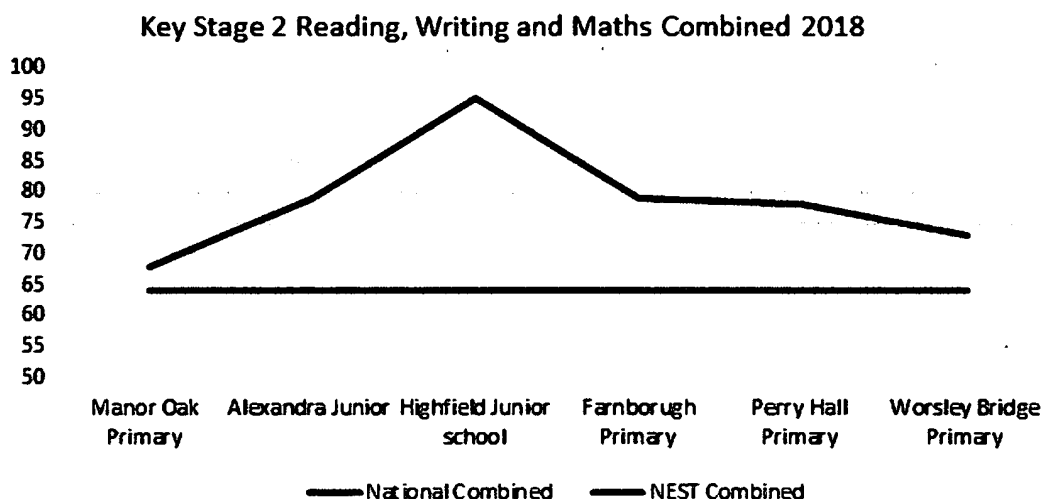
FOR THE YEAR ENDED 31 AUGUST 2018



NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018



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 financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the Academy's income is obtained from the Education, 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 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. 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.

The number of Trust schools has grown in 2017-18 from two to nine increasing the total assets and pension deficit.

During the year ended 31 August 2018, total expenditure of £14,172k (2017: £3,831k) 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 £1,260k (2017: £141k).

At 31 August 2018 the net book value of fixed assets was £60,579k (2017: £6,846k). Movements in tangible fixed assets are shown in Note 14 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 £1,729k (2017: £480k) at 31 August 2018.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 free reserves should be equivalent to four weeks' expenditure, approximately £1,006k (2017: £254k).

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 £2,129k (2017: £382k) 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.

The total of free 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 four weeks expenditure for each academy within the group to be held by each school. Individual school reserves are assigned to the school. However the Trust and its partner schools understanding 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.

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.

Financial position

The Academy held fund balances at 31 August 2018 of £61,906k (2017: £7,076k) comprising £59,777k (2017: £6,694k) of restricted funds and £2,129k (2017: £382k) of unrestricted general funds. Of the restricted funds, £60,579 (2017: £6,846k) is represented by tangible fixed assets, £344k (2017: £Nil) of capital funds and £583k (2017: £328k) of unspent restricted funds.

The pension reserve which is considered part of restricted funds was £1,729k (2017: £480k) in deficit.

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 academy 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 and reputational, operational, organisational, Compliance and Financial.

NEXUS EDUCATION SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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:

- 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
- Teacher 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 Academy 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 £1,729k (2017:£480k).

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

- Safeguarding inadequacies - All staff and committee members trained annually
- Safeguarding audits of schools internally by schools and Local committees and externally
- Suitably trained staff to support pupil welfare programmes
- Suitably qualified staff to monitor and ensure compliance in health and safety across the trust.

Financial Controls, planning and forecasts

- 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 2018

Plans for future periods

The Academy 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.

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. The Schools also make good use of external validation to secure its judgement 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 which is meticulously critically accurately analysed by the Central Team, Head Teachers, Heads of School and the Senior Leadership Team (SLT). The SIP is regularly monitored and amended annually by the SLT and Local Committee. It is underpinned by appropriate budget links

School improvement 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 improving on our previous best.

In 2018 -19 the trust will expand to include a further two further academies. The combined strength will complement and add capacity to the work of the Trust and its support to partner schools. This growth will provide the Trust with significant expertise and resources enabling it to effectively support its partner schools and continue its work with schools outside the Trust.

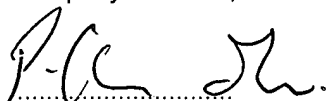
Nexus Education School Trust continues to provide efficient and effective resourcing for its schools. It has a long term aim to provide a multi hub structure for over 5,000 pupils, providing its partner schools economies of scale greater collaboration and challenge. NEST will continue to support and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

Auditor

In so far as the trustees are aware:

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

The directors' report, incorporating a strategic report, was approved by order of the Board of trustees, as the company directors, on 11.12.18 and signed on its behalf by:



P Chandler

Chair

NEXUS EDUCATION SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 Headteacher, 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. They are also responsible for reporting to the Board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. 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 8 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)	7	8
P Farrow (Accounting officer)	7	8
N Kimber	8	8
D Stacey	7	8
A Youd	4	8
J Millins (Appointed 13 November 2018)	0	0
R Parks (Appointed 13 November 2018)	0	0
D Townsend (Appointed 11 December 2018)	0	0

The Board as part of its annual self- review of skills and with the incorporation of new schools began the process through Academy Ambassadors to appoint two new Trustees to the Board in June 2018. This recruitment process will be completed in September 2018.

The Trust board meets at least twice a term 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 its review of the most vulnerable groups. The Board acknowledges that the setting of balanced budgets for 2018/19 is a challenge with all resources and provision being reviewed and evaluated for impact. The financial mechanisms, process and procedures have further been enhanced to support schools manage challenging budget control.

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 School 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 2018/19 with the addition of new Trustees to the Board.

The Board has two sub committees:-

- Audit and Risk
- Pay and Performance

NEXUS EDUCATION SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Board has two Advisory Committees, with members from its Local Committees and the Board. These committee 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 groups
- Scrutiny of minutes
- Forums and effective communication procedures between governance layers
- Internal and external audit.

The 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. Audit and Risk 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 Chandler (Chair)	3	3
P Farrow (Accounting officer)	3	3
N Kimber	3	3
D Stacey	3	3

The Board Pay and Performance committee reviews national and local pay award recommendations, bench marking any Board Pay decisions with comparable organisation, guidance from Department of Education and Education Funding agency as well recruitment and retention initiatives. The performance of staff with significant control both centrally and at school level is review 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
N Kimber	1	1
D Stacey	1	1
A Youd	1	1

Review of value for money

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

NEXUS EDUCATION SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

Capacity to handle risk

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

The risk and control framework

The 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.

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

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Trustees

NEXUS EDUCATION SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

Review of effectiveness

As accounting officer the Headteacher 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 11/12/18 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 2018

As accounting officer of Nexus Education Schools Trust I have considered my responsibility to notify the academy trust Board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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



P Farrow
Accounting Officer

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NEXUS EDUCATION SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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 financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

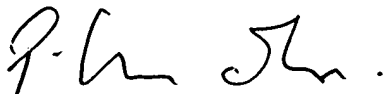
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of trustees on 11/12/18 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 2018

Opinion

We have audited the financial statements of Nexus Education Schools Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

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 financial statements' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

NEXUS EDUCATION SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

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 financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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 2018

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.

Wilkins Kennedy Audit Services

Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

Statutory Auditor

.....
Greytown House
221-227 High Street
Orpington
BR6 ONZ

19/12/18

NEXUS EDUCATION SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy Audit Services

Reporting Accountant

Wilkins Kennedy Audit Services

Greytown House

221-227 High Street

Orpington

BR6 ONZ

Dated: *19/12/18*

NEXUS EDUCATION SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000 Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:					
Donations and capital grants	3	316	18	1,096	92
Donations - Transfer of exsiting academy into trust	26	1,606	(1,621)	54,654	54,639
Charitable activities:					
- Funding for educational operations	4	11	11,204	-	11,215
Other trading activities	5	601	52	-	653
Investments	6	2	-	-	2
Total		2,536	9,653	55,750	67,939
Expenditure on:					
Charitable activities:					
- Educational operations	9	185	13,208	708	14,101
- EYLA Teaching school		-	71	-	71
Total	7	185	13,279	708	14,172
Net income/(expenditure)		2,351	(3,626)	55,042	53,767
Transfers between funds	17	(792)	1,757	(965)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	1,063	-	1,063
Net movement in funds		1,559	(806)	54,077	54,830
Reconciliation of funds					
Total funds brought forward		382	(152)	6,846	7,076
Total funds carried forward		1,941	(958)	60,923	61,906

NEXUS EDUCATION SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds £'000	General £'000	Fixed asset £'000	2017 £'000
Income and endowments from:					
Donations and capital grants	3	62	15	15	92
Charitable activities:					
- Funding for educational operations	4	-	3,510	-	3,510
Other trading activities	5	198	-	-	198
Investments	6	1	-	-	1
Total		<u>261</u>	<u>3,525</u>	<u>15</u>	<u>3,801</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	131	3,514	186	3,831
Total	7	<u>131</u>	<u>3,514</u>	<u>186</u>	<u>3,831</u>
Net income/(expenditure)		130	11	(171)	(30)
Transfers between funds	17	(126)	4	122	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	190	-	190
Net movement in funds		4	205	(49)	160
Reconciliation of funds					
Total funds brought forward		378	(357)	6,895	6,916
Total funds carried forward		<u>382</u>	<u>(152)</u>	<u>6,846</u>	<u>7,076</u>

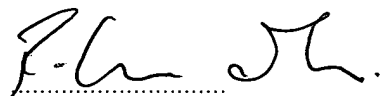
NEXUS EDUCATION SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	13	60,579	6,846
Current assets			
Debtors	14	989	141
Cash at bank and in hand		3,777	795
		<u>4,766</u>	<u>936</u>
Current liabilities			
Creditors: amounts falling due within one year	15	<u>(1,710)</u>	<u>(226)</u>
Net current assets		<u>3,056</u>	<u>710</u>
Net assets excluding pension liability		<u>63,635</u>	<u>7,556</u>
Defined benefit pension scheme liability	19	<u>(1,729)</u>	<u>(480)</u>
Net assets		<u><u>61,906</u></u>	<u><u>7,076</u></u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		60,923	6,846
- Restricted income funds		771	328
- Pension reserve		<u>(1,729)</u>	<u>(480)</u>
Total restricted funds		<u>59,965</u>	<u>6,694</u>
Unrestricted income funds	17	<u>1,941</u>	<u>382</u>
Total funds		<u><u>61,906</u></u>	<u><u>7,076</u></u>

The financial statements on pages 31 to 57 were approved by the trustees and authorised for issue on 31/10/18 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 2018

		2018	2017
	Notes	£'000	£'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(273)	199
Cash funds transferred on conversion		2,234	-
		<u>1,961</u>	<u>199</u>
Cash flows from investing activities			
Dividends, interest and rents from investments	2	1	
Capital grants from DfE Group		1,096	15
Purchase of tangible fixed assets		(77)	(137)
		<u>1,021</u>	<u>(121)</u>
Cash flows from financing activities			
Finance costs		-	(1)
		<u>-</u>	<u>(1)</u>
Net cash provided by/(used in) investing activities			
		<u>1,021</u>	<u>(121)</u>
Cash flows from financing activities			
Finance costs		-	(1)
		<u>-</u>	<u>(1)</u>
Net cash used in financing activities			
		<u>-</u>	<u>(1)</u>
Net increase in cash and cash equivalents in the reporting period		<u>2,982</u>	<u>77</u>
Cash and cash equivalents at beginning of the year		795	718
Cash and cash equivalents at end of the year		<u><u>3,777</u></u>	<u><u>795</u></u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Nexus Education Schools Trust meets the definition of a public benefit entity under FRS 102.

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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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 ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

1.4 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 ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 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.

1.6 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.

1.7 Leasing commitments

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

1.8 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 ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

1.9 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.

1.10 Pensions benefits

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

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

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

1.11 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 ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 re-assessed 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 2018 £'000	Total 2017 £'000
Capital grants	-	1,096	1,096	15
Other donations	316	18	334	77
	<u>316</u>	<u>1,114</u>	<u>1,430</u>	<u>92</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	9,558	9,558	2,740
Other DfE group grants	-	1,229	1,229	419
	-	10,787	10,787	3,159
Other government grants				
Local authority grants	-	398	398	351
Other funding				
Other incoming resources	11	19	30	-
Total funding	11	11,204	11,215	3,510

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	44	-	44	10
Catering income	185	-	185	41
EYLA course income	-	52	52	-
Other income	372	-	372	147
	601	52	653	198

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	2	-	2	1

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	7,551	519	1,030	9,100	2,789
- Allocated support costs	1,701	2,034	1,266	5,001	1,042
EYLA Teaching school					
- Direct costs	48	-	4	52	-
- Allocated support costs	13	-	6	19	-
	<u>9,313</u>	<u>2,553</u>	<u>2,306</u>	<u>14,172</u>	<u>3,831</u>

Net income/(expenditure) for the year includes:	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	29	12
- Other services	18	13
Operating lease rentals	-	1
Depreciation of tangible fixed assets	708	186
Bank and loan interest	-	1
Net interest on defined benefit pension liability	51	11

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
- Catering and Cleaning contract management
- Premises management

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

- 4.5% of GAG School Budget Share

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2018 £'000	2017 £'000
Farnborough Primary School	50	44
Worsley Bridge Primary School	79	76
Alexandra Infants School	13	-
Alexandra Juniors School	39	-
Manor Oak Primary School	37	-
Highfield Infants School	41	-
Highfield Junior School	51	-
Pickhurst Junior School	55	-
Perry Hall Primary School	62	-
EYLA Teaching School	-	-
	<u>427</u>	<u>120</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	-	9,100	9,100	2,789
EYLA Teaching school	-	52	52	-
Support costs				
Educational operations	185	4,816	5,001	1,042
EYLA Teaching school	-	19	19	-
	<u>185</u>	<u>13,987</u>	<u>14,172</u>	<u>3,831</u>

	EYLA £'000	Educational operations £'000	Total 2018 £'000	Total 2017 £'000
Analysis of support costs				
Support staff costs	13	1,696	1,709	358
Depreciation	-	189	189	94
Technology costs	-	129	129	44
Premises costs	-	1,845	1,845	223
Other support costs	6	1,044	1,050	288
Governance costs	-	98	98	35
	<u>19</u>	<u>5,001</u>	<u>5,020</u>	<u>1,042</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	6,869	2,096
Social security costs	663	175
Pension costs	1,555	443
Staff costs	9,087	2,714
Agency staff costs	134	42
Staff restructuring costs	22	-
Staff development and other staff costs	70	12
Total staff expenditure	9,313	2,768

Staff restructuring costs comprise:

Redundancy payments	22	-
---------------------	----	---

Staff numbers

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

	2018 Number	2017 Number
Teachers	120	30
Administration and support	220	65
Management	11	8
	351	103

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	4	1
£70,001 - £80,000	3	-
£110,001 - £120,000	-	1
£130,000 - £140,000	1	-

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

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 £823k (2017: £536k).

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 Exec Headteacher only received remuneration in respect of services she provided undertaking the role of Exec Headteacher 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 (Exec Headteacher):

- Remuneration £135,001 - £140,000 (2017: £110,001 - £115,000)
- Employer's pension contributions £15,000 - £20,000 (2017: £15,000-£20,000)

During the year training and subscription costs totalling £Nil (2017: £260) were paid by the Trust on behalf of the trustees. No costs were paid this year. Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees and officers insurance

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.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 September 2017	6,861	82	263	7,206
Transfer from existing academy	54,146	115	103	54,364
Additions	20	44	13	77
At 31 August 2018	61,027	241	379	61,647
Depreciation				
At 1 September 2017	247	35	78	360
Charge for the year	509	86	113	708
At 31 August 2018	756	121	191	1,068
Net book value				
At 31 August 2018	60,271	120	188	60,579
At 31 August 2017	6,614	47	185	6,846

Included in land and buildings is land of £40,729k (2017: £2,258,000) which is not depreciated.

Additions to land and buildings are made a climbing frame and paving work.

14 Debtors

	2018 £'000	2017 £'000
Trade debtors	22	30
VAT recoverable	117	25
Other debtors	581	-
Prepayments and accrued income	269	86
	989	141

15 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	55	-
Other taxation and social security	184	46
Other creditors	359	54
Accruals and deferred income	1,112	126
	1,710	226

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16	Deferred income	2018 £'000	2017 £'000
	Deferred income is included within:		
	Creditors due within one year	343	69
	Deferred income at 1 September 2017	69	65
	Released from previous years	(69)	(65)
	Resources deferred in the year	343	69
	Deferred income at 31 August 2018	343	69

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 2018/19.

17	Funds	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
	Restricted general funds					
	General Annual Grant (GAG)	250	9,558	(10,819)	1,615	604
	Other DfE / ESFA grants	70	1,229	(1,299)	-	-
	Other government grants	-	398	(398)	-	-
	EYLA Teaching school	-	52	(71)	186	167
	Other restricted funds	8	337	(301)	(44)	-
	Pension reserve	(480)	(1,921)	(391)	1,063	(1,729)
		(152)	9,653	(13,279)	2,820	(958)
	Restricted fixed asset funds					
	Transfer on conversion	-	54,654	-	(54,654)	-
	DfE group capital grants	-	1,096	-	(752)	344
	General fixed assets	6,846	-	(708)	54,441	60,579
		6,846	55,750	(708)	(965)	60,923
	Total restricted funds	6,694	65,403	(13,987)	1,855	59,965
	Unrestricted funds					
	General funds	382	2,536	(185)	(792)	1,941
	Total funds	7,076	67,939	(14,172)	1,063	61,906

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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 2018.

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.

Other government grants: This includes SEN funding, pupil premium High Needs and additional bulge class funding.

Other Restricted funds: This includes income received from the PTS to fund the purchase of I pads.

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

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	42	2,740	(2,536)	4	250
Start up grants	17	-	(17)	-	-
Other DfE / ESFA grants	50	419	(399)	-	70
Other government grants	125	351	(468)	-	8
Other restricted funds	-	15	(15)	-	-
Pension reserve	(591)	-	(79)	190	(480)
	<u>(357)</u>	<u>3,525</u>	<u>(3,514)</u>	<u>194</u>	<u>(152)</u>
Restricted fixed asset funds					
DfE group capital grants	-	15	(186)	(15)	(186)
General fixed assets	6,895	-	-	137	7,032
	<u>6,895</u>	<u>15</u>	<u>(186)</u>	<u>122</u>	<u>6,846</u>
Total restricted funds	<u>6,538</u>	<u>3,540</u>	<u>(3,700)</u>	<u>316</u>	<u>6,694</u>
Unrestricted funds					
General funds	378	261	(131)	(126)	382
Total funds	<u>6,916</u>	<u>3,801</u>	<u>(3,831)</u>	<u>190</u>	<u>7,076</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	42	12,298	(13,355)	1,619	604
Start up grants	17	-	(17)	-	-
Other DfE / ESFA grants	50	1,648	(1,698)	-	-
Other government grants	125	749	(866)	-	8
EYLA Teaching school	-	52	(71)	186	167
Other restricted funds	-	352	(316)	(44)	(8)
Pension reserve	(591)	(1,921)	(470)	1,253	(1,729)
	<u>(357)</u>	<u>13,178</u>	<u>(16,793)</u>	<u>3,014</u>	<u>(958)</u>
Restricted fixed asset funds					
Transfer on conversion	-	54,654	-	(54,654)	-
DfE group capital grants	-	1,111	(186)	(767)	158
General fixed assets	6,895	-	(708)	54,578	60,765
	<u>6,895</u>	<u>55,765</u>	<u>(894)</u>	<u>(843)</u>	<u>60,923</u>
Total restricted funds	<u>6,538</u>	<u>68,943</u>	<u>(17,687)</u>	<u>2,171</u>	<u>59,965</u>
Unrestricted funds					
General funds	<u>378</u>	<u>2,797</u>	<u>(316)</u>	<u>(918)</u>	<u>1,941</u>
Total funds	<u>6,916</u>	<u>71,740</u>	<u>(18,003)</u>	<u>1,253</u>	<u>61,906</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
Nexus Educational Schools Trust	276	309
Farnborough Primary School	71	58
Worsley Bridge Primary School	434	343
Alexandra Infants School	267	-
Alexandra Juniors School	187	-
Manor Oak Primary School	136	-
Highfield Infants School	444	-
Highfield Junior School	288	-
Pickhurst Junior School	158	-
Perry Hall Primary School	284	-
EYLA Teaching School	167	-
Total before fixed assets fund and pension reserve	2,712	710
Restricted fixed asset fund	60,923	6,846
Pension reserve	(1,729)	(480)
Total funds	61,906	7,076

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 £'000
Nexus Educational Schools Trust	142	427	27	403	999
Farnborough Primary School	916	108	34	340	1,398
Worsley Bridge Primary School	1,286	181	59	549	2,075
Alexandra Infants School	318	44	6	115	483
Alexandra Juniors School	674	130	20	438	1,262
Manor Oak Primary School	806	92	11	266	1,175
Highfield Infants School	640	162	51	303	1,156
Highfield Junior School	986	123	35	585	1,729
Pickhurst Junior School	904	248	25	405	1,582
Perry Hall Primary School	867	181	63	462	1,573
EYLA Teaching School	34	13	2	22	71
	7,573	1,709	333	3,888	13,503

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	60,579	60,579
Current assets	2,133	2,291	342	4,766
Creditors falling due within one year	(1)	(1,709)	-	(1,710)
Defined benefit pension liability	-	(1,729)	-	(1,729)
Total net assets	2,132	(1,147)	60,921	61,906
Balance to allocate	(191)	189	2	-
Per balance sheet	1,941	(958)	60,923	61,906
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	6,846	6,846
Current assets	382	554	-	936
Creditors falling due within one year	-	(226)	-	(226)
Defined benefit pension liability	-	(480)	-	(480)
Total net assets	382	(152)	6,846	7,076

19 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £37k (2017: £18k) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £181k (2015: £56k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.8% for employees.

[Additional disclosure should be made where the scheme is in deficit and the entity has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels, including the number of years over which it is anticipated that the additional contributions will be paid.]

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 26) together with 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.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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	2018 £'000	2017 £'000
Employer's contributions	625	140
Employees' contributions	152	33
Total contributions	777	173

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.6	3.7
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	2.8	2.45
Inflation assumption (CPI)	2.1	2.2

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

	2018 Years	2017 Years
Retiring today		
- Males	23.4	23.3
- Females	26.1	26.0
Retiring in 20 years		
- Males	26.1	25.9
- Females	28.4	28.3

	2018 £'000	2017 £'000
Discount rate + 0.1%	(142)	
Mortality assumption + 1 year	23	
CPI rate + 0.1%	148	

Defined benefit pension scheme net liability

Scheme assets	6,380	973
Scheme obligations	(8,109)	(1,453)
Net liability	(1,729)	(480)

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2018 Fair value £'000	2017 Fair value £'000
Equities	4,133	742
Other bonds	402	136
Cash	19	14
Government bonds	402	-
Property	209	-
Other assets	1,215	81
Total market value of assets	<u>6,380</u>	<u>973</u>

The actual return on scheme assets was £476,000 (2017: £251,000).

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	946	204
Interest income	(135)	(14)
Interest cost	186	25
Benefit changes, curtailments and settlements gains or losses	-	4
Administration expenses	19	-
Total operating charge	<u>1,016</u>	<u>219</u>

Changes in the present value of defined benefit obligations	2018 £'000	2017 £'000
At 1 September 2017	1,453	1,144
Transferred in on existing academies joining the academy trust	6,109	-
Current service cost	946	204
Interest cost	186	25
Employee contributions	152	33
Actuarial (gain)/loss	(722)	47
Benefits paid	(34)	-
Effect of non-routine settlements and administration expenses	19	-
At 31 August 2018	<u>8,109</u>	<u>1,453</u>

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 £'000	2017 £'000
At 1 September 2017	973	553
Transferred in on existing academies joining the academy trust	4,188	-
Interest income	135	14
Actuarial gain	341	237
Employer contributions	625	140
Employee contributions	152	33
Benefits paid	(34)	-
Effect of non-routine settlements	-	(4)
At 31 August 2018	6,380	973

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	53,767	(30)
Adjusted for:		
Net surplus on conversion to academy	(54,639)	-
Capital grants from DfE/ESFA and other capital income	(1,096)	(15)
Investment income receivable	(2)	(1)
Finance costs payable	-	1
Defined benefit pension costs less contributions payable	340	68
Defined benefit pension net finance cost	51	11
Depreciation of tangible fixed assets	708	186
(Increase)/decrease in debtors	(848)	97
Increase/(decrease) in creditors	1,484	(118)
Stocks, debtors and creditors transferred on conversion	(38)	-
Net cash (used in)/provided by operating activities	(273)	199

21 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.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Capital commitments

	2018 £'000	2017 £'000
Expenditure contracted for but not provided in the financial statements	578	20

23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

N Ide related to P Farrow Director, provided Worsley Bridge Primary school premises consultancy services for building contract amounting to £5,460. The Academy made the purchase at arms-length and ensured the consultancy was charged at cost without influence and Worsley Bridge in entering into the transaction has complied with the Trusts procedures and the requirements of the ESFA Academies Financial handbook

Last year the academy trust incurred support, intervention and procurement costs of £2,230 from the Academy Learning Collaborative.

24 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.

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25	EYLA Teaching school trading account	2018	2017	
		£'000	£'000	£'000
	Other income			
	Income from Schools		52	-
	Direct costs			
	Direct staff costs	34	-	
	Staff development	14	-	
	Educational supplies and services	2	-	
	Educational consultancy	2	-	
		<u>52</u>	<u>-</u>	
	Other costs			
	Support staff costs	13	-	
	Other support costs	6	-	
		<u>19</u>	<u>-</u>	
	Total expenditure		(71)	-
	Transfers from exsiting academy		186	-
	Surplus/(deficit) from all sources		167	-
	EYLA Teaching school balances at 1 September 2017		-	-
	EYLA Teaching school balances at 31 August 2018		167	-

26 Transfers into the academy

On the dates listed below seven academies transferred in the MAT, and all the operations and assets and liabilities were transferred to Nexus Education Schools Trust from the old academy trusts.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net [gain/loss] in the statement of financial activities as donations – transfer of exsiting academies.

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

Academy	Location	Date of conversion
Alexandra Infants School	Beckenham	1 May 2018
Alexandra Juniors School	Beckenham	1 November 2017
Manor Oak Primary School	Orpington	1 November 2017
Highfield Infants School	Bromley	1 November 2017
Highfield Junior School	Bromley	1 November 2017
Pickhurst Junior School	Bromley	1 November 2017
Perry Hall Primary School	Orpington	1 November 2017
EYLA Teaching School	Bromley	1 November 2017

NEXUS EDUCATION SCHOOLS TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Transfers into the academy

(Continued)

	2018 £'000
Net assets transferred:	
Leasehold land and buildings	54,161
Other tangible fixed assets	203
Cash	2,234
LGPS pension surplus/(deficit)	(1,921)
	<u>54,677</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	54,654	54,654
GAG funds	-	255	-	255
School private fund	1,606	-	-	1,606
LGPS pension funds	-	(1,921)	-	(1,921)
EYLA funds	-	45	-	45
	<u>1,606</u>	<u>(1,621)</u>	<u>54,654</u>	<u>54,639</u>