

Company Registration No. 10075893 (England and Wales)

NEXUS MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

NEXUS MULTI ACADEMY TRUST

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Andrew Child
P Leach
P Girling
Z Rasool
C Hall

Trustees

S Booth
S Shelley
J Coleman
Andrew Child (Chair)
P Castleton
R Palmer
R Potts
N Hodge (Resigned 31 August 2020)
H Bellinger (Appointed 1 October 2019 and resigned 25 November 2020)
G Askew (Appointed 1 April 2020)
N Judah (Appointed 1 April 2020)

Senior management team

- Chief Executive Officer/Accounting Officer	W Carratt
- Assistant Chief Executive Officer	J Hardwick (from 1 September 2020)
- Assistant Chief Executive Officer	J Tattershall (from 1 September 2020)
- Chief Finance Officer	C Sands
- Executive Headteacher (Abbey School)	L Windle
- Head of School (Abbey School)	W Askham
- Executive Headteacher (Bader & Coppice schools)	K O'Reilly
- Headteacher (Becton School)	J Gibson
- Headteacher (Coppice School)	L Allison
- Headteacher (Craggs Community School)	E Normington
- Executive Headteacher (Heatherwood & North Ridge schools)	L Suter
- Head of School (Heatherwood)	B Coy (from 1 September 2020)
- Headteacher (Hilltop School)	D Burdett
- Headteacher (Kelford School)	J Tattershall (to 31 August 2020)
- Headteacher (Kelford School)	K Anson (from 1 September 2020)
- Head of School (North Ridge School)	A Denman (from 1 September 2020)
- Headteacher (Pennine View School)	S Mulhall

Company registration number 10075893 (England and Wales)

Registered office

Hilltop School
Larch Road
Maltby
Rotherham
South Yorkshire
S66 8AZ

NEXUS MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Abbey School

Becton School

Coppice School

Crags Community School

Heatherwood School

Hilltop School

Kelford School

North Ridge Community School

Pennine View School

Location

Rotherham

Sheffield

Doncaster

Rotherham

Doncaster

Rotherham

Rotherham

Doncaster

Doncaster

Headteacher

L Windle

J Gibson

K O'Reilly

E Normington

L Suter

D Burdett

J Tattershall (to 31 August 2020)

K Anson (from 1 September 2020)

L Suter

S Mulhall

Independent auditor

Hart Shaw LLP

Europa Link

Sheffield Business Park

Sheffield

S9 1XU

Bankers

Barclays

1 Churchill Place

London

E14 5HP

Solicitors

Howes Percival

Bell House, First Floor

Seebeck Place

Knowlhill

Milton Keynes

MK5 8FR

NEXUS MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust currently operates 10 academies in the Rotherham Metropolitan Borough, Doncaster Metropolitan Borough and Sheffield City areas, with 1 special academy in the pre-opening phase in the Sheffield City area. 8 of the Trust's academies are special academies, 1 of which opened on 1 September 2020; 1 is a mainstream primary academy; and one is an all-age hospital academy.

Structure, governance and management

a. Constitution

The academy trust (the Trust) is a charitable company limited by guarantee and an exempt charity. It was incorporated on 21 March 2016 and commenced operating as an academy on 1 June 2016. The charitable company is known as Nexus Multi Academy Trust and its company number is 10075893.

The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust.

The Trustees of Nexus Multi Academy Trust are also the directors of the charitable company for the purpose of company law. Details of the Trustees who served during the year, and to the date of these accounts are approved are included in the Reference and Administrative details on page 1.

b. Members' liability

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

c. Trustees indemnities

Trustees benefit from indemnity insurance purchased at the Charitable Company's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default of breach of trust or breach of duty of which they may be guilty in relation to the Trust provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Charitable Company.

d. Method of recruitment and appointment or election of Trustees

As per the trust's Articles of Association, the Members may appoint, by ordinary resolution, up to 11 Trustees.

Nexus MAT has a published procedure for the nomination, selection and appointment of Trustees, which is outlined in Appendix F of the Nexus MAT Governance Handbook. No individual has an entitlement to nominate a Trustee for consideration by the Board and for recommendation to Members.

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

The Nexus MAT Governance Handbook outlines the expectations on all holders of governance office (Members, Directors/Trustees and Local Governors) in regard to the work of the Trust. This also includes details of what expectations an individual governor can have on the Trust to provide support and training. The Trust has a Prospectus which is refreshed annually and provides structure to the induction of new

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personnel as well as increasing transparency with the public and stakeholders for how the Trust operates.

The Trust has a governance development programme which is refreshed annually and which is informed by a competency self-assessment by individual Trustees and governors, built around the core areas of work of their governing board and based on the NGA model template.

Training provision is made available by the Trust through internal workshops; via the local Teaching Schools Alliances (Learners First and Partners in Learning); local authority governor services; or via a suitably qualified and experienced third party provider.

The Trust has a published procedure for responding to concerns about a Member, Director/Trustee or governor.

f. Organisational structure

Nexus has 5 appointed Members, 4 of whom are the original signatories for the company.

One of these Members is also a Director/Trustee of the company, holding the office of Chair of the Trust Board. The Trust has a published Scheme of Delegation, which details the decision-making prerogative reserved for Members, Directors/Trustees, the Trust Executive, Local Governing Boards and Headteachers. The Trust also has a published procedure which outlines the delegation of financial powers.

The Chief Executive Officer of the Trust is the accounting officer for Nexus MAT. The Chief Executive Officer and Chief Finance Officer typically attend all Board meetings to report to Trustees in line with business requirements, though attendance is at the discretion of the Board. The Chief Executive Officer line manages Headteachers of the Trust's constituent academies and line manages the Chief Finance Officer.

Board business meetings are scheduled bi-monthly and the Chief Executive Officer is responsible for the submission of reports to Directors/Trustees, with a requirement to also put recommendations for decisions to the Board. All reports outline key risks and required mitigation to ensure these are effectively managed. The minutes of all Board meetings are published on the Trust website.

In 2019-20, the academies had combined planned places of 1,362 and in June 2020 there were 1,468 pupils on roll. Abbey, Heatherwood and Hilltop special academies were all significantly over planned numbers.

g. Pay policy for key management personnel

The Board of Trustees holds responsibility for setting the pay and remuneration for the Chief Executive Officer and Chief Finance Officer.

The Trust has a published pay policy and a published appraisal and capability policy which guides how pay is determined and when progression through individual salary ranges can be considered and awarded.

Headteacher pay is set using the School Teacher Pay and Conditions Document and the formulas included therein.

The Chief Executive Officer pay range is mapped to the Leadership Points of the School Teacher Pay and Conditions Document. This ensures Trustees are drawing on relative contextual information and setting remuneration in line with a nationally recognised pay model. Services4Schools – the Trust's 3rd party HR provider - supply all relevant information and advice at the request of Trustees.

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h. Connected organisations, including related party relationships

In 2019-20, the Trust continued to draw on the services of New Habits to provide leadership development support. Paul Girling, a Member of the Trust, is a Director of New Habits. The contract commenced in 2017 and ended on 31 August 2020. The total costs paid to New Habits in 2019/20 was £4,677. Costs are reduced compared to the those ordinarily charged to commercial commissioners.

Engagement with employees (including disabled persons)

In 2019/20, The Trust undertook its first Employee Engagement Survey with all academies in the Trust – including those undertaking the conversion process. This reached a workforce of over 700 staff and facilitated consultation on the Trust values, vision and mission statements ahead of the re-development of the Strategic Plan in 2020/21.

To support employees feeling they could be open and honest in the survey, North Yorkshire County Council (NYCC) were commissioned to facilitate the survey; undertake analysis; and report to Trustees. There were 527 respondents in total, from a possible 702, giving a response rate of 75%. For organisations with between 500 and 1000 employees, a response rate between 70 and 80% is considered to be a good benchmark and provides a good sense of the current position in the organisation (Cultureamp). This was an excellent result for the Trust.

Overall results from the survey questions were very positive for the Trust with the majority of survey responses in the Strongly Agree and Agree categories and job satisfaction level of agreement over 90%.

In 2019/20 the Trust successfully secured accreditation as a Level 1 Disability Confident: Committed employer and is working toward Level 2.

Throughout the year, the Trust consulted regularly with staff on their wellbeing during the COVID-19 pandemic, and worked with the Trades Unions to undertake formal consultation on the conversion of 5 schools.

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

Nexus MAT is committed to ensuring creditors are paid on time within the agreed terms and that all suppliers are treated fairly. We strive to achieve a balance between cost effectiveness, responsibility and fairness and we aim to settle disputes quickly. During 2019/20 the Trust adhered to the PPN 02/20 whereby public bodies were required to continue payment to their suppliers to ensure service continuity during the COVID-19 pandemic. Contracting authorities were instructed to act to ensure suppliers at risk are in a position to resume normal contract delivery once the outbreak is over. The Trust undertook a cash flow analysis exercise in April 2020 which identified that we were in a position to suspend the usual 30-day creditor payment terms and released all payments immediately in order to ease cash flow shortages for our suppliers.

During the 2019 government-imposed lockdown a handful of Nexus customers requested longer credit terms in order to help them with their cash flow shortages. These requests were granted and all arrears have now been repaid and normal credit terms have resumed.

On a wider partnership basis, the Trust has engaged with local authority governance forums such as Schools Forum and related partnerships boards. The Trust has also continued to facilitate the partnership free school project board to oversee the pre-opening phase of our two free special schools.

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Strategic report

Objectives and Activities

a. Objects and aims

As per the Nexus Multi Academy Trust Articles of Association, the objects of the Trust are:

- i. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and
- ii. to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

In fulfilling these objects, the Trust has published its 5 year strategic plan which details the 7 key business aims of Nexus Multi Academy Trust:

1. Increasing quality of provision from all our schools;
2. Sponsoring and improving schools in need of help and support;
3. Developing new partnerships;
4. Creating new school provision to meet emergent need;
5. Enhancing pathways for 19+ provision;
6. Establishing residential provision for our most complex pupils; and
7. Ensuring a financially viable and sustainable Multi Academy Trust.

These strategic aims in turn inform the annual business planning of the Trust and its constituent academies. The 5-year plan was reviewed in the spring of 2020 with an updated version scheduled to be published in the autumn.

b. Objectives, strategies and activities

For the period 1 September 2019 to 31 August 2020, Trustees have overseen the work of the accounting officer in realising the ambitions outlined in the Nexus MAT Strategic Plan, with performance being monitored through the 2019-2020 strategic business plan and performance management of the accounting officer.

In April 2018 the Trust was appointed as sponsor to open two new special academies (free schools) in the Doncaster Metropolitan Borough and Sheffield City areas, and the Trust undertook pre-opening work on both projects throughout 2019-20 with the first of these new academies – Bader Academy – opening in September 2020. Throughout 2019-20 the MAT incorporated 5 new schools: Craggs Community School (1 October 2019); Heatherwood Special School (1 November 2019); Coppice Special School (1 December 2019); Becton Hospital School (1 April 2020); and North Ridge Special School (1 April 2020).

2019-20 saw the Trust appoint 3 new Trustees, with one Trustee stepping down on 31 August and another resigning in November 2020. This leaves the Board with two residual vacancies.

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In 2019/20 the impact of the Trust was recognised with improvements at Pennine View, when Ofsted judged the school to no longer be Inadequate and now be Requires Improvement, with a clear pathway set for moving the school to Good at its next inspection.

The Trust has - for the fourth year running - secured Condition Improvement Funding from the ESFA to improve the physical state of the academies. The additional £408,695 in 19/20 means that over the past 4 years the MAT has secured more than £2,500,000 of capital investment to improve our academies and grow provision.

The Trust has continued to commission external expertise to undertake detailed and rigorous audits of our practice in a range of areas, including how well the academies spend Pupil Premium and how effectively safeguarding practice aligns with policy.

Throughout this academic year, Trustees have also commissioned an external agency to undertake an employee opinion survey, which will in turn inform the creation of a workforce engagement plan in the autumn of 2020. There was a strong response rate from the survey with very positive feedback about the confidence staff have in leadership and management.

Throughout the period 1 September 2019 to 31 August 2020, Trustees reviewed and refreshed a range of policies and procedures to ensure a clear and transparent operational framework remains in place, against which compliance can be measured.

The Coronavirus pandemic naturally interrupted business as usual for the Trust, however the Government advice on school closure – or, more appropriately, the advice on which state schools should remain open for pupils – saw all Nexus academies continue to operate an educational offer, with the majority of school sites remaining open for all parents who wished to send their child for the duration of the lockdown period. Attendance overall was below 50% though there was big variation from one academy to the other. Like all those attending state schools in England, pupils attending a Nexus academy were not able to access a broad and balanced curriculum for the entirety of the 2019/20 academic year. However, regular contact was maintained with all families and provision was put in place in all holiday periods. There were no confirmed cases of Coronavirus in any pupils on roll, with less than 0.002% of the workforce having a confirmed case up to 31 August 2020.

Trustees played a crucial role in holding the executive to account for the running of academies during the lockdown period, as local governance was suspended for the duration of the period 23 March 2020 to 31 August 2020. Enhanced systems of reporting to Trustees was established, with the accounting officer providing Trustees and officers from the Department for Education with regular updates on operational activity in all academies as the Trust took regular advice from its appointed Competent Person.

c. Public benefit

Through the growth of provision in all academies to meet the commissioning needs of local authorities and through the realisation of year 4 of the 5-year strategic plan, Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Achievements and performance

a. Key financial performance indicators

In the period 1 September 2019 to 31 August 2020, Trustees oversaw the continued improvement in performance of the constituent academies of the Trust, as was reflected in the performance data for all constituent academies and verified by Ofsted in their inspection of Pennine View in March 2020. Whilst not yet an academy at the time, the Trust was actively supporting North Ridge Community School throughout the pre-conversion phase, and improvements at the school were reported by HMI in a non-formal designation inspection in December 2019.

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The accounting officer has continued to ensure robust commissioning arrangements are in place with Local Authorities for all academies, so that all children and young people with special educational needs receive fair funding to support their educational progress.

All academies in the MAT ended 2019/20 with in-year surplus budgets, other than Craggs, which had a small deficit: the medium-term budget for Craggs forecasts a positive swing as a consequence of National Funding Formula. The school has reduced expenditure in 2020/21 to ensure it achieves a marginal balance this year, whilst the local funding formula moves toward NFF for 2021 and the school achieves a more meaningful in-year surplus. The coronavirus pandemic did not affect the Trust's capacity to raise funds, as all funding continued to be guaranteed by Government (local and national) and other generated income was planned to be nominal.

In 2019-20 Trustees continued to enhance the resourcing of the central finance function in line with Trust growth, creating additional resource and capacity to support tighter financial monitoring at academy level. This had an evidentially positive impact on the accuracy of forecasting throughout 2019-20.

The Trust met all statutory return deadlines without exception and Trustees are aware of the changes to the Academies Financial Handbook from September 2020. The annual work plan of the Audit & Finance Committee (to be renamed Audit & Risk from 1 September 2020) includes details of all DfE/ESFA statutory returns so that Trustees can be rigorous in their oversight of compliance.

For the third year running Trustees published workforce pay data in line with the Government's Gender Pay Gap reporting requirements, even though this was the first year in which the Trust was eligible to publish the report.

Key performance indicators as outlined the Trust performance dashboard are monitored by Trustees to ensure there is clear line of sight between the Board and the performance of the academies. Financial reporting to Trustees is underpinned by robust systems.

b. Going concern

After making appropriate enquiries, Trustees have a reasonable expectation that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Whilst there has been significant interruption to the Trust's 'business as usual' as a consequence of Coronavirus, Trustees are confident that the steps taking to manage risks and maintain an offer for all children ensures that the Trust has and will continue to fulfil the requirements as outlined in the articles and the master funding agreement. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the company

The Trust continues to work within and across local, regional and national networks to promote the success of the MAT. In 2019 the Trust applied for membership of the Confederation of School Trusts, and the CEO was asked to present at their annual conference in November 2020. The Trust has maintained an active presence on social media, and was reported on positively in local media when press releases were issued about the pending opening of the new free special school, Bader Academy.

Trustees approved their second annual report in September 2020 – an accompany piece to the statements published within the body of the annual accounts. This provides a more detailed narrative of the Trust's achievements in the preceding business year, linked to the Strategic Objectives of the MAT strategic plan.

The Trust has continued to add to its track record of improving academies within the MAT, with Pennine View receiving an improved judgement from Ofsted following its inspection in early March 2020, compared

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to its last inspection in 2016. The strength of the MAT's provision was reflected during the initial COVID-19 national lockdown, when local authorities asked the Trust to establish a support hub for pupils during the school holiday periods, to ensure local needs could be met.

Financial review

a. Review of financial performance and position

During the period ended 31 August 2020 total expenditure of £19,751,015 (2019: £11,470,523) was covered by recurrent grant funding from the ESFA and other incoming resources together totalling £20,984,521 (2019: £11,784,046). The excess of income over expenditure was £1,233,506 (2019: £313,523) for the period ended 31 August 2020. All figures exclude movements in the fixed asset reserves, pension liability reserve and transfers on conversion. The balance as at 31 August 2020 of the restricted general funds, excluding pension reserves, plus the unrestricted funds amounted to £2,666,289 (2019: £852,405), after transfers to the restricted fixed asset fund of £156,535 (2019: £150,154).

Total funds at 31 August 2020 are made up as follows: fixed asset funds amounting to £44,480,765 (2019: £15,640,484), pension deficit reserve (negative) of £20,100,000 (2019: £10,168,000), other restricted funds amounting to £836,519 and unrestricted funds amounting to £1,829,770, which in total, amount to £27,047,054 total funds for the Trust.

The Trust received capital grants of £562,354 (2019: £596,396) this year.

The relative health of the Trust year-end reserve is largely accounted for by the surpluses transferred to the Trust with those academies converting in the financial year. 4 of the 5 converting schools brought historical surpluses of over £100,000 each into the Trust. Trustees will be exploring how these funds can be used to improve the quality of education in the academies through the 2020-21 business year.

b. Principal funding

The academies in the Trust are funded in part by General Annual Grant (via the Education & Skills Funding Agency) and in part by element 3 funding from the Local Authority which has responsibility for commissioning the place of an individual child with an Education, Health & Care Plan, in line with a child's assessed needs. The majority of special educational needs places across all 10 academies are commissioned by either Doncaster Metropolitan Borough Council, Rotherham Metropolitan Borough Council or Sheffield City Council, with a small number of places commissioned by neighbouring local authorities. Craggs Community Schools serves the catchment area in which it is positioned, and has a statistically high number of pupils on roll with an EHCP for a mainstream primary.

The central MAT is funded via a financial contribution from the constituent academies (5% of each academy's total budget, sans any grant funding such as pupil premium, sports premium, catch up funding etc), and covers the costs of the following services:

- Leadership & management functions to ensure compliance with statutory guidance (inc. salary costs of accounting officer and chief finance officer);
- Human Resources consultancy;
- Information Governance oversight (Data Protection Officer);
- ICT strategy and operational services;
- Academy Broadband provision;
- Financial Internal & External Audit Costs;
- Governance recruitment, support and development;
- Clerking services;
- Health & Safety compliance (including "Competent Person" function);

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- Legal services;
- Safeguarding external audit and review;
- Clinical supervision for Designated Safeguarding Leads;
- Strategic support for negotiations with commissioners and business case writing to secure growth and development of the academies;
- School improvement and support (including leadership intervention where required);
- Careers advice and strategy;
- 16-19+ strategic support and development;
- Strategic change projects support (including coordination of Condition Improvement Funding bids and projects);
- Teaching School Alliance membership.

c. Reserves policy

Nexus Multi Academy Trust has a published reserves and investments policy to protect its activities by providing a financial comfort zone against an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. The policy also provides the framework for future strategic planning and decision-making, in line with best practice examples published by the Charities Commission. Compliance with an effective reserves and investments policy will restrict the impact of any risk upon the continuing operations of the trust.

The reserves and investments policy and the establishment of ranges for reserves is based upon an annual risk assessment of the internal and external operating environment, as well as having a due regard for the nature of activities undertaken by the Trust for its beneficiaries. The Trust policy outlines the different types of reserves as defined by Trustees:

1. General Reserve (Uncommitted revenue)
2. Cash Reserve
3. Capital Reserve
4. Pension Reserve

The cumulative target range for cash reserve for the Trust has been established at between 2% and 5% of equity income for each financial year.

Reserves held in excess of the target percentage will be reviewed by Trustees at least annually and an appropriate range of options will be considered which might include releasing the funds into the revenue budget in furtherance of the objectives; assigning funds to appropriate designated reserves as may be determined by the Trustees; or investing the funds to generate further income to allow expansion of the Multi Academy Trust's work.

At 31 August 2020 the balance of the trusts unrestricted general funds was £1,829,770 (2019: £806,878) and the balance of its restricted general funds was £836,519 (2019: £45,527).

After taking into account the fixed asset funds of £44,480,765 (2019: £15,640,484) as of 31st August 2020, and the pension liabilities of £20,100,000 (2019: £10,168,000) the Trust had total funds of £27,047,054 (2019: £6,324,889).

d. Material investments policy

As priority was given to the generation of reserves in the first 4 years of the Trust's existence given the impact of public sector spending austerity, no investment strategies have been developed in this reporting period. This will be reviewed by Trustees during 2020/21.

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e. Principal risks and uncertainties

The Education & Skills Funding Agency (ESFA) has a requirement for each Single and Multi Academy Trust to exercise robust risk management. Identifying and managing the possible and probable risks that an organisation may face over its working life is a key part of effective governance for Multi Academy Trusts of all sizes and complexity. The responsibility for the management and control of Nexus Multi Academy Trust rests with the Trust Board and the Chief Executive Officer and therefore their involvement in the key aspects of the risk management process is essential, particularly in setting the parameters of the process and reviewing and considering the results.

By managing risk effectively, Trustees can help ensure that:

- significant risks are known and monitored, enabling Trustees and governors to make informed decisions and take timely action;
- the Trust makes the most of opportunities and develops them with the confidence that any risks will be managed;
- forward and strategic planning are improved;
- the Trust's aims are achieved more successfully.

A detailed Trust-wide risk register is in place which outlines the Trust's principal risks and uncertainties. It uses the values and methods which the Charity Commission recommends organisations should use to calculate risk. Risks are categorised into:

- Accountability;
- Resource Management;
- Strategic

The impact and likelihood of risk is assessed and a risk 'Heat map' is produced which summarises the types and level of risk the Trust are managing at any given point.

Ongoing monitoring and assessment of the risk register is delegated by the Trust Board to the Committees. This Committees, in turn, may delegate some duties to an academy Local Governing Body. The key 3 strategic risks the Board use to frame the risk register are as follows:

- Governance is not effective;
- Resources are not utilised effectively and therefore spend is not producing value for money in line with the Trust's strategic objectives;
- The Trust does not foster or develop strategic partnerships to effectively deliver our objectives.

Coronavirus provided an unprecedented risk to the Trust's capacity to meet its legal obligations in 2019/20, especially given the advice issued by HM Government for state schools to close effective 23 March 2020. However, further Government advice was that an offer of provision should continue to be made to families of children with an Education, Health & Care Plan (EHCP), as there remained a legal entitlement for those children to access the provision outlined in their EHCP. As 90% of the academies in the Trust are special academies, this meant the majority of Trust academies remained open to all pupils whose family requested a place.

Additionally, all mainstream state schools were asked to maintain an offer of provision for children classified as vulnerable, and many of the pupils on roll at Craggs Community School met some definition of having additional vulnerabilities, given the socio-economic profile of the catchment area it serves. The Government guidance issued at the time was clear all schools were operating an offer of care for children – the requirement to provide a broad and balanced curriculum was removed, and statutory attendance requirements for pupils were suspended, with attendance at school down to parental preference in all cases.

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Given the relaxation of the state school accountability measures; coupled with the advice for non-essential gatherings of adults to be limited wherever possible: Trustees suspended local governance arrangements for the duration of the academic year from 23 March 2020, with Trustees assuming direct governance of the academies through the accounting officer's line management of Headteachers, with the accounting officer reporting back to Trustees. Regular briefings were submitted to Trustees by the accounting officer to ensure transparency and accountability measures were enhanced, and monthly Board meetings took place via online video conferencing.

Throughout the period of 23 March to 31 August, 100% of families who wanted a place for a child were provided with one – a remarkable achievement given the impact of COVID-19 seen globally. During the Easter and Spring Bank holiday periods, a hub was established at Hilltop School to provide holiday provision for key worker and/or vulnerable children. Pupil attendance across the Trust was around 45-50% from 1 June 2020, when the Government revised their advice to state school on opening. Even though this updated advice wasn't relevant to special schools (as they had been required to remain open throughout), more families requested a place for their child from 1 June in all Trust academies.

Over the course of the summer term, Trustees were informed of a graduated increase in pupils attending Trust academies, with all academies expecting all children to return in the autumn. To support academy Headteachers to plan responsively to the staffing and pupil position on 1 September, Trustees agreed an additional INSET day to be added to the school calendar.

The Trust appointed Competent Person, ProAktive, provided Headteachers with expert advice on a regular basis, with risk assessments underpinning all resourcing decisions in schools. This robust risk assessment and planning is continuing to inform the way in which all academies welcome back all pupils in September 2020.

Fundraising

The Trust does not take a coordinated role in fundraising and this is something that continues to be facilitated at a local level by each academy, with funds raised being deposited in each academy's school fund, accounted for separately to school budget.

The Trust and its academies do not work with any commercial participators / professional fundraisers.

All local fundraising conforms with recognised standards and no agency is asked to raise funds on the Trusts behalf.

There have been no fundraising complaints in this reporting period and all academies have ensured that any fund raising ensures protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

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Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	2019/20
Energy consumption used to calculate emissions (kWh)	-
Energy consumption break down (kWh) (optional):	
• gas	2,813,450
• electricity	798,835
• transport fuel	24,626
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	517.31
Owned transport – mini-buses	6.30
Total Scope 1	523.61
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	186.24
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	1.26
Total gross emissions in metric tonnes CO ₂ e	711.10
Intensity ratio Tonnes CO ₂ e per pupil	0.48
Pupils	1,468

Quantification and reporting methodology

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

In 2019/20 Kelford School undertook a CIF project to improve ventilation, air quality and thermal works in order to improve energy efficiency. Coppice School began works to renew their roof which again in turn will improve energy efficiency. More staff have been working at home, which has reduced mileage costs as more remote meetings have taken place. As an organisation we will look to continue to reduce mileage in this way by holding meetings virtually where appropriate.

NEXUS MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Future developments

The Trust continues to deliver the key strategic aims as published in its strategic plan.

Given the growth of the Trust in 2019-20, Trustees expect the Trust to consolidate throughout 2020-21, as the newly converted academies acclimatise to their presence in the Trust and as the Trust opens its new special academy, Bader. At this time, no further conversions are confirmed though an approach has been made by one school to explore their joining the Trust.

Coronavirus will continue to be an issue that will require calm, measured and responsive action in all Nexus academies throughout 2020-21, as Government advice changes in light of the changed rate of infections locally and nationally. The pandemic has cemented the strong partnership working relationship between the Trust and those local authorities in the boroughs where we work. There have been no formal complaints by parents or other stakeholders about the offer in place at Trust academies, and many parents have gone out of their way to provide positive feedback about their child's school. There has been no dispute with Trades Unions about the need for staff to attend their workplace to meet need, which is testament to the openness of management communication and the robustness of risk planning and resource allocation. As such, Trustees can plan for September with confidence that the Trust academies will operate as expected.

The 5-year strategic plan has been reviewed in the spring of 2020 and an updated plan will be approved in the autumn term, providing a refreshed road map for the Trust's development over the next 5 years.

The reputation of the Trust has developed in the past four academic years and this positions it well to explore further growth across South Yorkshire and its bordering areas.

Funds held as custodian

There are no arrangements in place where Nexus Multi Academy trust or its Trustees are acting as custodian trustee.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- 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 themselves.

Auditors

The auditors, Hart Shaw LLP Chartered Accountants, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors, on 16 December 2020 and signed on its behalf by:



Andrew Child
Trustee and Chair

NEXUS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Nexus Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 13 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Booth	13	13
S Shelley	12	13
J Coleman	12	13
Andrew Child (Chair)	13	13
P Castleton	11	13
R Palmer	10	13
R Potts	12	13
N Hodge (Resigned 31 August 2020)	11	13
H Bellinger (Appointed 1 October 2019 and resigned 25 November 2020)	7	12
G Askew (Appointed 1 April 2020)	3	4
N Judah (Appointed 1 April 2020)	3	4

In the spring of 2020, Trustees reviewed the existing 5-year plan with a view to updating this and publishing a refreshed plan in the autumn. The Trust-wide employee engagement survey was used to consult on the existing vision, mission statement and values of the MAT – responses reflected a high level of support/commitment from staff in the current language utilised. The new Strategic Plan was developed over the summer and considered by Directors at a dedicated strategy review session in September 2020, before being formally endorsed at the Board meeting on 21 October 2020.

Trustees met 13 times in the 2019/20 business year with a monthly meeting schedule of alternating focus: on a bi-monthly basis the Trust Board will either hold a full “business” meeting or a “challenge” meeting. The former is where standing reports are presented and scrutinised, and the latter is a less business-focused agenda which allows trustees to focus specifically on one of the Trust’s strategic priorities and receive more qualitative information. Trustees have reserved the right to adopt business items onto the “challenge” meeting agenda where this will expedite a decision being made. An additional meeting was added to the calendar to review the draft accounts.

The two committees of the Board - Audit & Risk and Standards – met in line with the business schedule and undertook wide ranging scrutiny work on behalf of the Board.

The Trust executive further refined the performance dashboard through 2019-20 to support better, more succinct data sharing with trustees supported by analytical commentary. Trustees commissioned an external review of the MAT in the autumn of 2019, which reflected positively on strengths and reinforced the areas for development that Directors had already identified themselves.

NEXUS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Directors undertook an annual self-assessment of knowledge and skills in the autumn of 2019 and used this to inform a development plan.

All Local Governing Bodies (LGBs) undertook their annual self-assessment in the autumn of 2019 and development plans were agreed between LGBs and the Trust Executive, though delivery of this was interrupted by the COVID-19 pandemic and temporary suspension of local governance arrangements for the spring and summer terms.

The next round of annual self-assessment will take place in the autumn term of 2020-21.

The audit committee is a sub-committee of the main board of trustees. The role of the committee is to advise the Board on matters relating to the Trust's finance and audit arrangements, systems of internal control and to advise and aid the Board's responsibility to ensure sound management of the Trust's finances, ICT and resources, including proper planning, monitoring and probity. The Audit & Risk committee is responsible to the Trust Board and the Committee's Terms of Reference are adopted by the Board and may only be amended with the approval of the Board.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Booth	6	6
S Shelley	6	6
R Palmer	5	6
R Potts	6	6
N Judah (Appointed 1 April 2020)	2	2

Review of value for money

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

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

- Complying with Trust procurement processes which provide a systematic and transparent means of assessing providers with a broad definition of best value taking account of, but not solely focusing on, unit cost;
- Sharing of expertise from across the MAT to support better quality teaching and learning, creating opportunities for collaboration and research across the teacher workforce;
- Completion of the School Resource Management Self-Assessment toolkit and use of the Integrated Curriculum and Financial Planning Toolkit to analyse areas of expenditure and use this to inform budget setting for 2020-21.
- Securing more Condition Improvement Funding to improve the estate and enhance the learning environment for learners;
- Creation of new provision at Hilltop school and successfully opening of Bader Academy, to ensure there is sufficient supply of special school places in line with family demand utilising unused space already in public ownership.

NEXUS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Multi Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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 to appoint Hart Shaw LLP as internal auditor during the year.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. In particular the checks carried out in the period included:

- testing of purchasing/procurement systems including ensuring that authorisation and value for money policies are adhered to;
- testing of bank controls and reconciliation procedures.

On a termly basis, Hart Shaw LLP have reported to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Hart Shaw LLP have delivered their schedule of work as planned. After the internal audit, the auditors scheduled recommendations to improve the systems and controls in place, all of which were either implemented in the period, or are in the process of being implemented.

In accordance with the changes to the ethical standards, the board of trustees has considered the need for a specific internal audit function and has decided to appoint an alternative provider, BHP LLP, to undertake the internal audit function for 2020/21.

NEXUS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

As accounting officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 **16 December 2020** and signed on its behalf by:



Andrew Child
Chair



W Carratt
Accounting Officer

NEXUS MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

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

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



W Carratt
Accounting Officer

16 December 2020

NEXUS MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

In preparing these accounts, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on **16 December 2020** and signed on its behalf by:



Andrew Child
Chair

NEXUS MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEXUS MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Nexus Multi Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

NEXUS MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEXUS MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

NEXUS MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEXUS MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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



Hannah Jones (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

21 December 2020

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

NEXUS MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nexus Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Nexus Multi Academy 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 Multi Academy 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 Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Nexus Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Nexus Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 May 2016 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- the review for any transactions requiring prior approval from the Secretary of State and ensuring approval has been received where required;
- confirming that the academy trust has not sought borrowings that contravene section 3.4 of the Handbook;
- reviewing for connected party transactions and ensuring the academy has complied with section 3.2 of the Handbook;
- reviewing committee meeting minutes for indications of irregular transactions;
- carrying out systems and controls testing and considering the effectiveness of such controls.

NEXUS MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Dated: 21 December 2020

NEXUS MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	14,663	12,477	562,354	589,494	636,907
Donations - transfer from local authority on conversion	29	675,950	(4,458,037)	29,029,574	25,247,487	-
Charitable activities:						
- Funding for educational operations	4	219,453	20,565,334	-	20,784,787	11,585,226
Other trading activities	5	172,367	-	-	172,367	167,473
Investments	6	227	-	-	227	498
Total		<u>1,082,660</u>	<u>16,119,774</u>	<u>29,591,928</u>	<u>46,794,362</u>	<u>12,390,104</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	59,768	21,136,247	908,182	22,104,197	12,800,244
Total	7	<u>59,768</u>	<u>21,136,247</u>	<u>908,182</u>	<u>22,104,197</u>	<u>12,800,244</u>
Net income/(expenditure)		1,022,892	(5,016,473)	28,683,746	24,690,165	(410,140)
Transfers between funds	19	-	(156,535)	156,535	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(3,968,000)	-	(3,968,000)	(3,047,000)
Net movement in funds		1,022,892	(9,141,008)	28,840,281	20,722,165	(3,457,140)
Reconciliation of funds						
Total funds brought forward		806,878	(10,122,473)	15,640,484	6,324,889	9,782,029
Total funds carried forward		<u>1,829,770</u>	<u>(19,263,481)</u>	<u>44,480,765</u>	<u>27,047,054</u>	<u>6,324,889</u>

NEXUS MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2019 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	8,849	22,000	606,058	636,907
Charitable activities:					
- Funding for educational operations	4	220,453	11,364,773	-	11,585,226
Other trading activities	5	167,473	-	-	167,473
Investments	6	498	-	-	498
Total		<u>397,273</u>	<u>11,386,773</u>	<u>606,058</u>	<u>12,390,104</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	117,255	12,365,268	317,721	12,800,244
Total	7	<u>117,255</u>	<u>12,365,268</u>	<u>317,721</u>	<u>12,800,244</u>
Net income/(expenditure)		280,018	(978,495)	288,337	(410,140)
Transfers between funds	19	(12,000)	(138,154)	150,154	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(3,047,000)	-	(3,047,000)
Net movement in funds		268,018	(4,163,649)	438,491	(3,457,140)
Reconciliation of funds					
Total funds brought forward		538,860	(5,958,824)	15,201,993	9,782,029
Total funds carried forward		<u>806,878</u>	<u>(10,122,473)</u>	<u>15,640,484</u>	<u>6,324,889</u>

NEXUS MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		44,145,055		15,435,047
Current assets					
Stocks	14	1,414		-	
Debtors	15	1,931,227		865,136	
Cash at bank and in hand		2,823,063		1,435,980	
		<u>4,755,704</u>		<u>2,301,116</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,692,956)		(1,224,391)	
Net current assets			3,062,748		1,076,725
Total assets less current liabilities			<u>47,207,803</u>		<u>16,511,772</u>
Creditors: amounts falling due after more than one year	17		(60,749)		(18,883)
Net assets before defined benefit pension scheme liability			<u>47,147,054</u>		<u>16,492,889</u>
Defined benefit pension scheme liability	21		(20,100,000)		(10,168,000)
Total net assets			<u>27,047,054</u>		<u>6,324,889</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			44,480,765		15,640,484
- Restricted income funds			836,519		45,527
- Pension reserve			(20,100,000)		(10,168,000)
Total restricted funds			<u>25,217,284</u>		<u>5,518,011</u>
Unrestricted income funds	19		1,829,770		806,878
Total funds			<u>27,047,054</u>		<u>6,324,889</u>

The accounts on pages 26 to 58 were approved by the trustees and authorised for issue on **16 December 2020** and are signed on their behalf by:



Andrew Child
Chair

Company Number 10075893

NEXUS MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22	884,092		114,361	
Cash funds transferred on conversion		823,456		-	
		<u>1,707,548</u>		<u>114,361</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		227		498	
Capital grants from DfE Group		479,204		381,058	
Capital funding received from sponsors and others		69,500		25,000	
Purchase of tangible fixed assets		(915,932)		(513,314)	
		<u>(367,001)</u>		<u>(106,758)</u>	
Net cash used in investing activities					
Cash flows from financing activities					
New long term government loan		51,921		-	
Repayment of long term government loan		(5,385)		-	
		<u>46,536</u>		<u>-</u>	
Net cash provided by/(used in) financing activities					
Net increase in cash and cash equivalents in the reporting period					
		1,387,083		7,603	
Cash and cash equivalents at beginning of the year		1,435,980		1,428,377	
		<u>2,823,063</u>		<u>1,435,980</u>	
Cash and cash equivalents at end of the year					

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Conversion to an academy trust

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

1.4 Income

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

Grants

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

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

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

Sponsorship income

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

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

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

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

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

Leasehold land and buildings	2% straight line
Leasehold improvements	2% straight line
ICT equipment	25% straight line
Fixtures and fittings	10% straight line
Motor vehicles	25% reducing balance

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Assets under construction are not depreciated until the project is fully complete.

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 Stock

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

1.11 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.

1.12 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.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

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

1.13 Fund accounting

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

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

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

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 21, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donated fixed assets	-	13,650	13,650	200,000
Capital grants	-	548,704	548,704	381,058
Other donations	14,663	12,477	27,140	55,849
	<u>14,663</u>	<u>574,831</u>	<u>589,494</u>	<u>636,907</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	8,753,394	8,753,394	4,321,982
Start up grants	-	295,715	295,715	51,267
Other DfE group grants	-	1,024,490	1,024,490	442,580
	<u>-</u>	<u>10,073,599</u>	<u>10,073,599</u>	<u>4,815,829</u>
Other government grants				
Local authority grants	-	10,482,190	10,482,190	6,548,944
Special educational projects	-	9,545	9,545	-
	<u>-</u>	<u>10,491,735</u>	<u>10,491,735</u>	<u>6,548,944</u>
Other funding				
Other incoming resources	219,453	-	219,453	220,453
	<u>219,453</u>	<u>-</u>	<u>219,453</u>	<u>220,453</u>
Total funding	<u>219,453</u>	<u>20,565,334</u>	<u>20,784,787</u>	<u>11,585,226</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	35,629	-	35,629	25,112
RPA claim income	4,848	-	4,848	-
Support for the local authority	8,703	-	8,703	-
Support for other educational establishments	123,187	-	123,187	142,361
	<u>172,367</u>	<u>-</u>	<u>172,367</u>	<u>167,473</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	227	-	227	498

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	14,374,404	-	1,221,201	15,595,605	8,558,710
- Allocated support costs	3,422,816	2,215,154	870,622	6,508,592	4,241,534
	<u>17,797,220</u>	<u>2,215,154</u>	<u>2,091,823</u>	<u>22,104,197</u>	<u>12,800,244</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	30,500	11,000
- Other services	29,730	17,350
Operating lease rentals	155,059	89,064
Depreciation of tangible fixed assets	908,182	317,721
Net interest on defined benefit pension liability	234,000	166,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	4,238	15,591,367	15,595,605	8,558,710
Support costs				
Educational operations	55,530	6,453,062	6,508,592	4,241,534
	<u>59,768</u>	<u>22,044,429</u>	<u>22,104,197</u>	<u>12,800,244</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities (Continued)

	2020 £	2019 £
Analysis of support costs		
Support staff costs	3,437,197	2,771,377
Depreciation	908,182	317,721
Technology costs	29,038	5,215
Premises costs	1,306,972	522,999
Legal costs	52,855	14,123
Other support costs	712,932	589,765
Governance costs	61,416	20,334
	<u>6,508,592</u>	<u>4,241,534</u>

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	12,653,756	7,626,086
Social security costs	1,055,101	605,169
Pension costs	3,755,737	2,135,250
Staff costs - employees	<u>17,464,594</u>	<u>10,366,505</u>
Agency staff costs	312,534	197,240
Staff restructuring costs	20,092	47,666
	<u>17,797,220</u>	<u>10,611,411</u>
Staff development and other staff costs	128,750	68,158
Total staff expenditure	<u><u>17,925,970</u></u>	<u><u>10,679,569</u></u>

Staff restructuring costs comprise:

Redundancy payments	5,992	-
Severance payments	14,100	47,666
	<u>20,092</u>	<u>47,666</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £47,666).

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	175	67
Administration and support	574	324
Management	13	23
	<u>762</u>	<u>414</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	2	2
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£140,001 - £150,000	-	1
	<u> </u>	<u> </u>

Included in the £140,001 - £150,000 banding in 2019 detailed above were none recurring costs of employment.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,197,488 (2019: £1,183,602).

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Central services

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

- Leadership & management functions to ensure compliance with statutory guidance (inc. salary costs of Accounting Officer and Chief Financial Officer);
- Human Resources consultancy;
- Information Governance oversight (Data Protection Officer)
- Academy broadband provision;
- Financial internal & external audit costs;
- Governance recruitment, support and development;
- Clerking services;
- Health & Safety compliance (including "Competent Person" function);
- Legal services;
- Safeguarding external audit and review;
- Clinical supervision for Designated Safeguarding Leads;
- Strategic support for negotiations with commissioners and business case writing to secure growth and development of academies;
- School improvement and support (including leadership intervention where required).
- Teaching School Alliance Membership

The academy trust charges for these services based on a flat percentage of GAG and SEN income (5%).

The amounts charged during the year were as follows:

	2020	2019
	£	£
Abbey School	156,480	123,549
Becton School	63,100	-
Coppice School	89,138	-
Crags Community School	-	-
Heatherwood School	65,547	-
Hilltop School	158,284	158,284
Kelford School	143,123	141,746
North Ridge Community School	45,390	-
Pennine View School	102,810	101,089
	<u>823,872</u>	<u>524,668</u>

11 Trustees' remuneration and expenses

No trustees have been paid remuneration or received other benefits from an employment with the academy trust.

During the year, travel and subsistence payments totalling £239 (2019: £168) were reimbursed or paid directly to 2 trustees and 2 local governing body members (2019: 2 trustees).

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

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Insurance for trustees and officers

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

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Assets under construction £	ICT equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost							
At 1 September 2019	13,882,000	1,969,482	115,508	183,725	116,261	33,315	16,300,291
Transfer on conversion	28,699,464	94,404	-	74,651	58,620	37,291	28,964,430
Transfers		10,709	(92,756)		82,047		-
Additions	-	383,126	66,943	86,009	117,686	-	653,764
At 31 August 2020	42,581,464	2,457,721	89,695	344,385	374,614	70,606	45,918,485
Depreciation							
At 1 September 2019	705,611	41,470	-	76,002	23,755	18,406	865,244
Charge for the year	729,901	49,262	-	78,874	37,100	13,049	908,186
At 31 August 2020	1,435,512	90,732	-	154,876	60,855	31,455	1,773,430
Net book value							
At 31 August 2020	41,145,952	2,366,989	89,695	189,509	313,759	39,151	44,145,055
At 31 August 2019	13,176,389	1,928,012	115,508	107,723	92,506	14,909	15,435,047

Included within leasehold land and buildings is land of £6,086,455 (2019: £2,740,000) which is not depreciated.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Stocks

2020
£

2019
£

Stock

1,414

-

15 Debtors

2020
£

2019
£

Trade debtors

179,522

222,803

VAT recoverable

175,949

78,778

Other debtors

10,470

50,000

Prepayments and accrued income

1,565,286

513,555

1,931,227

865,136

16 Creditors: amounts falling due within one year

2020
£

2019
£

Government loans

7,368

2,698

Trade creditors

325,846

292,216

Other taxation and social security

283,043

138,223

Other creditors

296,730

121,245

Accruals and deferred income

779,969

670,009

1,692,956

1,224,391

Included within government loans is the portion of the long term SALIX and CIF loans which fall due within the following year. The terms of the loan have been discussed in more detail in note 16.

17 Creditors: amounts falling due after more than one year

2020
£

2019
£

Government loans

60,749

18,883

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020	2019
	£	£
Analysis of loans		
Not wholly repayable within five years by instalments	68,117	21,581
Less: included in current liabilities	(7,368)	(2,698)
	<u>60,749</u>	<u>18,883</u>
Loan maturity		
Debt due in one year or less	7,368	2,698
Due in more than one year but not more than two years	8,794	2,698
Due in more than two years but not more than five years	26,743	8,093
Due in more than five years	25,212	8,092
	<u>68,117</u>	<u>21,581</u>

Included within government loans is the long term portion of the following loans from SALIX, a not for profit organisation funded by The Department for Energy and Climate Change.

Kelford School received a loan as part of the Condition Improvement Funding grant. The loan is an interest free loan, repayments commenced on 1 March 2020. Repayments of £604 will be made twice a year for 8 years until the loan is fully repaid.

Hilltop School received a loan as part of the Condition Improvement Funding grant. The loan is an interest free loan, repayments commenced on 1 September 2019. Repayments of £745 will be made twice a year for 8 years until the loan is fully repaid.

Heatherwood School received a loan as part of the Energy Efficiency Loans programme. The loan is an interest free loan, repayments commenced pre-conversion on 1 June 2019. Repayments of £1,646 will be made twice a year for 7 years until the loan is fully repaid.

Included within government loans is also the long term portion of the following loans from ESFA under the Condition Improvement Fund.

Hilltop School received a loan as part of the Condition Improvement Funding grant. The loan has an interest rate of 2.29%, with repayments commencing 1 September 2020. Repayments of £144 will be made monthly for 10 years until the loan is fully repaid.

Coppice School received a loan as part of the Condition Improvement Funding grant. The loan has an interest rate of 1.95%, with repayments commencing 1 September 2021. Repayments of £141 will be made monthly for 10 years until the loan is fully repaid.

18 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	<u>178,156</u>	<u>420,594</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Deferred income	(Continued)	
Deferred income at 1 September 2019	420,594	238,232
Released from previous years	(420,594)	(238,232)
Resources deferred in the year	178,156	420,594
Deferred income at 31 August 2020	178,156	420,594

At the balance sheet date the academy trust was holding funds received in advance for capital grants and Special Educational Needs funding for the next academic year.

19 Funds	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	45,527	8,753,394	(7,805,867)	(156,535)	836,519
Start up grants	-	327,494	(327,494)	-	-
Other DfE / ESFA grants	-	992,711	(992,711)	-	-
Other government grants	-	10,491,735	(10,491,735)	-	-
Other restricted funds	-	73,440	(73,440)	-	-
Pension reserve	(10,168,000)	(4,519,000)	(1,445,000)	(3,968,000)	(20,100,000)
	<u>(10,122,473)</u>	<u>16,119,774</u>	<u>(21,136,247)</u>	<u>(4,124,535)</u>	<u>(19,263,481)</u>
Restricted fixed asset funds					
Inherited on conversion	13,205,800	29,029,574	(777,373)	-	41,458,001
DfE group capital grants and donations	1,618,883	492,854	(72,768)	-	2,038,969
Capital expenditure from GAG	549,667	-	(51,271)	156,535	654,931
Local authority capital funding	241,134	69,500	(6,270)	-	304,364
Private sector capital sponsorship	25,000	-	(500)	-	24,500
	<u>15,640,484</u>	<u>29,591,928</u>	<u>(908,182)</u>	<u>156,535</u>	<u>44,480,765</u>
Total restricted funds	<u>5,518,011</u>	<u>45,711,702</u>	<u>(22,044,429)</u>	<u>(3,968,000)</u>	<u>25,217,284</u>
Unrestricted funds					
General funds	806,878	1,082,660	(59,768)	-	1,829,770
Total funds	<u>6,324,889</u>	<u>46,794,362</u>	<u>(22,104,197)</u>	<u>(3,968,000)</u>	<u>27,047,054</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

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

General Annual Grant

The General Annual Grant (GAG) funds have been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants

This includes Pupil Premium funding, Universal Infant Free School Meals (UIFSM), Free Schools Grants and the PE and Sports grant.

All children eligible for Pupil Premium have a personalised pupil premium plan, linked to their individual needs to ensure that the grant funding is spent appropriately and this can evidence improved outcomes for children and young people.

Universal Infant Free School Meals is funding for the provision of free school meals to infant pupils.

The Free Schools Grant is to cover the costs involved with project management of two Free Schools.

The PE and Sports grant is to support the sporting facilities of the academy.

For Crags Community School, as a maintained school;

Teachers' Pay Grant provides funding for schools to support the teachers' pay award which came into effect 1 September 2018.

Teachers' Pension Employer Contribution Grant supports schools and local authorities with the cost of the increase in employer contributions to the teachers' pension scheme.

Other government grants

This includes pupil premium funding and special educational needs funding from Local Authorities.

Pupil Premium from the Local Authority is for out of authority children. All out of authority children eligible for Pupil Premium have a personalised plan, linked to their individual learning needs to ensure that the grant funding is spent appropriately and that this can evidence improved outcomes for children and young people. Local Governing Bodies scrutinise the use of pupil premium in each Nexus Academy, in line with the grant conditions.

SEN top-up funding features as a significant element of Nexus Academies revenue, given the schools are all, excluding Crags Community School, designated special educational needs settings. Each Local Authority uses different banding systems for SEN, with different funding packages provided dependent on a child's level of need as defined in their Education Health & Care Plan (or their Statement of Special Educational Needs). SEN funding is largely used to cover human resource costs in Nexus academies for teaching and non-teaching staff, though other services are also funded where a child's personalised plan dictates e.g. Occupational Therapy, Physiotherapy etc.

For Nexus Academies, excluding Crags Community School, as designated special educational needs funding predominately from the Local Authority;

Teachers' Pay Grant provides funding for schools to support the teachers' pay award which came into effect 1 September 2018.

Teachers' Pension Employer Contribution Grant supports schools and local authorities with the cost of the increase in employer contributions to the teachers' pension scheme.

Other restricted funds

Other restricted funds include restricted grants and donations, including parental contributions for the extended services provision.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

Restricted fixed asset funds

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of the academy. A total of £156,535 (2019: £150,154) has been transferred from revenue funds to the restricted fixed asset fund, as permitted by the Accounts Direction 2019 to 2020.

Pension reserve

The restricted pension fund is in deficit to the value of £20,100,000 as at 31 August 2020 (2019: £10,168,000). A significant proportion of this has been inherited upon conversion to Academy status. The Trustees will continue to monitor this situation closely.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	94,698	4,321,982	(4,232,999)	(138,154)	45,527
Start up grants	55,478	51,267	(106,745)	-	-
Other DfE / ESFA grants	-	442,580	(442,580)	-	-
Other government grants	-	6,548,944	(6,548,944)	-	-
Other restricted funds	-	22,000	(22,000)	-	-
Pension reserve	(6,109,000)	-	(1,012,000)	(3,047,000)	(10,168,000)
	<u>(5,958,824)</u>	<u>11,386,773</u>	<u>(12,365,268)</u>	<u>(3,185,154)</u>	<u>(10,122,473)</u>
Restricted fixed asset funds					
Inherited on conversion	13,462,392	-	(256,592)	-	13,205,800
DfE group capital grants	1,267,231	381,058	(29,406)	-	1,618,883
Capital expenditure from GAG	428,680	-	(29,167)	150,154	549,667
Local authority capital funding	43,690	200,000	(2,556)	-	241,134
Private sector capital sponsorship	-	25,000	-	-	25,000
	<u>15,201,993</u>	<u>606,058</u>	<u>(317,721)</u>	<u>150,154</u>	<u>15,640,484</u>
Total restricted funds	<u>9,243,169</u>	<u>11,992,831</u>	<u>(12,682,989)</u>	<u>(3,035,000)</u>	<u>5,518,011</u>
Unrestricted funds					
General funds	<u>538,860</u>	<u>397,273</u>	<u>(117,255)</u>	<u>(12,000)</u>	<u>806,878</u>
Total funds	<u>9,782,029</u>	<u>12,390,104</u>	<u>(12,800,244)</u>	<u>(3,047,000)</u>	<u>6,324,889</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

Total funds analysis by academy

	2020	2019
	£	£
Fund balances at 31 August 2020 were allocated as follows:		
Abbey School	489,905	346,159
Becton School	300,812	-
Coppice School	470,648	-
Crags Community School	1,422	-
Heatherwood School	377,197	-
Hilltop School	78,861	(37,428)
Kelford School	128,647	22,080
North Ridge Community School	268,013	-
Pennine View School	70,557	36,502
Central services	480,222	485,092
	<u>2,666,289</u>	<u>852,405</u>
Total before fixed assets fund and pension reserve		
	2,666,289	852,405
Restricted fixed asset fund	44,480,765	15,640,484
Pension reserve	(20,100,000)	(10,168,000)
	<u>27,047,054</u>	<u>6,324,889</u>
Total funds	<u><u>27,047,054</u></u>	<u><u>6,324,889</u></u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020
	£	£	£	£	£
Abbey School	2,036,658	213,529	52,345	363,671	2,666,203
Becton School	930,132	88,066	1,618	82,531	1,102,347
Coppice School	1,473,400	81,641	1,838	154,488	1,711,367
Crags Community School	1,378,063	142,661	15,438	600,129	2,136,291
Heatherwood School	1,024,048	202,455	2,062	156,090	1,384,655
Hilltop School	2,620,558	199,955	24,032	369,190	3,213,735
Kelford School	2,221,408	314,111	22,607	419,402	2,977,528
North Ridge Community School	697,984	99,225	3,611	75,266	876,086
Pennine View School	1,803,022	225,141	10,150	250,683	2,288,996
Central services	303,500	659,413	1,695	429,198	1,393,806
	<u>14,488,773</u>	<u>2,226,197</u>	<u>135,396</u>	<u>2,900,648</u>	<u>19,751,014</u>

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019
	£	£	£	£	£
Abbey School	1,702,702	321,377	46,283	337,759	2,408,121
Becton School	-	-	-	-	-
Coppice School	-	-	-	-	-
Crags Community School	-	-	-	-	-
Heatherwood School	-	-	-	-	-
Hilltop School	2,010,003	973,010	31,898	423,419	3,438,330
Kelford School	2,162,137	660,960	47,755	416,419	3,287,271
North Ridge Community School	-	-	-	-	-
Pennine View School	1,700,073	345,376	24,760	324,909	2,395,118
Central services	333,277	470,651	9,387	140,367	953,682
	<u>7,908,192</u>	<u>2,771,374</u>	<u>160,083</u>	<u>1,642,873</u>	<u>12,482,522</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	44,145,055	44,145,055
Current assets	1,829,770	2,330,889	595,045	4,755,704
Creditors falling due within one year	-	(1,494,370)	(198,586)	(1,692,956)
Creditors falling due after one year	-	-	(60,749)	(60,749)
Defined benefit pension liability	-	(20,100,000)	-	(20,100,000)
Total net assets	1,829,770	(19,263,481)	44,480,765	27,047,054

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	15,435,047	15,435,047
Current assets	806,878	1,056,536	437,702	2,301,116
Creditors falling due within one year	-	(1,011,009)	(213,382)	(1,224,391)
Creditors falling due after one year	-	-	(18,883)	(18,883)
Defined benefit pension liability	-	(10,168,000)	-	(10,168,000)
Total net assets	806,878	(10,122,473)	15,640,484	6,324,889

21 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 Mercer Limited. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £296,730 (2019: £121,062) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,317,399 (2019: £503,794).

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 14.40 to 18.90% for employers and 5.50 to 12.50% for employees.

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

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

The Academy Trust has entered into an agreement with the Trustees to make additional contributions in addition to normal funding levels. These amount to £48,500 for Abbey School, £3,900 for Becton School, £2,200 for Coppice School, £1,300 for Crags Community School, £1,400 for Heatherwood School, £124,800 for Hilltop School, £108,600 for Kelford School, £nil for North Ridge Community School and, £66,300 for Pennine View School to be paid annually from September 2020 onwards.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations (Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	1,162,000	776,000
Employees' contributions	393,000	229,000
Total contributions	<u>1,555,000</u>	<u>1,005,000</u>

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.55	3.25
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	1.80	1.80
Inflation assumption (CPI)	<u>2.30</u>	<u>2.00</u>

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

	2020 Years	2019 Years
Retiring today		
- Males	22.40	23.10
- Females	25.20	25.90
Retiring in 20 years		
- Males	23.90	25.30
- Females	<u>27.10</u>	<u>28.30</u>

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

	2020 £'000	2019 £'000
Discount rate + 0.1%	(880)	(410)
Mortality assumption + 1 year	1,032	280
CPI rate + 0.1%	<u>903</u>	<u>420</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	7,801,000	3,103,000
Government bonds	2,419,000	848,000
Corporate bonds	1,448,000	433,000
Cash/liquidity	592,000	190,000
Property	1,382,000	516,000
Other assets	2,814,000	843,000
Total market value of assets	<u>16,456,000</u>	<u>5,933,000</u>

The actual return on scheme assets was £403,000 (2019: £387,000).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	2,328,000	1,154,000
Past service cost	14,000	452,000
Interest income	(240,000)	(147,000)
Interest cost	474,000	313,000
Administration expenses	31,000	16,000
Total operating charge	<u>2,607,000</u>	<u>1,788,000</u>

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	16,101,000
Transferred in on existing academies joining the academy trust	13,521,000
Current service cost	2,328,000
Interest cost	474,000
Employee contributions	393,000
Actuarial loss	3,879,000
Benefits paid	(154,000)
Past service cost	14,000
At 31 August 2020	<u>36,556,000</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21	Pension and similar obligations	(Continued)		
	Changes in the fair value of the academy trust's share of scheme assets		2020	
			£	
	At 1 September 2019		5,933,000	
	Transferred in on existing academies joining the academy trust		9,002,000	
	Interest income		240,000	
	Actuarial loss/(gain)		(89,000)	
	Employer contributions		1,162,000	
	Employee contributions		393,000	
	Benefits paid		(154,000)	
	Administration expenses		(31,000)	
	At 31 August 2020		<u>16,456,000</u>	
22	Reconciliation of net income/(expenditure) to net cash flow from operating activities	2020	2019	
		£	£	
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	24,690,165	(410,140)	
	Adjusted for:			
	Net surplus on conversion to academy	(25,247,487)	-	
	Capital grants from DfE and other capital income	(562,354)	(606,058)	
	Investment income receivable	(227)	(498)	
	Defined benefit pension costs less contributions payable	1,211,000	846,000	
	Defined benefit pension scheme finance cost	234,000	166,000	
	Depreciation of tangible fixed assets	908,187	317,721	
	(Increase) in stocks	(1,414)	-	
	(Increase) in debtors	(1,066,091)	(261,468)	
	Increase in creditors	739,713	62,804	
	Stocks, debtors and creditors transferred on conversion	(21,400)	-	
	Net cash provided by operating activities	<u>884,092</u>	<u>114,361</u>	
23	Analysis of changes in net funds	1 September	Cash flows	31 August
		2019		2020
		£	£	£
	Cash	1,435,980	1,387,083	2,823,063
	Loans falling due within one year	(2,698)	(4,670)	(7,368)
	Loans falling due after more than one year	(18,883)	(41,866)	(60,749)
		<u>1,414,399</u>	<u>1,340,547</u>	<u>2,754,946</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Commitments under operating leases

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

	2020 PFI £	2020 Other Operating Leases £	2019 PFI £	2019 Other Operating Leases £
Amounts due within one year	213,028	129,824	-	78,560
Amounts due in two and five years	852,110	323,003	-	138,658
Amounts due after five years	25,137,245	-	-	-
	<u>26,202,383</u>	<u>452,827</u>	<u>-</u>	<u>217,218</u>

The Academy premises for Craggs Community School is subject to a PFI contract. The contract cover the cost of managing the facilities including utility costs, repairs & maintenance, caretaking, grounds maintenance and cleaning. The contracts expire in October 2143.

25 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	<u>687,936</u>	<u>394,556</u>

26 Related party transactions

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

New Habits Ltd is a company in which P Girling (member) is a director. During the year, Nexus Multi Academy Trust incurred costs from New Habits Ltd for a training course for teaching staff, of £4,677 (2019: £nil) and the amount outstanding at the balance sheet date was £330 (2019: £nil).

27 Post balance sheet events

On 1 September 2020 Bader Academy, a free school, obtained academy status and has joined Nexus Multi Academy Trust. The school have a temporary site for a small number of pupils. The building is due to open in January 2021.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

28 Members' liability

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

29 Conversion to an academy

On 1 October 2019 Crags Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nexus Multi Academy Trust from the Rotherham Metropolitan Borough Council for £nil consideration.

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

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

	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £
Net assets transferred:				
Leasehold land and buildings	-	-	3,941,567	3,941,567
Other tangible fixed assets	-	-	3,482	3,482
Cash	(63,498)	12,356	32,064	(19,078)
	<u>(63,498)</u>	<u>12,356</u>	<u>3,977,113</u>	<u>3,925,971</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

29 Conversion to an academy

(Continued)

On 1 November 2019 Heatherwood School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nexus Multi Academy Trust from the Doncaster Metropolitan Borough Council for £nil consideration.

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

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

	Unrestricted	Restricted funds:		Total
	funds	General	Fixed asset	2020
Net assets transferred:	£	£	£	£
Leasehold land and buildings	-	-	6,348,390	6,348,390
Other tangible fixed assets	-	-	62,934	62,934
Cash	152,137	22,941	5,632	180,710
Borrowing obligations	-	(21,400)	-	(21,400)
	<u>152,137</u>	<u>1,541</u>	<u>6,416,956</u>	<u>6,570,634</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

29 Conversion to an academy

(Continued)

On 1 December 2019 Coppice School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nexus Multi Academy Trust from the Doncaster Metropolitan Borough Council for £nil consideration.

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

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

Net assets transferred:	Unrestricted	Restricted funds:		Total
	funds	General	Fixed asset	2020
	£	£	£	£
Leasehold land and buildings	-	-	9,905,927	9,905,927
Other tangible fixed assets	-	-	58,588	58,588
Cash	264,584	33,967	19,978	318,529
	<u>264,584</u>	<u>33,967</u>	<u>9,984,493</u>	<u>10,283,044</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

29 Conversion to an academy

(Continued)

On 1 April 2020 Becton School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nexus Multi Academy Trust from the Sheffield City Council for £nil consideration.

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

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

	Unrestricted funds £	Restricted funds:		Total 2020 £
		General £	Fixed asset £	
Net assets transferred:				
Leasehold land and buildings	-	-	-	-
Other tangible fixed assets	-	-	16,692	16,692
Cash	195,063	13,099	7,469	215,631
	<u>195,063</u>	<u>13,099</u>	<u>24,161</u>	<u>232,323</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

29 Conversion to an academy

(Continued)

On 1 April 2020 North Ridge Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nexus Multi Academy Trust from the Doncaster Metropolitan Borough Council for £nil consideration.

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

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

	Unrestricted	Restricted funds:		Total
	funds	General	Fixed asset	2020
Net assets transferred:	£	£	£	£
Leasehold land and buildings	-	-	8,503,580	8,503,580
Other tangible fixed assets	-	-	123,271	123,271
Cash	127,664	-	-	127,664
	<u>127,664</u>	<u>-</u>	<u>8,626,851</u>	<u>8,754,515</u>

Local Government Pension Scheme Deficit

Mercer provided a valuation for the Local Government Pension Scheme deficit inherited during the year on conversion of the above 5 schools, which amounted to £4,519,000.