

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 2018**

NEXUS MULTI ACADEMY TRUST

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Child
P Leach
J Coleman (to 31 August 2018)
P Girling
Z Rasool
C Hall (from 1 September 2018)

Trustees

S Booth
S Shelley
J Coleman
A Child (Chair)
P Castleton
R Palmer (Appointed 9 August 2018)
R Potts (Appointed 25 April 2018)
N Hodge (Appointed 8 October 2018)
C Hall (Resigned 30 September 2018)
W Carratt (Accounting Officer) (Resigned 31 August 2018)
A Meloy (Resigned 25 July 2018)

Senior management team

- Chief Executive Officer/Accounting Officer	W Carratt
- Assistant Chief Executive Officer	D McNaught
- Chief Financial Officer	T Brooke (resigned 30 November 2018)
- Headteacher (Kelford School)	J Tattershall
- Deputy Headteacher (Kelford School)	V Drew
- Deputy Headteacher (Kelford School)	C Bentley
- Headteacher (Abbey School)	L Windle
- Deputy Headteacher (Abbey School)	W Askham
- Headteacher (Hilltop School)	D Burdett
- Deputy Headteacher (Hilltop School)	R Mulvey
- Deputy Headteacher (Hilltop School)	C Hodgkinson
- Headteacher (Pennine View School)	S Mulhall
- Deputy Headteacher (Pennine View School)	C Evans
- Deputy Headteacher (Pennine View School)	H Partington

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

Kelford School
Abbey School
Hilltop School
Pennine View School

Location

Rotherham
Rotherham
Rotherham
Doncaster

Headteacher

J Tattershall
L Windle
D Burdett
S Mulhall

Independent auditor

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

Bankers

Lloyds Bank
1 High Street
Sheffield
S1 2GA

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 2018

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

The trust currently operates 4 special academies in the Rotherham Metropolitan Borough and Doncaster Metropolitan Borough areas, with 2 special academies in the pre-opening phase in the Doncaster Metropolitan Borough and Sheffield City Council areas. A mainstream primary school in the Rotherham area is undertaking the conversion process and is scheduled to join the Trust on 1st February 2019. Its open academies have a combined planned pupil capacity of 432 and had 459 FTE pupils on roll in the school census January 2018.

Structure, governance and management

a. Constitution

The academy 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.

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. The Members may appoint Staff Trustees through such process as they may determine necessary. Those who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

Nexus MAT has a published procedure for the nomination, assessment 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, though the Chief Executive Officer and Chair of Trustees act as gatekeepers for nominated individuals being progressed (or not) to selection by Trustees.

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FOR THE YEAR ENDED 31 AUGUST 2018

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) linked 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 provides structure to the induction of new personnel.

The trust has a governance development programme which is refreshed annually and which is informed by a self-assessment of competency by individual trustees and governors, built around the core areas of work of their governing board.

Training provision is made available by the trust via internal workshops; via the local Teaching Schools Alliance (Learners First); 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 who are the original signatories for the company.

Two of these Members were also Directors/Trustees of the company, holding the office of Chair and Vice Chair of the Trust Board. This ended on 31 August 2018 with the resignation of John Coleman from the role of Member, following a recommendation from the Department for Education to reduce the dual appointment of Director and Member to just one individual. Mr Coleman will continue to serve as a Director. A replacement member has been secured and was appointed effective 1st September 2018. 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 and is also a named Director/Trustee of the Company, though following a recommendation from the Department for Education the Chief Executive Officer resigned as a Company Director effective 31 August 2018. The Chief Executive Officer will continue to attend Board meetings in an ex-officio capacity. The Chief Executive Officer line manages Headteachers of the Trust's constituent academies and also line manages the Chief Finance Officer. The Chief Finance Officer attends all Trust Board meetings as an advisor. The Trust Board has established a Headteacher/Local Governing Body Chairs Advisory Committee to ensure there is a direct connection between academies/LGB chairs and the Board.

Board meetings are scheduled 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 also outline key risks and required mitigation to ensure these are effectively managed. The minutes of all Board meetings are published on the Trust website.

g. Pay policy for key management personnel

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

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.

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Headteacher pay is set using the School Teacher Pay and Conditions Document (2018) and the formulas included therein.

Chief Executive Officer and Chief Finance Officer pay is set in the executive pay range, which draws on the Leadership Points of the School Teacher Pay and Conditions Document (2018). This ensures Directors are drawing on relative contextual information and setting remuneration in line with a nationally recognised pay model. Services4Schools provide all relevant information at the request of trustees.

h. Connected organisations, including related party relationships

On 3rd October 2017 Nexus MAT commissioned the services of New Habits, the managing Director of which – Paul Girling – is a Member of the Trust. New Habits are a reputable leadership development consultancy who work with other local public services such as the local authority and the NHS. In agreeing the undertaking, Mr Girling charged the Trust a discounted rate of £730, which presented excellent value for money.

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 business planning of the Trust and its constituent academies.

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b. Objectives, strategies and activities

For the period 1 September 2017 to 31 August 2018, 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 2017-2018 strategic business plan. The MAT was named winner in the "Outstanding vision and strategy" category by the National Governance Association (NGA) in September 2017, at the annual NGA Outstanding Governance awards.

In April 2018 the Trust was formally appointed "sponsor" to open two new "free" special academies in the Doncaster Metropolitan Borough and Sheffield City Council areas. These academies are scheduled to open in 2021. The Trust is also in the process of incorporating Craggs Primary School, with an estimated conversion date of 1 January 2019.

Over the 2017-18 academic year, the Trust has reviewed and redeveloped its MAT school improvement framework and established permanent appointments to all academy senior leadership team positions. Readiness for the introduction of General Data Protection Regulation has been a critical area of Trust business as has been the recruitment to and development of academy local governing bodies. Growth and expansion of the academies has been an essential component of negotiations with local authority commissioners as demand for places in all schools has continued to rise.

The Trust secured Condition Improvement Funding to improve urgent areas of concern in the trust estate and the Trust also secured MAT Development and Improvement Grant Funding from the Department for Education to the value of £75,000.

The Trust has strengthened its improvement capacity with the creation of a new Assistant Chief Executive Officer – School improvement role. This role was created with specific focus on the planned expansion into mainstream primary education.

The Trust has successfully delivered on year 1 of its 3-year contract with Rotherham Council to deliver extended service provision to children and young people with complex needs and disabilities and further growth is planned in this area over the next 12 months.

Trustees continued with the appointment of a 3rd party to provide the responsible officer function on their behalf and also appointed new external auditors to work with the trust for the publication of its annual accounts.

Throughout the period 1 September 2017 to 31 August 2018, 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.

c. Public benefit

Through the growth of provision in all our academies to meet the commissioning needs of local authorities and through the realisation of year 2 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.

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Achievements and performance

a. Key financial performance indicators

In the period 1 September 2016 to 31 August 2017, trustees oversaw the continued improvement in performance of the 4 constituent academies in the Trust, as was reflected in the performance data for all constituent academies in the 2017/18 academic year.

The Chief Executive Officer has continued to ensure robust commissioning arrangements are in place for all 4 academies with Local Authorities, so that all children and young people with complex needs receive fair funding to support their educational progress.

All academies in the MAT ended 2017/18 with surplus budgets, other than Hilltop School. In an incredibly challenging financial environment, Headteachers worked hard to maintain a firm grip on expenditure levels and drive down costs whilst increasing income to achieve surpluses. Whilst Hilltop School ended 2017/18 with a marginal deficit, remedial action has already been taken to arrest increases in expenditure and the school will achieve at least a balanced budget by the end of 2018/19, with the target of a surplus set. The MAT has actively sought to reduce costs through joint commissioning/procurement arrangements wherever possible, drawing on the national "deals for schools" framework.

The Trust has met all statutory returns without exception and trustees are aware of the changes to the Academies Financial Handbook from September 2018. The Audit & Finance Committee annual work place includes details of all DfE/ESFA statutory returns so that trustees can be rigorous in their oversight of compliance.

Although the Trust fell below the threshold for mandatory reporting, trustees nonetheless took the decision to publish workforce pay data in line with the government's Gender Pay Gap reporting requirements.

Key performance indicators are monitored by the trustees to ensure there is clear line of sight between the Board and the performance of academies. Financial reporting to local governing bodies and the Trust Board is underpinned by robust systems. Over 85% of pupils at 3 of the 4 academies made expected progress or above, with Pennine View (a sponsored academy) making good progress against the school improvement plan.

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. 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.

Financial review

a. Review of financial performance and position

During the period ended 31 August 2018 total expenditure of £10,378,919 (2017: £7,925,672) was covered by recurrent grant funding from the ESFA and other incoming resources together totalling £10,562,265 (2017: £8,224,371). The excess of income over expenditure was £183,346 (2017: £298,699) for the period ended 31 August 2018. All figures exclude movements in the fixed asset reserves, pension liability reserve and transfers on conversion. The balance as at 31 August 2018 of the restricted general funds, excluding pension reserves, plus the unrestricted funds amounted to £689,036 (2017: £960,817), after transfers to the restricted fixed asset fund of £455,127 (2017: £nil).

Total funds at 31 August 2018 are made up as follows: fixed asset funds amounting to £15,201,993 (2017: £14,192,714), pension deficit reserve (negative) of £6,109,000 (2017: £6,668,000), other restricted funds

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amounting to £150,176 and unrestricted funds amounting to £538,860, which in total, amount to £9,782,029 total funds for the Trust.

The Trust received capital grants of £845,262 (2017: £478,182) this year.

b. Principal funding

The academies in the Trust are funded in part by elements 1 & 2 funding in the General Annual Grant (via the Education & Skills Funding Agency) and in part by element 3 funding via the home Local Authority which has responsibility for the individual children on roll, in line with a child's assessed needs as per their Education, Health & Care Plan. The majority of places across all 4 academies are commissioned by either Rotherham Metropolitan Borough Council or Doncaster Metropolitan Borough Council, with a small number of places commissioned by neighbouring local authorities.

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 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;
- 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 negotiations and business case writing to secure growth and development of the academies;
- School improvement and support (including leadership intervention where required);
- Teaching School Alliance membership.

c. Reserves policy

Nexus Multi Academy Trust has a published reserves 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. The development of an effective reserves policy will restrict the impact of any risk upon the continuing operations of the trust.

The reserves policy and the establishment of ranges 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 under taken by the Trust for its beneficiaries. The Trust policy outlines the different types of reserves as defined by trustees:

1. Unrestricted reserves
2. Restricted reserves
3. Fixed asset reserves
4. Pension reserves

The cumulative target range for cash reserves for Nexus has been established at between 2% and 5% of income for each financial year of the combined General Annual Grant (GAG) and Top-Up funding of constituent schools in the Trust.

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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 2018 the balance of the trusts unrestricted general funds was £538,860 (2017: £392,954) and the balance of its restricted general funds was £150,176 (2017: £567,863).

After taking into account the fixed asset funds of £15,201,993 as of 31st August 2018, and the pension liabilities of £6,109,000 (2017: £6,668,000) the Trust had total funds of £9,782,029 (2017: £8,485,531).

d. Material investments policy

As priority was given to the generation of reserves in the first 3 years of the Trust's existence, no investment policy has been developed in this reporting period. This will be reviewed by trustees during 2018/19.

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 Directors 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:

- Governance & Strategic
- Operational
- Financial
- Environmental & External
- Law & Regulation

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 will be delegated by the Trust Board to the Audit and Finance Committee. This Committee, in turn, may delegate some duties to a school Local Governing Body. A summary of key risks is listed below:

- Inadequate safeguarding practices in academies and settings

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FOR THE YEAR ENDED 31 AUGUST 2018

- Inadequate behaviour management and wellbeing practices in academies and settings
- Standards and testing in all Academies compromised due to lack of rigour and security surrounding the handling of assessment papers.
- ICT – FOI/SAR requests – failure to ensure requests are processed within the appropriate legislative timeframes.
- Changes to National Funding Formulas and/or local top-up funding adversely affects the trust budget both through the level of funding and predictability.
- Failure to have robust Asset Register procedures in place
- Failure to ensure robust financial systems in place in Academies to prevent fraud.
- Failure to ensure that an adequate disaster recovery/business continuity plans in place re financial systems & monthly management accounts
- Failure to ensure income due to Trust is collected and recorded in an accurate and timely manner
- Failure to ensure Academy has adequate insurance cover [school and Trust level]
- Access to school sites restricted and/or closed off.
- Children, families, visitors and staff injured due to failure of school and Trust to assess environmental risks linked to premises development.

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 funds account, separate 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.

Plans for future periods

Future developments

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

As the responsible company for 6 special academies (2 in preopening), the Trust will continue to work closely with local authorities to ensure there are strategic commissioning arrangements in place and to also create new and innovative service offers for children and young people with learning difficulties so that there is sufficient supply of provision in the local area.

The Trust opened multilateral dialogue in 2016-2017 with the four South Yorkshire Local Authorities to instigate a joint commissioning approach in the region which meets the sufficiency needs of commissioners and also allows Nexus to occupy a role as a "strategic provider", as this as informed the growth and development of academies in the last year as much as it will in the coming years.

By listening to children and families, trustees are aware that the current local offer is insufficient, and local authorities are keen to work in partnership with the Trust to develop services further around the personal needs of individuals.

The 5 year strategic continues to be the road map trustees use to steer the Trust on this journey.

Throughout 2018-19 academic year, the Trust will extend its reach into mainstream primary with the

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incorporation of Craggs Community Primary School. It is the expressed plan of the Trust to grow the mainstream primary arm over the next 12 months to ensure that Craggs has the opportunity to collaborate with similar settings. Negotiations are underway with a number of other special and mainstream primary schools who are considering joining Nexus. The reputation the Trust has developed in the past three academic years positions it well to explore growth across the City region and 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

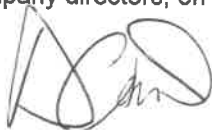
Insofar as the trustees are aware:

- 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 19 December 2018 and signed on its behalf by:



A Child

Trustee and Chair

NEXUS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Nexus 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	12	13
S Shelley	13	13
J Coleman	13	13
A Child (Chair)	11	13
P Castleton	9	13
R Palmer (Appointed 9 August 2018)	1	1
R Potts (Appointed 25 April 2018)	3	5
N Hodge (Appointed 8 October 2018)	0	0
C Hall (Resigned 30 September 2018)	12	13
W Carratt (Accounting Officer) (Resigned 31 August 2018)	12	13
A Meloy (Resigned 25 July 2018)	6	12

Having published the Trust's 5 year strategic plan in 2016, trustees have focused their energies on monitoring the implementation of this through regular reports from the Chief Executive Officer and Chief Financial Officer. At the end of 2017-18, Alan Meloy stepped down as a trustee and Catherine Hall resigned to take on the role of Member (replacing John Coleman) from 1st September 2018.

Trustees hold a monthly meeting schedule with alternating focuses: 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 reduced formal agenda which allows trustees to focus specifically on one of the Trust's strategic priorities. Trustees have reserved the right to adopt business items onto the "challenge" meeting agendas where this will expedite a decision being made.

Trustees and local governing bodies were subject to an external review in 2017/18, which led to development plans being formulated.

The Audit and Finance Committee is a 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 & Finance 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.

NEXUS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Audit & Finance Committee met 5 times during the period 1 September 2017 to 31 August 2018. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Booth	5	5
S Shelley	5	5
R Potts (Appointed 25 April 2018)	1	1
W Carratt (Accounting Officer) (Resigned 31 August 2018)	5	5
A Meloy (Resigned 25 July 2018)	4	5

Review of value for money

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

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

- 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;
- Continued investment in ICT provision across all academies (broadband and infrastructure) at reduced cost and improved quality of support, in turn freeing up ICT budgets to invest in new and emergent technologies which support improved learning;
- Continued joint procurement of Human Resource consultancy at reduced cost secured through collective bargaining, improving the quality of advice provided and allowing Headteachers to provide rigorous human resource management with confidence, reducing the risk of repeated underperformance;
- Re negotiating the allocation of "top up" funding from the commissioning local authority for specific children where changed need has increased the cost of placement. Increased funding has allowed for infrastructure improvement to deliver growth.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

NEXUS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 Finance 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 appointed BHP as internal auditor for part of the 17/18 year. BHP were replaced part way through the year by Hart Shaw LLP. During this period, the Trustees have continued to be advised by Warren Carratt, the Chief Executive Officer of the multi academy trust.

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 payroll systems
- testing of purchase systems
- testing of petty cash systems
- testing of income systems

On a termly basis, BHP and 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.

BHP and Hart Shaw LLP have delivered their schedule of work as planned. Throughout the year BHP and Hart Shaw LLP have scheduled recommendations to improve the systems and controls in place, all of which have, or are in the process of being implemented.

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 Finance 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 19 December 2018 and signed on its behalf by:



A Child
Chair



W Carratt
Accounting Officer

NEXUS MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

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

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



W Carratt
Accounting Officer

19 December 2018

NEXUS MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

In preparing these accounts, the trustees are required to:

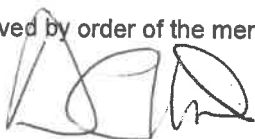
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 19 December 2018 and signed on its behalf by:



A Child
Chair

NEXUS MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

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

In our opinion the accounts:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the 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 other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. 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 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

NEXUS MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



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

19 December 2018

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 2018

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

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2018

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hart Shaw LLP

Reporting Accountant

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

Dated: 19 December 2018

NEXUS MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	6,234	14,380	845,262	865,876	529,087
Donations - transfer from local authority on conversion		-	-	-	-	3,935,354
Charitable activities:						
- Funding for educational operations	4	241,010	10,249,967	-	10,490,977	8,138,698
Other trading activities	5	49,706	-	-	49,706	33,973
Investments	6	968	-	-	968	795
Total		297,918	10,264,347	845,262	11,407,527	12,637,907
Expenditure on:						
Charitable activities:						
- Educational operations	8	152,012	10,829,907	291,110	11,273,029	8,594,614
Total	7	152,012	10,829,907	291,110	11,273,029	8,594,614
Net income/(expenditure)		145,906	(565,560)	554,152	134,498	4,043,293
Transfers between funds	18	-	(455,127)	455,127	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	1,162,000	-	1,162,000	689,000
Net movement in funds		145,906	141,313	1,009,279	1,296,498	4,732,293
Reconciliation of funds						
Total funds brought forward		392,954	(6,100,137)	14,192,714	8,485,531	3,753,238
Total funds carried forward		538,860	(5,958,824)	15,201,993	9,782,029	8,485,531

NEXUS MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2017 £
Income and endowments from:					
Donations and capital grants	3	19,225	31,680	478,182	529,087
Donations - transfer from local authority on conversion		289,318	(1,386,964)	5,033,000	3,935,354
Charitable activities:					
- Funding for educational operations	4	64,036	8,074,662	-	8,138,698
Other trading activities	5	33,973	-	-	33,973
Investments	6	795	-	-	795
Total		407,347	6,719,378	5,511,182	12,637,907
Expenditure on:					
Charitable activities:					
- Educational operations	8	86,325	8,291,347	216,942	8,594,614
Total	7	86,325	8,291,347	216,942	8,594,614
Net income/(expenditure)		321,022	(1,571,969)	5,294,240	4,043,293
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	689,000	-	689,000
Net movement in funds		321,022	(882,969)	5,294,240	4,732,293
Reconciliation of funds					
Total funds brought forward		71,932	(5,217,168)	8,898,474	3,753,238
Total funds carried forward		392,954	(6,100,137)	14,192,714	8,485,531

NEXUS MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	13		14,828,779		13,930,314
Current assets					
Debtors	14	603,668		352,859	
Cash at bank and in hand		1,428,377		1,320,446	
		<u>2,032,045</u>		<u>1,673,305</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(950,912)		(450,088)	
Net current assets			1,081,133		1,223,217
Total assets less current liabilities			<u>15,909,912</u>		<u>15,153,531</u>
Creditors: amounts falling due after more than one year	16		(18,883)		-
Net assets excluding pension liability			<u>15,891,029</u>		<u>15,153,531</u>
Defined benefit pension scheme liability	20		(6,109,000)		(6,668,000)
Net assets			<u><u>9,782,029</u></u>		<u><u>8,485,531</u></u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			15,201,993		14,192,714
- Restricted income funds			150,176		567,863
- Pension reserve			(6,109,000)		(6,668,000)
Total restricted funds			<u>9,243,169</u>		<u>8,092,577</u>
Unrestricted income funds	18		538,860		392,954
Total funds			<u><u>9,782,029</u></u>		<u><u>8,485,531</u></u>

The accounts on pages 22 to 48 were approved by the trustees and authorised for issue on 19 December 2018 and are signed on their behalf by:

A Child
Chair

Company Number 10075893

NEXUS MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	21		205,306		(162,867)
Cash flows from investing activities					
Dividends, interest and rents from investments		968		854	
Capital grants from DfE and ESFA		800,681		478,182	
Capital funding from sponsors and others		44,581		-	
Payments to acquire tangible fixed assets		(969,986)		(215,780)	
Proceeds from sales of tangible fixed assets		4,800		-	
			(118,956)		263,256
Cash flows from financing activities					
New long term loan		21,581		-	
			21,581		-
Change in cash and cash equivalents in the reporting period					
			107,931		100,389
Cash and cash equivalents at 1 September 2017			1,320,446		1,220,057
Cash and cash equivalents at 31 August 2018			1,428,377		1,320,446

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

The 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Nexus Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

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.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 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 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

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

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

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

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	845,262	845,262	478,182
Other donations	6,234	14,380	20,614	50,905
	<u>6,234</u>	<u>859,642</u>	<u>865,876</u>	<u>529,087</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,366,711	4,366,711	3,418,179
Start up/conversion grants	-	60,000	60,000	70,000
Other DfE group grants	-	354,064	354,064	137,185
	<u>-</u>	<u>4,780,775</u>	<u>4,780,775</u>	<u>3,625,364</u>
Other government grants				
Local authority grants	-	5,459,874	5,459,874	4,423,209
	<u>-</u>	<u>5,459,874</u>	<u>5,459,874</u>	<u>4,423,209</u>
Other funding				
School fund/trip income	58,207	-	58,207	26,089
Teacher absence insurance	47,428	-	47,428	64,036
Transport services	51,672	-	51,672	-
Catering income	57,869	-	57,869	-
Other educational income	25,834	9,318	35,152	-
	<u>241,010</u>	<u>9,318</u>	<u>250,328</u>	<u>90,125</u>
Total funding	<u>241,010</u>	<u>10,249,967</u>	<u>10,490,977</u>	<u>8,138,698</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	22,656	-	22,656	19,276
Catering income	-	-	-	3,684
Educational visits	-	-	-	11,013
Support for other educational establishments	27,050	-	27,050	-
	<u>49,706</u>	<u>-</u>	<u>49,706</u>	<u>33,973</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6	Investment income	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £	
	Short term deposits	968	-	968	795	
		<u>968</u>	<u>-</u>	<u>968</u>	<u>795</u>	
7	Expenditure	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
	Academy's educational operations					
	- Direct costs	7,437,296	-	760,136	8,197,432	6,320,486
	- Allocated support costs	1,709,502	806,772	559,323	3,075,597	2,274,128
		<u>9,146,798</u>	<u>806,772</u>	<u>1,319,459</u>	<u>11,273,029</u>	<u>8,594,614</u>
	Net income/(expenditure) for the year includes:			2018	2017	
				£	£	
	Fees payable to auditor for:					
	- Audit			10,600	9,550	
	- Other services			11,600	2,895	
	Operating lease rentals			37,117	17,631	
	Depreciation of tangible fixed assets			291,410	216,942	
	Net interest on defined benefit pension liability			159,000	130,000	
				<u>159,000</u>	<u>130,000</u>	
8	Charitable activities	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £	
	Direct costs					
	Educational operations	85,324	8,112,108	8,197,432	6,320,486	
	Support costs					
	Educational operations	66,688	3,008,909	3,075,597	2,274,128	
		<u>152,012</u>	<u>11,121,017</u>	<u>11,273,029</u>	<u>8,594,614</u>	

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8	Charitable activities	(Continued)	
		2018	2017
		£	£
	Analysis of support costs		
	Support staff costs	1,709,502	1,196,423
	Depreciation	291,110	216,942
	Technology costs	14,498	7,765
	Premises costs	515,662	400,104
	Other support costs	487,282	443,344
	Governance costs	57,543	9,550
		<u>3,075,597</u>	<u>2,274,128</u>

9	Staff		
	Staff costs		
	Staff costs during the year were:		
		2018	2017
		£	£
	Wages and salaries	6,689,800	5,004,308
	Social security costs	539,031	416,167
	Pension costs	1,625,254	1,292,289
	Staff costs	<u>8,854,085</u>	<u>6,712,764</u>
	Agency staff costs	194,544	112,574
	Staff restructuring costs	18,908	11,000
	Staff development and other staff costs	79,261	-
	Total staff expenditure	<u>9,146,798</u>	<u>6,836,338</u>

Staff restructuring costs comprise:

Severance payments	<u>18,908</u>	<u>11,000</u>
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,000 (2017: £11,000). The payment of £5,000 was made on 30 June 2018.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	66	51
Administration and support	276	250
Management	20	24
	<u>362</u>	<u>325</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £905,959 (2017: £612,798).

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;
- Academy broadband provision;
- Financial internal & external audit costs;
- Governance recruitment, support and development;
- Clerking services;
- Health & Safety compliance (including "Competent Person" function);
- Legal services;
- Extended services;
- Safeguarding external audit and review;
- Clinical supervision for Designated Safeguarding Leads;
- Strategic negotiation and business case writing to secure growth and development of academies;
- School improvement and support (including leadership intervention where required).

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Central services

(Continued)

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:

	2018	2017
	£	£
Kelford School	148,243	132,768
Hilltop School	141,517	129,830
Abbey School	88,880	65,922
Pennine View School	98,108	68,198
	<u>476,748</u>	<u>396,718</u>

11 Trustees' remuneration and expenses

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

The value of trustees' remuneration and other benefits was as follows: W Carratt (Chief Executive Officer and trustee) remuneration £90,000 - £95,000 (2017: £80,000 - £85,000); Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000).

During the year, travel and subsistence payments totalling £41 (2017: £nil) were reimbursed or paid directly to 1 trustees (2017: 0 trustees).

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

12 Trustees and officers insurance

The academy trust has opted into the Department 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 2018

13 Tangible fixed assets

	Leasehold land and buildings	Leasehold improvements	ICT equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2017	13,882,000	189,463	55,277	48,187	13,000	14,187,927
Additions	-	1,058,966	64,547	44,547	26,315	1,194,375
Disposals	-	-	-	-	(6,000)	(6,000)
At 31 August 2018	13,882,000	1,248,429	119,824	92,734	33,315	15,376,302
Depreciation						
At 1 September 2017	224,532	5,761	17,364	6,706	3,250	257,613
On disposals	-	-	-	-	(1,500)	(1,500)
Charge for the year	240,540	7,093	27,360	8,089	8,328	291,410
At 31 August 2018	465,072	12,854	44,724	14,795	10,078	547,523
Net book value						
At 31 August 2018	13,416,928	1,235,575	75,100	77,939	23,237	14,828,779
At 31 August 2017	13,657,468	183,702	37,913	41,481	9,750	13,930,314

Included within leasehold land and buildings is land of £2,740,000 (2017: £2,740,000) which is not depreciated. Included within leasehold improvements are assets under construction to the value of £238,821 (2017: £nil) which are not depreciated.

14 Debtors

	2018 £	2017 £
Trade debtors	204,129	88,774
VAT recoverable	84,970	93,467
Other debtors	-	1,480
Prepayments and accrued income	314,569	169,138
	603,668	352,859

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Creditors: amounts falling due within one year	2018 £	2017 £
Government loans	2,698	-
Trade creditors	153,810	168,387
Other taxation and social security	131,985	-
Other creditors	114,062	63,223
Accruals and deferred income	548,357	218,478
	<u>950,912</u>	<u>450,088</u>

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

16 Creditors: amounts falling due after more than one year	2018 £	2017 £
Government loans	<u>18,883</u>	<u>-</u>
Analysis of loans		
Not wholly repayable within five years by instalments	21,581	-
Less: included in current liabilities	(2,698)	-
	<u>18,883</u>	<u>-</u>
Loan maturity		
Debt due in one year or less	2,698	-
Due in more than one year but not more than two years	2,698	-
Due in more than two years but not more than five years	8,093	-
Due in more than five years	8,092	-
	<u>21,581</u>	<u>-</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 with repayments set to commence 1 September 2018. 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 with repayments set to commence 1 September 2019. Repayments of £744 will be made twice a year for 8 years until the loan is fully repaid.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Deferred income	2018 £	2017 £
Deferred income is included within:		
Creditors due within one year	238,232	70,243
Deferred income at 1 September 2017	70,243	643,057
Released from previous years	(70,243)	(643,057)
Resources deferred in the year	238,232	70,243
Deferred income at 31 August 2018	238,232	70,243

At the balance sheet date the academy trust was holding funds received in advance for capital grants and Special Educational Needs funding for 2018/19.

18 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	507,645	4,366,711	(4,324,531)	(455,127)	94,698
Start up/conversion grants	-	60,000	(4,522)	-	55,478
Other DfE / ESFA grants	-	354,064	(354,064)	-	-
Other government grants	-	5,459,874	(5,459,874)	-	-
Other restricted funds	60,218	23,698	(83,916)	-	-
Funds excluding pensions	567,863	10,264,347	(10,226,907)	(455,127)	150,176
Pension reserve	(6,668,000)	-	(603,000)	1,162,000	(6,109,000)
	(6,100,137)	10,264,347	(10,829,907)	706,873	(5,958,824)
Restricted fixed asset funds					
Transfer on conversion	13,720,608	-	(258,216)	-	13,462,392
DfE group capital grants	476,725	800,681	(10,175)	-	1,267,231
Capital expenditure from GAG	(4,619)	-	(21,828)	455,127	428,680
Local authority capital funding	-	44,581	(891)	-	43,690
	14,192,714	845,262	(291,110)	455,127	15,201,993
Total restricted funds	8,092,577	11,109,609	(11,121,017)	1,162,000	9,243,169
Unrestricted funds					
General funds	392,954	297,918	(152,012)	-	538,860
Total funds	8,485,531	11,407,527	(11,273,029)	1,162,000	9,782,029

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 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 2018.

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.

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 all Nexus academies revenue, given the schools are all 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.

Other restricted funds

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

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 £455,127 (2017: £nil) has been transferred from restricted funds to the restricted fixed asset fund, as permitted by the Accounts Direction 2017 to 2018.

Pension reserve

The restricted pension fund is in deficit to the value of £6,109,000 as at 31 August 2018 (2017: £6,668,000). The majority of this has been inherited upon conversion to Academy status. The Trustees will continue to monitor this situation closely.

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	138,137	3,418,179	(3,048,671)	-	507,645
Start up/conversion grants	91,214	70,000	(161,214)	-	-
Other DfE / ESFA grants	-	137,185	(137,185)	-	-
Other government grants	-	4,423,209	(4,423,209)	-	-
Other restricted funds	65,481	63,805	(69,068)	-	60,218
	<u>294,832</u>	<u>8,112,378</u>	<u>(7,839,347)</u>	<u>-</u>	<u>567,863</u>
Funds excluding pensions	(5,512,000)	(1,393,000)	(452,000)	689,000	(6,668,000)
	<u>(5,217,168)</u>	<u>6,719,378</u>	<u>(8,291,347)</u>	<u>689,000</u>	<u>(6,100,137)</u>
Restricted fixed asset funds					
Transfer on conversion	8,898,474	5,033,000	-	-	13,931,474
DfE group capital grants	-	478,182	(216,942)	-	261,240
	<u>8,898,474</u>	<u>5,511,182</u>	<u>(216,942)</u>	<u>-</u>	<u>14,192,714</u>
Total restricted funds	<u>3,681,306</u>	<u>12,230,560</u>	<u>(8,508,289)</u>	<u>689,000</u>	<u>8,092,577</u>
Unrestricted funds					
General funds	71,932	407,347	(86,325)	-	392,954
	<u>71,932</u>	<u>407,347</u>	<u>(86,325)</u>	<u>-</u>	<u>392,954</u>
Total funds	<u>3,753,238</u>	<u>12,637,907</u>	<u>(8,594,614)</u>	<u>689,000</u>	<u>8,485,531</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	138,137	7,784,890	(7,373,202)	(455,127)	94,698
Start up/conversion grants	91,214	130,000	(165,736)	-	55,478
Other DfE / ESFA grants	-	491,249	(491,249)	-	-
Other government grants	-	9,883,083	(9,883,083)	-	-
Other restricted funds	65,481	87,503	(152,984)	-	-
	<u>294,832</u>	<u>18,376,725</u>	<u>(18,066,254)</u>	<u>(455,127)</u>	<u>150,176</u>
Funds excluding pensions	(5,512,000)	(1,393,000)	(1,055,000)	1,851,000	(6,109,000)
	<u>(5,217,168)</u>	<u>16,983,725</u>	<u>(19,121,254)</u>	<u>1,395,873</u>	<u>(5,958,824)</u>
Restricted fixed asset funds					
Transfer on conversion	8,898,474	5,033,000	(258,216)	-	13,673,258
DfE group capital grants	-	1,278,863	(227,117)	-	1,051,746
Capital expenditure from GAG	-	-	(21,828)	455,127	433,299
Local authority capital funding	-	44,581	(891)	-	43,690
	<u>8,898,474</u>	<u>6,356,444</u>	<u>(508,052)</u>	<u>455,127</u>	<u>15,201,993</u>
Total restricted funds	<u>3,681,306</u>	<u>23,340,169</u>	<u>(19,629,306)</u>	<u>1,851,000</u>	<u>9,243,169</u>
Unrestricted funds					
General funds	<u>71,932</u>	<u>705,265</u>	<u>(238,337)</u>	<u>-</u>	<u>538,860</u>
Total funds	<u>3,753,238</u>	<u>24,045,434</u>	<u>(19,867,643)</u>	<u>1,851,000</u>	<u>9,782,029</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

Total funds analysis by academy

	2018	2017
	£	£
Fund balances at 31 August 2018 were allocated as follows:		
Kelford School	122,704	60,769
Abbey School	40,231	152,309
Hilltop School	(79,003)	63,624
Pennine View School	74,401	95,113
Central services	530,703	589,002
Total before fixed assets fund and pension reserve	689,036	960,817
Restricted fixed asset fund	15,201,993	14,192,714
Pension reserve	(6,109,000)	(6,668,000)
Total funds	9,782,029	8,485,531

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 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 2018
	£	£	£	£	£
Kelford School	2,089,459	427,322	35,416	386,092	2,938,289
Abbey School	1,393,904	224,631	71,747	367,772	2,058,054
Hilltop School	2,189,347	442,596	45,374	410,280	3,087,597
Pennine View School	1,633,720	255,067	23,355	326,562	2,238,704
Central services	130,866	359,886	1,439	167,084	659,275
	<u>7,437,296</u>	<u>1,709,502</u>	<u>177,331</u>	<u>1,657,790</u>	<u>10,981,919</u>

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2017
	£	£	£	£	£
Kelford School	1,854,446	415,952	98,902	219,954	2,589,254
Abbey School	1,046,049	129,676	62,395	244,883	1,483,003
Hilltop School	1,961,962	266,527	36,885	337,907	2,603,281
Pennine View School	578,517	109,062	18,929	101,728	808,236
Central services	-	175,567	-	718,327	893,894
	<u>5,440,974</u>	<u>1,096,784</u>	<u>217,111</u>	<u>1,622,799</u>	<u>8,377,668</u>

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	14,828,779	14,828,779
Current assets	538,860	874,001	619,184	2,032,045
Creditors falling due within one year	-	(723,825)	(227,087)	(950,912)
Creditors falling due after one year	-	-	(18,883)	(18,883)
Defined benefit pension liability	-	(6,109,000)	-	(6,109,000)
Total net assets	<u>538,860</u>	<u>(5,958,824)</u>	<u>15,201,993</u>	<u>9,782,029</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	13,930,314	13,930,314
Current assets	392,954	1,017,951	262,400	1,673,305
Creditors falling due within one year	-	(450,088)	-	(450,088)
Defined benefit pension liability	-	(6,668,000)	-	(6,668,000)
Total net assets	392,954	(6,100,137)	14,192,714	8,485,531

20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £114,062 (2017: £nil) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £475,841 (2017: £363,982).

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 13.4% - 16.7% for employers and 5.5% - 12.5% for employees.

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

The Academy Trust has entered into an agreement with the Trustees to make additional contributions in addition to normal funding levels. These amount to £1,158 for Abbey School, £6,200 for Hilltop School, £4,705 for Pennine View School and £5,250 for Kelford School, to be paid monthly during the period September 2018 to March 2019. The Academy Trust will continue to make additional contributions after March 2019 however the rates have not yet been agreed.

Total contributions made	2018 £	2017 £
Employer's contributions	690,000	553,000
Employees' contributions	195,000	143,000
Total contributions	<u>885,000</u>	<u>696,000</u>

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	3.40	3.45
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	2.85	2.50
Inflation assumption (CPI)	2.15	2.20

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

	2018	2017
	Years	Years
Retiring today		
- Males	23.00	22.90
- Females	25.80	25.70
Retiring in 20 years		
- Males	25.20	25.10
- Females	28.10	28.00

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

	2018	2017
	£'000	£'000
Discount rate + 0.1%	-275	-265
Mortality assumption + 1 year	190	182
CPI rate + 0.1%	283	273

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

	2018	2017
	Fair value	Fair value
	£	£
Equities	2,501,000	2,276,000
Government bonds	673,000	518,000
Corporate bonds	343,000	255,000
Cash/liquidity	216,000	76,000
Property	456,000	342,000
Other assets	511,000	282,000
Total market value of assets	4,700,000	3,749,000

The actual return on scheme assets was £199,000 (2017: £446,000).

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations	(Continued)	
Amount recognised in the Statement of Financial Activities	2018	2017
	£	£
Current service cost	1,121,000	865,000
Interest income	(103,000)	(79,000)
Interest cost	262,000	209,000
Administration expenses	13,000	10,000
Total operating charge	1,293,000	1,005,000
Changes in the present value of defined benefit obligations	2018	2017
	£	£
At 1 September 2017	10,417,000	8,772,000
Obligations acquired on conversion	-	1,564,000
Current service cost	1,121,000	865,000
Interest cost	262,000	209,000
Employee contributions	195,000	143,000
Actuarial gain	(1,066,000)	(1,019,000)
Benefits paid	(120,000)	(117,000)
At 31 August 2018	10,809,000	10,417,000
Changes in the fair value of the academy trust's share of scheme assets	2018	2017
	£	£
At 1 September 2017	3,749,000	3,260,000
Assets acquired on conversion	-	171,000
Interest income	103,000	79,000
Actuarial (gain)/loss	96,000	(330,000)
Employer contributions	690,000	553,000
Employee contributions	195,000	143,000
Benefits paid	(120,000)	(117,000)
Administration expenses	(13,000)	(10,000)
At 31 August 2018	4,700,000	3,749,000

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Net income for the reporting period (as per the Statement of Financial Activities)	134,498	4,043,293
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(845,262)	(478,182)
Investment income receivable	(968)	(854)
Defined benefit pension costs less contributions payable	444,000	322,000
Defined benefit pension net finance cost	159,000	130,000
Depreciation of tangible fixed assets	291,410	216,940
Profit on disposal of fixed assets	(300)	-
(Increase) in debtors	(250,809)	(167,512)
Increase/(decrease) in creditors	273,737	(588,552)
Assets and liabilities from local authority conversion	-	(3,640,000)
Net cash provided by/(used in) operating activities	205,306	(162,867)

22 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	79,983	17,498
Amounts due in two and five years	169,239	25,587
Amounts due after five years	31,650	-
	280,872	43,085

23 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	480,684	-

NEXUS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

24 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, provided at no more than cost. The cost incurred amounted to £730 (2017: £nil) and no amounts were outstanding at the balance sheet date.

25 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.