

Company Registration No. 08753719 (England and Wales)

**NEXUS EDUCATIONAL SCHOOLS TRUST**  
**(FORMERLY FARNBOROUGH PRIMARY SCHOOL)**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' STRATEGIC REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) REFERENCE AND ADMINISTRATIVE DETAILS**

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## **Members and governors**

P Chandler (Chair) \*  
P Farrow (Accounting officer) \*  
N Kimber \*  
C Lloyd (Resigned 31 August 2015)  
I Pittman \*  
D Stacey \*  
C Amos (Appointed 20 October 2014)  
M Hughes (Appointed 20 October 2014)  
J Baker (Appointed 8 December 2014) \*

\* members of the Resources Committee

## **Senior leadership team**

P Farrow	- Headteacher
C Browne	- Deputy Headteacher
C Humphries	- Phase Leader
K Theodorou	- Phase Leader

## **Company registration number**

08753719 (England and Wales)

## **Registered office**

Farnborough Primary School  
Farnborough Hill  
Orpington  
BR6 7EQ

## **Independent auditor**

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

## **Bankers**

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

## **Solicitors**

Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The Governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 servicing a catchment area in the Farnborough and Crofton Ward. It has a pupil capacity of 210 and had a roll of 223 in the school census on 02/10/2015.

**Structure, governance and management**

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08753719) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Farnborough Primary School and are also Directors of the charitable company for the purposes of company law. The charitable company is known as Farnborough Primary School. Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Farnborough Primary School was incorporated on 29 October 2013 and obtained Academy status from 1 December 2013.

The Academy Trust changed its name from Farnborough Primary School to Nexus Educational Schools Trust effective from 17 November 2015.

Members' liability

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

Principal activities

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a School offering a broad and balanced curriculum.

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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## Method of recruitment and appointment or election of Governors

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Subject to Articles 48 and 49, the Academy Trust shall have the following Governors - up to 5 governors appointed under Article 50; a minimum of two Parent Governors appointed under Articles 53 - 58; up to two Staff Governors, subject to Article 50A; the Headteacher; any Governors appointed by The Academy Learning Collaborative, subject to Article 51.

Each Governor must be a Member or must have agreed in writing to become a Member and must become one without delay. The Academy Trust may also have any Co-opted Governor appointed under Article 59. The first Governors shall be those person named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

The governors of the Predecessor School as at the date immediately prior to the Conversion Date (the "Transferring Governors") shall be Governors as of the Conversion Date and shall serve their remaining terms of office as if they were still Governors of the Predecessor School. Those Transferring Governors who were parent governors and elected staff governors, if any, shall become Parent Governors and Staff Governors respectively and shall be deemed to have been elected for the purposes of these Articles. Those Transferring Governors who were LA governors or community shall become Governors pursuant to Article 46(a).

Future Governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Governor to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Article or part thereof shall not apply.

The Members may appoint up to 5 Governors, subject to Article 50A.

The total number of Governors (including the Headteacher) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

The Academy Learning Collaborative may recommend one or more Governors, provided that the total number of Governors who are appointed by The Academy Learning Collaborative shall not at any time exceed 30% of the total number of Governors.

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

During the period under review the Governors held 4 meetings. The training and induction provided for new Governors will depend on their existing experience. Each new Governor receives induction training through the Bromley Governor training package. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a period, induction tends to be done informally and is tailored specifically to the individual.

## Organisational structure

The structure consists of four levels: the Governors, Senior Leadership Team, Phase Leaders and Middle Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governors are responsible for setting general policy, adopting an annual School Development Plan and budget, monitoring the Academy by the use of key objective budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Headteacher, Phase Leaders and Deputy Headteacher. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for senior leader posts contain at least one Governor. Some spending control is devolved to Middle Leaders, with limits above which the Headteacher must countersign.

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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## Related parties and other connected charities and organisations

The school has a strong Parents Association, which is called the Association of Parents and Friends. It is a separate Charity and works within the local and school community for the benefit of the pupils at Farnborough Primary school.

The school is a member of an Umbrella Trust organisation called the Academy Learning Collaborative (ALC). The ALC is an incorporated company, whose articles and memorandum are to support the development of the member schools. Each school contributes a per pupil amount to the ALC for the support, intervention and procurement of joined services.

## **Objectives and activities**

### Objects and aims

#### *Vision*

To create an inclusive culture of learning, where all children will be challenged in their thinking, strive for continuous improvement and be motivated to become lifelong learners.

We will empower our children to become respected citizens to enable them to make valuable contributions locally, globally and to contribute to our children's sustainable future.

#### *Our Aims*

- To respect individual differences, ensuring equality of opportunity.
- To develop in each child the self-discipline, self-respect, empathy and capacity to be an independent, self-motivated person with an awareness and understanding of societies' expectations.
- To develop the child's ability to communicate effectively, form relationships and to participate as an effective member of the community.
- To develop in each child the confidence to be creative, to question and to challenge their own thinking and the thinking of others.
- To create a safe and stimulating environment in which every child can succeed and where everyone strives to build on their achievements.

#### *We Value*

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

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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Our core values are:-

- Respect for others and tolerance
- Trust, honesty and truth
- Equality
- Commitment
- Friendship and kindness
- Confidence and courage

Farnborough Primary School is a caring community with learning at its heart. The Academy is primary school for pupils aged 4 to 11. School staff encourage children to aim high, be honest and work together. Senior leaders and Governors work with colleagues and other partners to promote high standards and teamwork. There is a sense of purpose, fun and enjoyment in the School which is nurtured and sustained. The School has long record of success and leaders work to ensure that we keep the best of what we have while continually striving to improve and build on strong foundations.

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

Farnborough Primary School is proud to date originally from 1872 and yet provide enhanced facilities, buildings and generous outdoor green space to deliver today's modern, demanding and creative curriculum.

Farnborough Primary School is a School where everyone works hard to ensure that the children are safe, secure, and part of a friendly caring community. We want children to be happy and excited about coming to School. We encourage them to learn, achieve and make progress and to develop knowledge, skills and understanding across a wide curriculum. We aim for pupils to thrive and develop the skills they need for life-long learning.

The School has received a number of awards which reflect the high quality of our work. The School was graded 'Outstanding' by Ofsted in its most recent full inspection in December 2012.

## Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2014 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with our community
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Farnborough Primary School community values diversity and seeks to give everyone in the School an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Farnborough Primary School.

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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Students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at School. They will be developing as independent learner in an age appropriate ways, developing how to learn and the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

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

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

Governors will contribute to the life of the School on a wider scale, acting as critical friends to support the School in becoming a centre of excellence.

## Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The criteria used to admit pupils to Farnborough Primary School:-

- Looked after children
- Siblings
- Proximity to the School

In September 2014 the furthest offer made was 0.4 miles from the School. The School follows the London Borough of Bromley Admission Procedures (see LBB website).

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015**

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## **Strategic report**

### Achievements and performance

The Academy is heavily oversubscribed with 13 applications for each reception class place. Total students in the period ended 31st August 2015 numbered 221 and the Academy published pupil admission number for 13/14 was 210.

The Academy is a one form entry primary School with many strengths. The School is successful, popular and oversubscribed.

Pupils enter the School from a very wide range of social, cultural and economic backgrounds. The Academy prides itself on being an inclusive School.

Our data shows that since our last inspection in December 2012 Farnborough Primary School has continued to be a high achieving school. Our last inspection grade the school as Outstanding in all areas. The school was also awarded National Support Schools status for its work supporting and developing over schools. KS2 data for Summer 2014 shows Farnborough is well above the national average across reported curriculum areas. 100% of pupils in Summer 2014 achieved the nationally expected level in Maths, Reading and Writing placing it in the top 20% of schools Nationally.

The percentage of pupils eligible for free school meals is 9.95% (2014) below the national average, but increasing year on year. In 2014 there were 18.83% of pupils identified with Special Educational Needs. Pupil attendance and behaviour is outstanding. In 2014 the attendance percentage was 97, placing the school in the top 20% of all schools nationally.

To ensure that standards are continually raised the Academy: operates a programme of internal and external reviews of curriculum areas and has an external quality assurance review as part of its membership of the ALC .

The Senior Leadership Team currently grades the school as 'outstanding' using the key performance indicators in the new Ofsted framework.

### Key performance indicators

The main KPI is the Ofsted Framework for Inspection:

Inspectors must judge the quality of education provided in the School. This is the overarching judgement.

In order to make a judgement about the quality of education provided in the School, inspectors must first make four key judgements. These are:

- the achievement of pupils at the School
- the quality of teaching in the School
- the behaviour and safety of pupils at the School
- the quality of leadership in and management of the School.

In addition, inspectors must also consider:

- the spiritual, moral, social and cultural development of pupils at the School
- the extent to which the education provided by the School meets the needs of the range of pupils at the School, and in particular the needs of:
  - pupils who have a disability for the purposes of the Equality Act 2010
  - pupils who have special educational needs.

### Going concern

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

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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## **Financial review**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2015, total expenditure of £1,130K (2014: £790k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £32k (2014: excess of expenditure over income of £76k).

At 31 August 2015 the net book value of fixed assets was £3,408k (2014: £3,434k). Movements in tangible fixed assets are shown in Note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Bromley Pension Fund, in which the Academy participates, showed a deficit of £143k (2014: £129k) at 31 August 2015. Of this sum, £111k was inherited by Farnborough Primary School from the London Borough of Bromley on 1 December 2013, the date the local authority's staff transferred to employment with the Academy.

## Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £62k (2014: £59k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves of £86k (2014: £73k) (total funds less the amount held in fixed assets and restricted funds). The Governors expect the excess of general unrestricted funds to reduce in the coming periods.

## Investment policy and powers

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

## Financial position

The Academy held fund balances at 31 August 2015 of £3,351k (2014: £3,337k) comprising £3,265k (2014: £3,305k) of restricted funds and £86k (2014: £73k) of unrestricted general funds. Of the restricted funds, £3,408k is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £143k (2014: £129k) in deficit.

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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## Principal risks and uncertainties

The principal risks and uncertainties that Farnborough Primary School faces are mitigated by the risk management process that the Academy Trust has in place.

## Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 11.

## Financial and risk management objectives and policies

The main financial risks to which Farnborough Primary School is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk also arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £143k (2014: £129k).

## **Plans for future periods**

The Academy will continue striving to improve the levels of performance of its pupils in all areas of the school curriculum. It endeavours to provide appropriate resources including staffing that will have significant impact on pupil achievement and attainment.

The School has a very good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The School also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The School Development Plan (SDP) has key areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the Headteacher and the Senior Leadership Team (SLT). The SDP is regularly monitored and amended annually by the SLT and Governors. It is underpinned by appropriate budget links.

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

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

The pressure for pupil places across the Local Authority has meant that Farnborough in partnership with the Local Authority has consulted on expansion to two forms of entry. The expansion plans are presently at the planning and tender stages with a start date of January 2016. The Board of Governors has worked with the local Authority to insure that Farnborough continues to be a high achieving school of choice for families in the community and will endeavour to minimise any disruption to the community during the expansion build. The move to two forms of entry will enable pupils to have the best possible resources to develop a breadth of opportunities both academic and social; as well as enabling staff to further develop their own skills, benefit from collaboration, enable career developed and aid staff retention.

The Academy has been appointed as sponsor to a Bromley primary school, necessitating the move to a Multi Academy Trust structure. The Governors will in this academic year review its local governance structure under the proposed new MAT organisation.

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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**Auditor**

In so far as the Governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 24 November 2015 and signed on its behalf by:

P Chandler  
**Chair**

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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## **Scope of responsibility**

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

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

## **Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
P Chandler (Chair)	5	5
P Farrow (Accounting officer)	5	5
N Kimber	5	5
C Lloyd (Resigned 31 August 2015)	4	5
I Pittman	4	5
D Stacey	4	5
C Amos (Appointed 20 October 2014)	4	5
M Hughes (Appointed 20 October 2014)	4	5
J Baker (Appointed 8 December 2014)	4	4

There have been three new appointments to the board of governors; a parent representative, a staff governor and a member of the community. Induction and Governor support has supported these members into the role of governor.

The Board of Governors complete a skills audit annually this informs them of any potential gaps in knowledge and experience of the board. The skills audit informs any potential recruitment to the board.

As a consequence of the annual review emphasis was placed in recruiting a member that had sound financial management experience in the business sector. The board also wanted to strengthen its presence in the community and links with the wider community due to the anticipated expansion programme. New members were recruited as an action of the skills audit and future strategic plans.

The Academy has been appointed as sponsor to a Bromley primary school, necessitating the move to a Multi Academy Trust structure. The Governors will in this academic year review its local governance structure under the proposed new MAT organisation.

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to approve the annual budget, review expenditure and forecast against the budget and propose larger items of expenditure. It receives and considers the findings of reports from the internal auditor.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
P Chandler (Chair)	4	4
P Farrow (Accounting officer)	4	4
N Kimber	4	4
I Pittman	3	4
D Stacey	3	4
J Baker (Appointed 8 December 2014)	3	3

## **Review of value for money**

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

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 Governors 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:

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

## **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Nexus Educational Schools Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

## **Capacity to handle risk**

The board of Governors 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 Governors 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 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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## **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint a responsible officer. However, the Governors have appointed Wilkins Kennedy LLP, to complete the internal audit function. Wilkins Kennedy LLP's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

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

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

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

Wilkins Kennedy LLP has delivered their schedule of work as planned and no issues of significance were identified.

## **Review of effectiveness**

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

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

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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

Approved by order of the Board of Governors on 24 November 2015 and signed on its behalf by:

P Chandler  
**Chair**

P Farrow  
**Accounting officer**

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2015**

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As accounting officer of Nexus Educational Schools Trust I have considered my responsibility to notify the academy trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

I confirm that I and the academy trust's Board of Governors 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.

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 Governors and EFA.

Approved on 24 November 2015 and signed by:

P Farrow  
**Accounting Officer**

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) STATEMENT OF GOVERNORS' RESPONSIBILITIES**

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The Governors (who act as trustees for Nexus Educational Schools Trust and are also the directors of Nexus Educational Schools Trust for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 Governors 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 Governors 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 the EFA/DfE have been applied for the purposes intended.

The Governors 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 Board of Governors on 24 November 2015 and signed on its behalf by:

P Chandler  
**Chair**

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEXUS EDUCATIONAL SCHOOLS TRUST**

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We have audited the accounts of Nexus Educational Schools Trust for the year ended 31 August 2015 set out on pages 21 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of Governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 16, the Governors, who are also the directors of Nexus Educational Schools Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF NEXUS EDUCATIONAL SCHOOLS TRUST**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Michelle Wilkes (Senior Statutory Auditor)**

**For and on behalf of Wilkins Kennedy LLP**

**Chartered Accountants**

**Statutory Auditor**

Greytown House

221-227 High Street

Orpington

BR6 ONZ

Dated: 2 December 2015

# **NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEXUS EDUCATIONAL SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 02 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nexus Educational Schools Trust during the period 1 September 2014 to 31 August 2015 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 Educational Schools Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Nexus Educational Schools Trust and the EFA 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 the Nexus Educational Schools Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

## **Respective responsibilities of Nexus Educational Schools Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Nexus Educational Schools Trust's funding agreement with the Secretary of State for Education dated 25 November 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO NEXUS EDUCATIONAL SCHOOLS TRUST AND THE EDUCATION  
FUNDING AGENCY (CONTINUED)**

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**Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**

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

Dated: 02 December 2015

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2015**

		Unrestricted funds	Restricted funds	Fixed Asset funds	Total 2015	Total 2014 9 months
	Notes	£'000	£'000	£'000	£'000	£'000
<b><u>Incoming resources</u></b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	22	6	-	28	32
- Inherited on conversion		-	-	-	-	3,427
- Activities for generating funds	3	81	-	-	81	47
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	-	1,008	-	1,008	683
<b>Total incoming resources</b>		103	1,014	-	1,117	4,189
<b><u>Resources expended</u></b>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	6	83	990	45	1,118	748
Governance costs	7	-	12	-	12	42
<b>Total resources expended</b>	5	83	1,002	45	1,130	790
<b>Net incoming/(outgoing) resources before transfers</b>		20	12	(45)	(13)	3,399
Gross transfers between funds		(7)	(12)	19	-	-
<b>Net income/(expenditure) for the year</b>		13	-	(26)	(13)	3,399
<b><u>Other recognised gains and losses</u></b>						
Actuarial gains/(losses) on defined benefit pension scheme	16	-	(14)	-	(14)	(21)
<b>Net movement in funds</b>		13	(14)	(26)	(27)	3,378
Fund balances at 1 September 2014		73	(129)	3,434	3,378	-
<b>Fund balances at 31 August 2015</b>		86	(143)	3,408	3,351	3,378

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

**NEXUS EDUCATIONAL SCHOOLS TRUST**  
**(FORMERLY FARNBOROUGH PRIMARY SCHOOL)**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Notes	2015 £'000	£'000	2014 £'000	£'000
<b>Fixed assets</b>					
Tangible assets	10		3,408		3,434
<b>Current assets</b>					
Debtors	11	57		46	
Cash at bank and in hand		118		176	
		<u>175</u>		<u>222</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	12	(89)		(149)	
<b>Net current assets</b>			86		73
<b>Net assets excluding pension liability</b>			3,494		3,507
Defined benefit pension liability	16		(143)		(129)
<b>Net assets</b>			<u>3,351</u>		<u>3,378</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	14				
- Fixed asset funds			3,408		3,434
- Pension reserve			(143)		(129)
<b>Total restricted funds</b>			<u>3,265</u>		<u>3,305</u>
<b>Unrestricted income funds</b>	14		86		73
<b>Total funds</b>			<u>3,351</u>		<u>3,378</u>

The accounts were approved by order of the Board of Governors and authorised for issue on 24 November 2015.

P Chandler  
**Chair**

Company Number 08753719

**NEXUS EDUCATIONAL SCHOOLS TRUST**  
**(FORMERLY FARNBOROUGH PRIMARY SCHOOL)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Notes	2015 £'000	2014 9 months £'000
Net cash inflow/(outflow) from operating activities	17	(39)	101
Cash funds transferred on conversion		-	75
		<u>(39)</u>	<u>176</u>
<b>Capital expenditure and financial investments</b>			
Payments to acquire tangible fixed assets		(19)	-
		<u>(19)</u>	<u>-</u>
<b>Net cash flow from capital activities</b>		<u>(19)</u>	<u>-</u>
<b>Increase/(decrease) in cash</b>	18	<u><u>(58)</u></u>	<u><u>176</u></u>

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

---

**1 Accounting policies**

**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**1.2 Going concern**

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

**1.3 Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

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

Interest receivable

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

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1 Accounting policies**

**(Continued)**

**1.4 Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

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

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

The Property has been included at the valuation provided by the EFA when completing their desktop valuation. The academy has a 125 year lease for the use of the land and buildings with the local authority.

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

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

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

**1.6 Leasing commitments**

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

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1 Accounting policies**

**(Continued)**

**1.7 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.

**1.8 Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**1.9 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 Governors.

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

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

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

**2 Voluntary income**

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Donated fixed assets	-	-	-	13
Other donations	22	6	28	19
	<u>22</u>	<u>6</u>	<u>28</u>	<u>32</u>

**3 Activities for generating funds**

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	6	-	6	2
Catering income	22	-	22	20
Other income	53	-	53	25
	<u>81</u>	<u>-</u>	<u>81</u>	<u>47</u>

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	820	820	603
Start up grants	-	-	-	25
Other DfE / EFA grants	-	109	109	40
	<u>-</u>	<u>929</u>	<u>929</u>	<u>668</u>
<b>Other government grants</b>				
Local authority grants	-	58	58	15
Other grants	-	21	21	-
	<u>-</u>	<u>79</u>	<u>79</u>	<u>15</u>
<b>Total funding</b>	<u>-</u>	<u>1,008</u>	<u>1,008</u>	<u>683</u>

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

<b>5 Resources expended</b>	<b>Staff costs £'000</b>	<b>Premises &amp; equipment £'000</b>	<b>Other costs £'000</b>	<b>Total 2015 £'000</b>	<b>Total 2014 £'000</b>
<b>Academy's educational operations</b>					
- Direct costs	654	40	107	801	572
- Allocated support costs	117	36	164	317	176
	<u>771</u>	<u>76</u>	<u>271</u>	<u>1,118</u>	<u>748</u>
<b>Other expenditure</b>					
Governance costs	1	-	11	12	42
	<u>772</u>	<u>76</u>	<u>282</u>	<u>1,130</u>	<u>790</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2015 £'000</b>	<b>2014 £'000</b>
Fees payable to auditor					
- Audit				7	7
- Other services				4	3
				<u>7</u>	<u>3</u>

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

**6 Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	61	586	647	482
Depreciation	-	40	40	40
Technology costs	-	20	20	13
Educational supplies and services	-	42	42	18
Staff development	-	7	7	4
Educational consultancy	-	24	24	-
Other direct costs	-	21	21	15
	<u>61</u>	<u>740</u>	<u>801</u>	<u>572</u>
<b>Allocated support costs</b>				
Support staff costs	-	117	117	54
Depreciation	-	5	5	2
Technology costs	-	20	20	5
Recruitment and support	-	2	2	1
Maintenance of premises and equipment	-	31	31	32
Cleaning	-	5	5	2
Energy costs	-	15	15	9
Rent and rates	-	7	7	6
Insurance	-	6	6	4
Security and transport	-	5	5	4
Catering	22	29	51	27
Interest and finance costs	-	1	1	3
Other support costs	-	52	52	27
	<u>22</u>	<u>295</u>	<u>317</u>	<u>176</u>
<b>Total costs</b>	<u>83</u>	<u>1,035</u>	<u>1,118</u>	<u>748</u>

**7 Governance costs**

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	-	-	-	31
Auditor's remuneration				
- Audit of financial statements	-	7	7	7
- Other audit costs	-	4	4	3
Support staff costs	-	1	1	-
Governors' reimbursed expenses	-	-	-	1
	<u>-</u>	<u>12</u>	<u>12</u>	<u>42</u>

**NEXUS EDUCATIONAL SCHOOLS TRUST  
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2015**

**8 Staff costs**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	619	430
Social security costs	36	28
Other pension costs	101	62
	<u>756</u>	<u>520</u>
Supply teacher costs	9	16
Staff development and other staff costs	7	4
	<u>772</u>	<u>540</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Teachers	10	10
Administration and support	14	8
Management	1	1
	<u>25</u>	<u>19</u>

The number of employees whose annual remuneration was £60,000 or more was:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		<b>2015</b>	<b>2014</b>
Teachers' Pension Scheme	Numbers	1	1
	£'000	10	7
Local Government Pension Scheme	Numbers	-	-
	£'000	-	-

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**9 Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors.

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

P Farrow (Headteacher):

- Remuneration £65,000 - £70,000 (2014: £45,000-£50,000 (9 months))
- Employer's pension contributions £5,000 - £10,000 (2014: £5,000-£10,000 (9 months))

C Amos (10 months) (2014: C Darbourne) (staff):

- Remuneration £20,000 - £25,000 (2014: £20,000-£25,000 (9 months))
- Employer's pension contributions £Nil - £5,000 (2014: £Nil-£5,000 (9 months))

During the year, no expense payments were reimbursed to Governors.

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

**Governors' and officers' insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £500,000 on any one claim and the cost for the year ended cannot be ascertained as it is included with all insurance.

**10 Tangible fixed assets**

	<b>Land and buildings £'000</b>	<b>Computer equipment £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 September 2014	3,463	-	14	3,477
Additions	-	12	7	19
	-----	-----	-----	-----
At 31 August 2015	3,463	12	21	3,496
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 September 2014	40	-	3	43
Charge for the year	40	2	3	45
	-----	-----	-----	-----
At 31 August 2015	80	2	6	88
	-----	-----	-----	-----
<b>Net book value</b>				
At 31 August 2015	3,383	10	15	3,408
	=====	=====	=====	=====
At 31 August 2014	3,423	-	11	3,434
	=====	=====	=====	=====

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<b>11 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	3	5
VAT recoverable	15	9
Other debtors	-	15
Prepayments and accrued income	39	17
	<u>57</u>	<u>46</u>
	<u><u>57</u></u>	<u><u>46</u></u>
<b>12 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Taxes and social security costs	15	12
Other creditors	18	57
Accruals	37	62
Deferred income	19	18
	<u>89</u>	<u>149</u>
	<u><u>89</u></u>	<u><u>149</u></u>
<b>13 Deferred income</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	19	18
	<u>19</u>	<u>18</u>
Total deferred income at 1 September 2014	18	-
Amounts credited to the Statement of Financial Activities	(18)	-
Amounts deferred in the year	19	18
	<u>19</u>	<u>18</u>
<b>Total deferred income at 31 August 2015</b>	<u><u>19</u></u>	<u><u>18</u></u>

At the balance sheet date, the Academy Trust was holding funds received in advance for universal free school meals.

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**14 Funds**

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2015 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	820	(808)	(12)	-
Other DfE / EFA grants	-	109	(109)	-	-
Other government grants	-	79	(79)	-	-
Other restricted funds	-	6	(6)	-	-
	-----	-----	-----	-----	-----
Funds excluding pensions	-	1,014	(1,002)	(12)	-
Pension reserve	(129)	-	-	(14)	(143)
	-----	-----	-----	-----	-----
	(129)	1,014	(1,002)	(26)	(143)
	=====	=====	=====	=====	=====
<b>Restricted fixed asset funds</b>					
General fixed assets	3,434	-	(45)	19	3,408
	-----	-----	-----	-----	-----
<b>Total restricted funds</b>	3,305	1,014	(1,047)	(7)	3,265
	-----	-----	-----	-----	-----
<b>Unrestricted funds</b>					
General funds	73	103	(83)	(7)	86
	-----	-----	-----	-----	-----
<b>Total funds</b>	3,378	1,117	(1,130)	(14)	3,351
	-----	-----	-----	-----	-----

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Other DFE/EFA grants: This includes the pupil premium, the devolved formula, rates relief, universal free school meals, devolved capital grant and sports funding grant.

Other government grants: This includes SEN funding, pupil premium and directed infant children.

Other restricted funds: This includes a restricted donation from the APF in relation to a projector and screen.

The transfer of funds relates to the cover of additional costs over and above those covered by GAG Funding.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

**15 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	3,408	3,408
Current assets	86	89	-	175
Creditors falling due within one year	-	(89)	-	(89)
Defined benefit pension liability	-	(143)	-	(143)
	<u>86</u>	<u>(143)</u>	<u>3,408</u>	<u>3,351</u>

**16 Pensions and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £18k (2014: £nil) were payable to the schemes at 31 August 2015 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' Pensions Regulations (2010) and, from 1 April 2014, 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**

Not less than every four years 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**16 Pensions 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 (currently 14.1%))
- 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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £56k (2014: £37k).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 estimated value of employer contributions for the forthcoming year is £44k.

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.

<b>Contributions made</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	43	25
Employees' contributions	10	6
	<hr/>	<hr/>
Total contributions	53	31
	<hr/> <hr/>	<hr/> <hr/>
 <b>Principal actuarial assumptions</b>	 <b>2015</b>	 <b>2014</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.8	3.7
Rate of increase for pensions in payment	2.3	2.2
Discount rate for scheme liabilities	4.0	4.0
Inflation assumption (CPI)	2.3	2.2
	<hr/> <hr/>	<hr/> <hr/>

**NEXUS EDUCATIONAL SCHOOLS TRUST**  
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**16 Pensions and similar obligations**

**(Continued)**

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

	<b>2015</b>	<b>2014</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	23.1	25.3
- Females	25.5	28.3
Retiring in 20 years		
- Males	25.4	23.0
- Females	28.4	25.4
	<u>          </u>	<u>          </u>

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
	<b>Expected</b>	<b>Fair value</b>	<b>Expected</b>	<b>Fair value</b>
	<b>return</b>	<b>£'000</b>	<b>return</b>	<b>£'000</b>
	<b>%</b>		<b>%</b>	
Equities	6.5	152	7.0	107
Other bonds	3.6	33	3.8	25
Cash	0.5	1	0.5	1
Other assets	0.65	22	7.0	17
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total market value of assets		208		150
Present value of scheme liabilities - funded		(351)		(279)
		<u>          </u>		<u>          </u>
Net pension asset / (liability)		(143)		(129)
		<u>          </u>		<u>          </u>

The expected return on the fund (on a bid value to bid value basis) for the year to 31 August 2015 is estimated to be 5.73%. This is based on the estimated fund value used at this accounting date. The actual return on Scheme assets was £5k.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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16 Pensions and similar obligations	(Continued)	
<b>Amounts recognised in the statement of financial activities</b>		
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	42	19
Past service cost	-	-
	<u>42</u>	<u>19</u>
Total operating charge	<u>42</u>	<u>19</u>
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(11)	(5)
Interest on pension liabilities	12	8
	<u>1</u>	<u>3</u>
Net finance costs/(income)	<u>1</u>	<u>3</u>
<b>Total charge/(income)</b>	<u>43</u>	<u>22</u>
<b>Actuarial gains and losses recognised in the statement of financial activities</b>		
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial (gains)/losses on assets: actual return less expected	6	(4)
Experience (gains)/losses on liabilities	8	25
(Gains)/losses arising from changes in assumptions	-	-
	<u>14</u>	<u>21</u>
Total (gains)/losses	<u>14</u>	<u>21</u>
Cumulative (gains)/losses to date	<u>14</u>	<u>-</u>
<b>Movements in the present value of defined benefit obligations</b>		
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Obligations at 1 September 2014	(279)	-
Obligations acquired on conversion	-	(221)
Current service cost	(42)	(19)
Interest cost	(12)	(8)
Contributions by employees	(10)	(6)
Actuarial gains/(losses)	(8)	(25)
	<u>(351)</u>	<u>(279)</u>
At 31 August 2015	<u>(351)</u>	<u>(279)</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

<b>16 Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>Movements in the fair value of scheme assets</b>		
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Assets at 1 September 2014	150	-
Assets acquired on conversion	-	110
Expected return on assets	11	5
Actuarial gains/(losses)	(6)	4
Contributions by employers	43	25
Contributions by employees	10	6
	<u>208</u>	<u>150</u>
	<u><u>208</u></u>	<u><u>150</u></u>
<b>History of experience gains and losses</b>		
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Present value of defined benefit obligations	(351)	(279)
Fair value of share of scheme assets	208	150
	<u>(143)</u>	<u>(129)</u>
	<u><u>(143)</u></u>	<u><u>(129)</u></u>
Experience adjustment on scheme assets	(6)	4
Experience adjustment on scheme liabilities	(8)	(25)
	<u><u>(6)</u></u>	<u><u>(25)</u></u>
<b>17 Reconciliation of net income to net cash inflow/(outflow) from operating activities</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Net income	(13)	3,399
Capital grants and similar income	-	(13)
Net deficit/(surplus) transferred on conversion	-	(3,427)
Defined benefit pension costs less contributions payable	(1)	(6)
Defined benefit pension finance costs/(income)	1	3
Depreciation of tangible fixed assets	45	42
(Increase)/decrease in debtors	(11)	(46)
Increase/(decrease) in creditors	(60)	149
	<u>(39)</u>	<u>101</u>
	<u><u>(39)</u></u>	<u><u>101</u></u>

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**FOR THE YEAR ENDED 31 AUGUST 2015**

<b>18</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2015</b>	<b>2014</b>
		<b>£'000</b>	<b>£'000</b>
	Increase/(decrease) in cash	(58)	176
	Net funds at 1 September 2014	176	-
		<u>          </u>	<u>          </u>
	<b>Net funds at 31 August 2015</b>	<b>118</b>	<b>176</b>
		<u>          </u>	<u>          </u>

<b>19</b>	<b>Analysis of net funds</b>				
		<b>At 1 September</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>At 31 August</b>
		<b>2014</b>		<b>changes</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Cash at bank and in hand	176	(58)	-	118
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**20 Contingent liabilities**

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

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

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

**21 Commitments under operating leases**

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	<b>2015</b>		<b>2014</b>
	<b>£'000</b>		<b>£'000</b>
Expiry date:			
- Within one year	-		1
	<u>          </u>		<u>          </u>

**22 Related parties**

Owing to the nature of the academy trust's operations and the composition of the Board of Governors 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.

During the year the academy trust incurred support, intervention and procurement costs of £2,230 from the Academy Learning Collaborative. At the balance sheet date no amounts were outstanding.

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**23 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.