

Company Registration No. 08753719 (England and Wales)

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

DIRECTORS' STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

Directors

P Chandler (Chair)
P Farrow (Accounting officer)
N Kimber
I Pittman (Resigned 26 February 2016)
D Stacey
C Amos (Resigned 22 February 2016)
M Hughes (Resigned 22 February 2016)
J Baker (Resigned 22 February 2016)
A Youd (Appointed 26 February 2016)

Members

P Chandler
A Webber
S Charman
M Jones
C Lloyd

Senior leadership team

P Farrow	- Executive Headteacher
C Browne	- Head of School
L Ashley	- Head of School
R Williams	- Headteacher
E Palmer	- Deputy Headteacher
K Panoyta	- Acting Deputy Head

Company secretary

S Dossetter

Company registration number

08753719 (England and Wales)

Registered office

Farnborough Primary School
Farnborough Hill
Orpington
BR6 7EQ

Academies operated

Nexus Educational Schools Trust
Farnborough Primary School
Worsley Bridge Primary School

Location

Bromley
Farnborough
Beckenham

Headteacher

P Farrow
P Farrow
R Williams

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

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

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates two academies servicing catchment areas in the Farnborough and Crofton Ward and Beckenham Ward

Both Schools are 4-11 mainstream Primary Schools with a combined capacity of 870 and a current combined roll of approximately 680 pupils in the census October 2016

Nexus Education Schools Trust (N.E.S.T) works in partnership with the Academy Learning Collaborative Umbrella Trust (ALC). Farnborough Primary School is a member of the Umbrella Trust. The ALC umbrella Trust has a membership of 9 Academy schools.

Over the coming three years Nexus Education Schools Trust MAT plans to grow a hub of up to 12 local primary schools. A combination of continued growth in its existing schools and the incorporation of new member schools will see projected total pupil numbers in the Trust rise steadily from the current 870 to over 4,500 by 2020.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08753719) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Trust Directors act as the Trustees for the charitable activities of Nexus Education Schools Trust (N.E.S.T) and are also Directors of the charitable company for the purposes of company law. 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.

Worsley Bridge Primary School converted to an academy and joined the Nexus Educational Schools Trust on the 1 January 2016.

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) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Method of recruitment and appointment or election of directors

Members

The Members of the Academy Trust shall comprise:

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

Trustees

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

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

- up to 7 trustees, subject to Articles 48 and 49 and appointed under Article 50 to include individuals with relevant skills which may include (without limitation), finance, HR and school improvement
- The number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum
- a Chief Executive Officer /Executive Head Teacher. The total number of Trustees including the under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees
- a minimum of two Parent Local Committee Member appointed under Articles 53 – 58. Each Local Committees include at least two parent members.

The Academy Trust may also have any Co-opted Trustee appointed under Article 58.

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.

Policies and procedures adopted for the induction and training of directors

During the period under review the Trustees held 4 board meetings. The training and induction provided for new Trustees and Local committee members will depend on their existing experience. Each new trustee and Local Committee member receives induction training through the Bromley Governor training package. All are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees or Local Committee members.

Organisational structure

The Trust has an organisational structure which presently consists of three levels; trust board, local committees for each school and a senior leadership team. The trust is held to account by its members. The management structure through devolved responsibility enables the efficient running, involvement of decision making at all levels and the successful implementation of the trusts and school strategic priorities.

The Trust board is responsible for setting general policy, adopting an annual strategic plan and budget; monitoring of the trusts school's performance, financial expenditure and impact through benchmarking

The Local Committees representation for each school is recommended to consists of the Headteacher; up to two staff members, up to three community members and two parent members; all of who have been elected or appointed by the school community. The Local Committee may also have any Co-opted member appointed to support the strategic priorities of the school or the trust.

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

FOR THE YEAR ENDED 31 AUGUST 2016

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

Management structure at school level

The structure consists of four levels: the Local Committee, 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 Local Committee members are responsible for setting general policy, agreeing a draft budget, to be ratified by the trust board, adopting an annual School Development Plan, monitoring the Academy by the use of key objective budgets and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Senior Leadership Team are the Executive Head Teacher, Headteachers/ Heads of School, Phase Leaders and Deputy Headteacher. These leaders control the Academy at an executive level implementing the policies laid down by the board and Local committee and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for senior leader posts contain at least one local committee member. Some spending control is devolved to Middle Leaders, with limits above which the Headteacher must countersign. The Trust board monitors, evaluates and supports the work of the local committee and management teams within each school. It is the intention as the Multi Academy Trust develops members of the Local Committee will form hubs and representatives will be members of the Trust boards committees.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for all staff employed by the Trust is reviewed annually. The Trust follows the guidance from the School teachers pay and conditions document and any relevant body when reviewing salary. All senior leadership remuneration is in line with the ISR unit rating for the individual school. Where leaders are working across two schools in an executive role, the combined unit of the schools will be used to formulate an ISR rating for the executive role. Where recruitment and retention of leaders is problematic or set skills are required then the board may enhance the ISR point by up to 25% in-line with the recommendations of the STPCD.

The Trust has a robust model of performance management for all its Head Teachers completed by an external reviewer. Recommendation for pay awards by the Local Committee are agreed by the Trust board. The role and performance of the executive Head Teacher a Key management person within the trust is reviewed and assessed by the Trust board pay committee with advice from an external improvement partner.

Related parties and other connected charities and organisations

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

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. For 2015-16 it was agreed no additional fees were paid by the schools, as individual schools explored the option of Multi Academy Trust status.

Objectives and activities

Objects and aims

Mission

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

Vision

"Excellence and opportunity for all"

Aims

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

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

FOR THE YEAR ENDED 31 AUGUST 2016

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.

Through -

- respecting individual differences, ensuring equality of opportunity.
- developing 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.
- developing the child's ability to communicate effectively, form relationships and to participate as an effective member of the community.
- developing in each child the confidence to be creative, to question and to challenge their own thinking and the thinking of others.
- Creating a safe and stimulating environment in which every child can succeed and where everyone strives to build on their achievements.

Values

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

Nexus Education Schools Trust fully supports the independence and distinguishing characteristics of each of the Academies. It seeks to provide:-

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

Our Trust schools value

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

Our core values are:-

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

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

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

FOR THE YEAR ENDED 31 AUGUST 2016

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

Objectives, strategies and activities

The main objectives of the Trust during the period ended 31 August 2016 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 Academies 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 communities
- to conduct the Multi Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

Nexus Education Schools Trust (NEST) community of schools, values diversity and seeks to give everyone 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 any NEST School

Nexus Education Schools Trust schools strive to ensure pupils are happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at School. They develop as independent 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 trust staff 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 fulfil their roles as true partners, recognizing their role in the pupil - school - parent partnership to ensure that their child realises his/her potential.

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

Public benefit

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

The criteria used to admit pupils Trust schools; Farnborough Primary School and Worsley Bridge Primary School :-

- Looked after children
- Siblings
- Proximity to the School

In September 2015 the furthest offer made at Farnborough Primary School was 0.32 miles from the School. All places were offered at Worsley Bridge Primary School. All Nexus Education Trust Schools follows the London Borough of Bromley Admission Procedures (see LBB website).

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

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

Pupils in the two trust schools come from a very wide range of social, cultural and economic backgrounds. The trust prides itself on being inclusive. The Trust's academies continue to develop and adapt to the new education landscape. During the year the trust expanded and sponsored a new primary academy in January 2016. The Trust had been working with the sponsor school during the previous academic year. The examination results in 2016 are not comparable to those in 2015 as the type, and content are related to the new curriculum expectations.

The trust board uses national, local and school data as Key performance indicators, along with the OFSTED framework. It monitors the schools against local and national data to ensure high standards of achievement. Each school is externally evaluated and RAG rated termly to monitor the effectiveness of each school against the OFSTED framework.

Farnborough Primary School

The inspection graded the school is Outstanding in all areas. The school is also National Support School supporting and developing other schools. The Executive Head Teacher has provided intensive leadership support during the year to the sponsor school. The school accepted a bulge class in September 2015 as part of a partnership with the Local Authority to provide sufficient school places and increase outstanding provision. In 2014 after consultation it was agreed that the school would expand to 2 forms of entry. Planning permission for the expansion is still awaiting approval.

The percentage of pupils eligible for free school meals is 3% (2016) below the national average, with 9.2% on the Ever 6 FSM. In 2015 -16 there were 18.83% of pupils identified with Special Educational Needs. Pupil attendance and behaviour is outstanding. In 2015 the attendance percentage was 97, placing the school in the top 20% of all schools nationally.

During this academic year Farnborough continued to be a member of the Academy Learning Collaborative. The ALC operates a programme of internal and external reviews of curriculum areas and has an external quality assurance review as part of its membership. The three external reviews in attainment, Teaching and Learning and Leadership, Farnborough was rag rated green against the OFSTED outcomes judgements.

Worsley Bridge Primary School

The school became part of the trust in January 2016 as sponsored academy, with a requires improvement OFSTED grading. The Head Teacher from Farnborough led the school from June 2015 as part of the intensive support prior to the move to the trust. Results in 2016, although not comparable to previous has shown the school to make rapid progress and the recruitment of a new leadership team and staff has provide stability and confidence. The Head Teacher from Farnborough continues to provide support in the capacity of the Executive Head Teacher across both schools. The school has had intensive upgrades to the building and in July 2016 the 3.5 million pound funded project in partnership with the LA, providing additional schools places was completed.

The percentage of pupils eligible for free school meals is 15.5% (2016) above Bromley LA at 10.2%, this figure has dropped by 5% over the year as an impact of the Universal school meal offer. In 2015 -16 there were 11.4% of pupils identified with Special Educational Needs.

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

FOR THE YEAR ENDED 31 AUGUST 2016

Attainment

(class size in bracket)	Key Stage 1 Expected			Key Stage 1 Exceeding Expected		
	Reading	Writing	Maths	Reading	Writing	Maths
Farnborough Primary School	73.3% (30)	73.3% (30)	76.7 % (30)	33.3% (30)	16.7% (30)	23.3% (30)
Worsley Bridge Primary School	80.4% (56)	76.8% (56)	76.8% (56)	19.6% (56)	14.3% (56)	23.2% (56)
Bromley (provisional)	79.9%	71.7%	79 %			
National (if available)						

	Key Stage 2 Expected			
	Reading	Writing	Maths	Science
Farnborough Primary School	82.8% (29)	89.7% (29)	51.7% (29)	100% (29)
Worsley Bridge Primary School	70.6% (51)	80.4% (51)	80.4% (51)	92.2% (51)
Bromley	77.9%	81.1%	80.5%	87.6%

Key performance indicators

The trustees consider the following to be the Key performance indicators for the Multi Academy Trust

Pupil numbers

The trust considers this to be a leading factor in the viability of extending the services and opportunities within its schools. The trust aims to provide education for 5,000 pupils.

Financial stability

The trust aims for expenditure not to exceed income. Schools are delegated the responsibility to match priority to expenditure. A school's budget is ratified by the board. Centralised fund income and expenditure is agreed by Nexus Education Schools Trust and is accountable to its member schools for the provision of agreed services. The level of services is matched to the income and expenditure of the member schools

Staff costs

The trust monitors the percentage of income received from the EFA against staffing costs in the academies.

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.

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 2016 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 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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

FOR THE YEAR ENDED 31 AUGUST 2016

During the year ended 31 August 2016, total expenditure of £2,699K (2015: £1,130k) 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 £514k (2015: £32k).

At 31 August 2016 the net book value of fixed assets was £6,895k (2015: £3,408k). Movements in tangible fixed assets are shown in Note 12 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 £588k (2015:£143k)at 31 August 2016.

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 £172k (2015: £62k).

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 £378k (2015: £76k). (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.

The total of free reserves increased this year with the transfer of Worsley Bridge Primary to the N.E.S.T MAT. Thirty percent of these reserves had been identified as ongoing developmental works at the Worsley Bridge site. The completion of these works will bring the reserves in line with the Trust policy of four weeks expenditure for each academy within the group.

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 2016 of £46,919k (2015: £3,351k) comprising £6,541k (2015: £3,265k) of restricted funds and £378k (2015: £86k) of unrestricted general funds. Of the restricted funds, £6,895k (2015: £3,408k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £588k (2015: £143k) in deficit.

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

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

FOR THE YEAR ENDED 31 AUGUST 2016

For Farnborough Primary the prolonged planning process for expansion has required remedial measures to be undertaken by the trust to the premises. Possible long term strategic implications of further delay in the planning process could be a risk to staff retention and recruitment. The building will require significant updating in 5 -10 years and in the short term the infrastructure will not accommodate new technology adequately. The funding that is presently allocated to the development could be redirected elsewhere in the future to meet demand for places resulting in significant financial repercussions for the trust to resource major development. The lack of additional school places at Farnborough would add to the insufficiency of primary school places and choice within the Local Authority. Directors have set out to mitigate the risk by working in partnership with the Local Authority to ensure that expansion provides sufficient places for children within the local community and enables the school to strengthen and develop the educational offer.

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 £588k (2015: £143k).

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.

Both Schools have a very good understanding of their strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The Schools also make good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The School Development Plans (SDP) have key areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the Executive Headteacher, Head Teachers, Heads of School 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 across the Trust to fulfil each School's moral imperative to improve the quality of learning for all our pupils. Our fundamental approach is improving on our previous best.

Nexus Education Schools Trust has implemented a school improvement programme with 8 other Academy schools in 2016 - 17. All academies have agreed to commit 1.5% of the General Annual Grant to a joint school improvement programme. The programme includes element of monitoring, support, training and improvements identified through the analysis of data and school improvement priorities.

January 2017 will see the trust expand to include an outstanding convertor academy. The school also incorporates a teaching school and will complement the work of the Trust and its partner schools.

The ongoing pressure on school places and the commitment to expand Farnborough Primary after consultation and in partnership with the Local Authority, to a two form entry is continuing to be debated by the planning committee. 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. Worsley Bridge Primary School continues to grow year on year as it moves to a 3 forms of entry primary school.

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

FOR THE YEAR ENDED 31 AUGUST 2016

Nexus Education School Trust continues to provide efficient and effective resourcing for its schools. It has a long term aim to provide a hub for 5,000 pupils providing its partner schools economies of scale.

Auditor

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors 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 22 November 2016 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 2016

Scope of responsibility

As directors 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 Directors' Report and in the Statement of Directors' Responsibilities. There was an increase in number of meetings due to the move to Multi Academy Trust Status. The Board of Trust Directors has formally met 8 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Directors	Meetings attended	Out of possible
P Chandler (Chair)	8	8
P Farrow (Accounting officer)	7	8
N Kimber	8	8
I Pittman (Resigned 26 February 2016)	4	5
D Stacey	8	8
C Amos (Resigned 22 February 2016)	5	5
M Hughes (Resigned 22 February 2016)	4	5
J Baker (Resigned 22 February 2016)	3	5
A Youd (Appointed 26 February 2016)	3	3

During the Year 2015 - 16 the Trust has moved from a single academy to a Multi Academy Trust organisation; Nexus Education Schools Trust. In January 2016 the Board of Directors of Farnborough Primary Single Academy began the move to separate the Board of Directors from the School and implement a Local Committee at Farnborough Primary School. Resignations from the Board allowed the separation of roles at the Local Level and Board of Directors. An additional board member was recruited with a further two being recruited as the Trust develops. The Board of Directors has also provided interim Governance of Worsley Bridge Primary School, whilst it required intensive support. In September 2016 the Board of Directors will induct a new local committee a Worsley Bridge and begin the transition process to separate the Board roles from the Local Committee at Worsley Bridge

The Local Committee at Farnborough Primary School and the Board has completed a skills audit and a leadership review during this period. A full review of Governance will be completed in January 2016 following one full year of Multi Academy Trust status

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

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:

Directors	Meetings attended	Out of possible
P Chandler (Chair)	4	4
P Farrow (Accounting officer)	4	4
N Kimber	4	4
I Pittman (Resigned 26 February 2016)	2	2
D Stacey	4	4
J Baker (Resigned 22 February 2016)	1	2
A Youd (Appointed 26 February 2016)	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 Trust Directors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Nexus Educational Schools Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of directors 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 directors 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 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of directors.

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

FOR THE YEAR ENDED 31 AUGUST 2016

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.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 22 November 2016 and signed on its behalf by:

P Chandler
Chair

P Farrow
Accounting officer

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016**

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 2015.

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 2015.

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.

P Farrow
Accounting Officer

22 November 2016

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The directors (who also act as trustees for Nexus Educational Schools Trust) are responsible for preparing the Directors' 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 directors to prepare accounts for each financial year. Under company law the directors 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 directors 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 2015 to 2016;
- 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 directors 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 directors 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 EFA/DfE have been applied for the purposes intended.

The directors 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 22 November 2016 and signed on its behalf by:

P Chandler
Chair

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

We have audited the accounts of Nexus Educational Schools Trust for the year ended 31 August 2016 set out on pages 22 to 45. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 17, the directors, who also act as trustees for the charitable activities of Nexus Educational Schools Trust, 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 directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Report including the incorporated strategic 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 2016 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 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report including the incorporated strategic 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 ON THE ACCOUNTS TO THE MEMBERS OF
NEXUS EDUCATIONAL SCHOOLS TRUST (CONTINUED)**

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 directors' 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: 30 November 2016

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

In accordance with the terms of our engagement letter dated 2 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 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 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 Nexus Educational Schools Trust and 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by 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)**

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 2015 to 31 August 2016 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: 30 November 2016

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						
Donations and capital grants	2	39	-	-	39	28
Donations - transfer from local authority on conversion	25	302	(180)	3,398	3,520	-
Charitable activities:						
- Funding for educational operations	3	-	2,864	-	2,864	1,008
Other trading activities	4	101	-	-	101	81
Investments	5	1	-	-	1	-
Total income and endowments		<u>443</u>	<u>2,684</u>	<u>3,398</u>	<u>6,525</u>	<u>1,117</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	76	2,540	86	2,702	1,125
Total expenditure	6	<u>76</u>	<u>2,540</u>	<u>86</u>	<u>2,702</u>	<u>1,125</u>
Net income/(expenditure)		367	144	3,312	3,823	(8)
Transfers between funds		(75)	(100)	175	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(258)	-	(258)	(19)
Net movement in funds		<u>292</u>	<u>(214)</u>	<u>3,487</u>	<u>3,565</u>	<u>(27)</u>
Reconciliation of funds						
Total funds brought forward		86	(143)	3,408	3,351	3,378
Total funds carried forward		<u>378</u>	<u>(357)</u>	<u>6,895</u>	<u>6,916</u>	<u>3,351</u>

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2015
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	2	22	6	-	28
Charitable activities:					
- Funding for educational operations	3	-	1,008	-	1,008
Other trading activities	4	81	-	-	81
Total income and endowments		103	1,014	-	1,117
Expenditure on:					
Charitable activities:					
- Educational operations	7	83	997	45	1,125
Total expenditure	6	83	997	45	1,125
Net income/(expenditure)		20	17	(45)	(8)
Transfers between funds		(7)	(12)	19	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(19)	-	(19)
Net movement in funds		13	(14)	(26)	(27)
Reconciliation of funds					
Total funds brought forward		73	(129)	3,434	3,378
Total funds carried forward		86	(143)	3,408	3,351

NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
BALANCE SHEET
AS AT 31 AUGUST 2016

	Notes	2016 £'000	£'000	2015 £'000	£'000
Fixed assets					
Tangible assets	12		6,895		3,408
Current assets					
Debtors	13	238		57	
Cash at bank and in hand		718		118	
		<u>956</u>		<u>175</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(344)		(89)	
Net current assets			612		86
Net assets excluding pension liability			7,507		3,494
Defined benefit pension liability	18		(591)		(143)
Net assets			<u>6,916</u>		<u>3,351</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			6,895		3,408
- Restricted income funds			234		-
- Pension reserve			(591)		(143)
Total restricted funds			<u>6,538</u>		<u>3,265</u>
Unrestricted income funds	16		378		86
Total funds			<u>6,916</u>		<u>3,351</u>

The accounts set out on pages 22 to 45 were approved by the Board of Governors and authorised for issue on 22 November 2016 and are signed on its behalf by:

P Chandler
Chair

Company Number 08753719

NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		472		(39)
Cash funds transferred on conversion			302		-
			<u>774</u>		<u>(39)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1		-	
Payments to acquire tangible fixed assets		(175)		(19)	
			<u>(174)</u>		<u>(19)</u>
Change in cash and cash equivalents in the reporting period					
			600		(58)
Cash and cash equivalents at 1 September 2015			118		176
Cash and cash equivalents at 31 August 2016			<u>718</u>		<u>118</u>

NEXUS EDUCATIONAL SCHOOLS TRUST (FORMERLY FARNBOROUGH PRIMARY SCHOOL) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These accounts for the year ended 31 August 2016 are the first accounts of Nexus Educational Schools Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

1.2 Going concern

The directors 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 directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Worsley Bridge Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

1.4 Income

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

Grants 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 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.

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

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 when there is entitlement 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 are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Interest receivable

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

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.

Governance costs

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

1.6 Tangible fixed assets and depreciation

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

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

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

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

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

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

1.7 Liabilities

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

1.8 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 2016**

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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. Actuarial gains and losses are recognised immediately 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 directors.

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.

1.12 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.

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

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 18, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

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

Bad debts

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

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

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Other donations	39	-	39	28
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	1,950	1,950	820
Start up grants	-	70	70	-
Other DfE / EFA grants	-	324	324	109
	-----	-----	-----	-----
	-	2,344	2,344	929
	=====	=====	=====	=====
Other government grants				
Local authority grants	-	520	520	58
Special educational projects	-	-	-	21
	-----	-----	-----	-----
	-	520	520	79
	=====	=====	=====	=====
Total funding	-	2,864	2,864	1,008
	=====	=====	=====	=====

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	7	-	7	6
Catering income	38	-	38	22
Other income	56	-	56	53
	-----	-----	-----	-----
	101	-	101	81
	=====	=====	=====	=====

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	1	-	1	-
	=====	=====	=====	=====

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	1,646	75	222	1,943	801
- Allocated support costs	222	93	444	759	324
	<u>1,868</u>	<u>168</u>	<u>666</u>	<u>2,702</u>	<u>1,125</u>
Total expenditure	<u>1,868</u>	<u>168</u>	<u>666</u>	<u>2,702</u>	<u>1,125</u>

Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	11	7
- Other services	8	4
Depreciation of tangible fixed assets	86	45
	<u>105</u>	<u>56</u>

Central services

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

- cleaning;
- financial services;

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

- 4.5% of GAG School Budget Share

The amounts charged during the year were as follows:

	Total £'000
Nexus Educational Schools Trust	-
Farnborough Primary School	-
Worsley Bridge Primary School	59
	<u>59</u>

NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	38	1,905	1,943	801
Support costs - educational operations	38	721	759	324
	<u>76</u>	<u>2,626</u>	<u>2,702</u>	<u>1,125</u>

	2016 £'000	2015 £'000
Analysis of support costs		
Support staff costs	221	116
Depreciation and amortisation	11	5
Technology costs	52	20
Premises costs	182	58
Other support costs	264	113
Governance costs	29	12
	<u>759</u>	<u>324</u>

8 Governance costs

	Total 2016 £'000	Total 2015 £'000
All from restricted funds:		
Amounts included in support costs		
Legal and professional fees	9	-
Auditor's remuneration		
- Audit of financial statements	11	7
- Other audit costs	8	4
Support staff costs	1	1
	<u>29</u>	<u>12</u>

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

9 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	1,416	618
Social security costs	104	36
Operating costs of defined benefit pension schemes	244	100
	<hr/>	<hr/>
Staff costs	1,764	754
Supply staff costs	93	9
Staff development and other staff costs	11	8
	<hr/>	<hr/>
Total staff expenditure	1,868	771
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2016 Number	2015 Number
Teachers	31	12
Administration and support	55	26
Management	4	2
	<hr/>	<hr/>
	90	40
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	1	1
£140,001 - £150,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

Key management personnel

The key management personnel of the academy trust comprise the directors 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 £294k (2015: £122).

NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

10 Directors' remuneration and expenses

One or more of the directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff directors 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 directors.

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

P Farrow (Headteacher):

- Remuneration £105,001 - £110,000 (2015: £65,000 - £70,000)
- Backdated payrise £40,000 - £45,000 (2015: £nil)
- Employer's pension contributions £15,000 - £20,000 (2015: £5,000-£10,000)

C Amos (staff):

- Remuneration £nil (2015: £20,000-£25,000)
- Employer's pension contributions £nil (2015: £Nil-£5,000)

Last year training and subscription costs totalling £310 were paid by the Trust on behalf of the directors. No costs were paid this year. Other related party transactions involving the directors are set out within the related parties note.

11 Directors and officers insurance

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

12 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 September 2015	3,463	12	21	3,496
Transfer on conversion	3,398	-	-	3,398
Additions	-	22	153	175
At 31 August 2016	6,861	34	174	7,069
Depreciation				
At 1 September 2015	80	2	6	88
Charge for the year	75	5	6	86
At 31 August 2016	155	7	12	174
Net book value				
At 31 August 2016	6,706	27	162	6,895
At 31 August 2015	3,383	10	15	3,408

Included in land and buildings is land of £2,258,000 (2015: £1,469,000) which is not depreciated.

NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

12	Tangible fixed assets		(Continued)
13	Debtors	2016	2015
		£'000	£'000
	Trade debtors	72	3
	VAT recoverable	49	15
	Prepayments and accrued income	117	39
		<u>238</u>	<u>57</u>
14	Creditors: amounts falling due within one year	2016	2015
		£'000	£'000
	Other taxation and social security	43	15
	Other creditors	45	18
	Accruals and deferred income	256	56
		<u>344</u>	<u>89</u>
15	Deferred income	2016	2015
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	65	19
		<u>65</u>	<u>19</u>
	Deferred income at 1 September 2015	19	18
	Released from previous years	(19)	(18)
	Amounts deferred in the year	65	19
		<u>65</u>	<u>19</u>
	Deferred income at 31 August 2016	65	19

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

NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	-	1,950	(1,808)	(100)	42
Start up grants	-	70	(53)	-	17
Other DfE / EFA grants	-	324	(274)	-	50
Other government grants	-	520	(395)	-	125
	-----	-----	-----	-----	-----
Funds excluding pensions	-	2,864	(2,530)	(100)	234
Pension reserve	(143)	(180)	(10)	(258)	(591)
	-----	-----	-----	-----	-----
	(143)	2,684	(2,540)	(358)	(357)
	=====	=====	=====	=====	=====
Restricted fixed asset funds					
Inherited fixed asset fund	-	3,398	-	(3,398)	-
General fixed assets	3,408	-	(86)	3,573	6,895
	-----	-----	-----	-----	-----
	3,408	3,398	(86)	175	6,895
	=====	=====	=====	=====	=====
Total restricted funds	3,265	6,082	(2,626)	(183)	6,538
	=====	=====	=====	=====	=====
Unrestricted funds					
General funds	86	443	(76)	(75)	378
	-----	-----	-----	-----	-----
Total funds	3,351	6,525	(2,702)	(258)	6,916
	=====	=====	=====	=====	=====

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 2016.

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

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

The transfer of funds relates to the purchase of fixed assets during the period.

NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

(Continued)

Analysis of academies by fund balance

	Total
	£'000
Fund balances at 31 August 2016 were allocated as follows:	
Nexus Educational Schools Trust	108
Farnborough Primary School	131
Worsley Bridge Primary School	373
	<hr/>
Funds excluding fixed asset fund and pensions reserve	612
Restricted fixed asset fund	6,895
Pension reserve	(591)
	<hr/>
Total funds	<u>6,916</u>

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£'000	£'000	£'000	£'000	£'000
Nexus Educational Schools Trust	-	-	-	71	71
Farnborough Primary School	870	125	33	328	1,356
Worsley Bridge Primary School	766	96	29	288	1,179
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,636	221	62	687	2,606
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total 2016
	£'000	General	Fixed asset	£'000
		£'000	£'000	
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	6,895	6,895
Current assets	378	578	-	956
Creditors falling due within one year	-	(344)	-	(344)
Defined benefit pension liability	-	(591)	-	(591)
	<hr/>	<hr/>	<hr/>	<hr/>
	378	(357)	6,895	6,916
	<hr/>	<hr/>	<hr/>	<hr/>

**NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

18 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 £37k (2015: £18k) were payable to the schemes at 31 August 2016 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.

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

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

**NEXUS EDUCATIONAL SCHOOLS TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

18 Pensions and similar obligations

(Continued)

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 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 agreed contribution rates for future years are 24.3% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £112k.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 25) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2016	2015
	£'000	£'000
Employer's contributions	91	43
Employees' contributions	21	10
	<u> </u>	<u> </u>
Total contributions	112	53
	<u> </u>	<u> </u>
Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	3.3	3.8
Rate of increase for pensions in payment	1.9	2.3
Discount rate	2.1	4.0
Inflation assumption (CPI)	1.8	2.3
	<u> </u>	<u> </u>

NEXUS EDUCATIONAL SCHOOLS TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

18 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:

	2016	2015
	Years	Years
Retiring today		
- Males	23.2	23.1
- Females	25.6	25.5
Retiring in 20 years		
- Males	25.5	25.4
- Females	28.5	28.4

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

	2016	2015
	Fair value	Fair value
	£'000	£'000
Equities	412	152
Other bonds	86	33
Cash	5	1
Other assets	50	22
Total market value of assets	553	208
Actual return on scheme assets - gain/(loss)	89	(6)

Amounts recognised in the statement of financial activities

	2016	2015
	£'000	£'000
Current service cost (net of employee contributions)	88	42
Net interest cost	10	(3)
Administration expenses	3	(1)
Total operating charge	101	38

Changes in the present value of defined benefit obligations

	2016	2015
	£'000	£'000
Obligations at 1 September 2015	351	279
Obligations acquired on conversion	327	-
Current service cost	88	42
Interest cost	24	12
Employee contributions	21	10
Actuarial loss	333	8
At 31 August 2016	1,144	351

NEXUS EDUCATIONAL SCHOOLS TRUST
(FORMERLY FARNBOROUGH PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

18	Pensions and similar obligations	(Continued)	
	Changes in the fair value of the academy trust's share of scheme assets	2016	2015
		£'000	£'000
	Assets at 1 September 2015	208	150
	Assets acquired on conversion	147	-
	Interest income	14	7
	Return on plan assets (excluding amounts included in net interest):		
	Actuarial gain	75	(1)
	Employer contributions	91	43
	Employee contributions	21	10
	Administration expenses	(3)	(1)
		<hr/>	<hr/>
	At 31 August 2016	553	208
		<hr/> <hr/>	<hr/> <hr/>
19	Reconciliation of net income/(expenditure) to net cash flows from operating activities		
		2016	2015
		£'000	£'000
	Net income/(expenditure) for the reporting period	3,823	(8)
	Adjusted for:		
	Net deficit/(surplus) transferred on conversion	(3,520)	-
	Investment income	(1)	-
	Defined benefit pension costs less contributions payable	-	(2)
	Defined benefit pension net finance cost/(income)	10	(3)
	Depreciation of tangible fixed assets	86	45
	(Increase)/decrease in debtors	(181)	(11)
	Increase/(decrease) in creditors	255	(60)
		<hr/>	<hr/>
	Net cash provided by operating activities	472	(39)
		<hr/> <hr/>	<hr/> <hr/>
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.

**NEXUS EDUCATIONAL SCHOOLS TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016	2015
	£'000	£'000
Amounts due in two and five years	4	-
	<u> </u>	<u> </u>

22 Capital commitments

	2016	2015
	£'000	£'000
Expenditure contracted for but not provided in the accounts	23	-
	<u> </u>	<u> </u>

23 Related party transactions

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.

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

24 Members' liability

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

25 Conversion to an academy

On 1 January 2016 the Worsley Bridge Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nexus Educational Schools Trust from the London Borough of Bromley Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion
Worsley Bridge Primary School	Beckenham	1 January 2016

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25 Conversion to an academy

(Continued)

	2016
	£'000
Net assets transferred:	
Freehold land and buildings	3,398
Cash	302
LGPS pension surplus/(deficit)	(180)
	<u>3,520</u>

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£'000	£'000	£'000	£'000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	3,398	3,398
LGPS pension funds	-	(180)	-	(180)
Other funds	302	-	-	302
	<u>302</u>	<u>(180)</u>	<u>3,398</u>	<u>3,520</u>

The property and land have been transferred on a 125 year lease from London Borough of Bromley.

26 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September	31 August
	2014	2015
	£'000	£'000
Funds as reported under previous UK GAAP and under FRS 102	3,378	3,351
	<u>3,378</u>	<u>3,351</u>

Reconciliation of net loss for the previous financial period

	Notes	2015
		£'000
Net expenditure as reported under previous UK GAAP		(13)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	i	5
Net expenditure reported under FRS 102		<u>(8)</u>

**NEXUS EDUCATIONAL SCHOOLS TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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26 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

i) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £5k and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.