

Company Registration No: 08188507 (England and Wales)

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	B H Whitfield A Mansfield A Shield A Brundell
Trustees	B H Whitfield (Resigned 5 December 2016) M Robinson S Jones K Ruddy (Resigned 5 December 2016) C Welford (Resigned 5 December 2016) L McMann (staff trustee) (Resigned 5 December 2016) A Blacklock (staff trustee) (Resigned 5 December 2016) L Brown (principal and accounting officer) A Mansfield (Appointed 5 December 2016) I D Fuller (Appointed 5 December 2016) J V Liddle (Appointed 5 December 2016) K Brentnall (Appointed 5 December 2016) J Sutherland (Resigned 8 February 2016) S Wheatley (Resigned 21 March 2016) J Buttery (Resigned 5 December 2016) J Ross (Resigned 5 December 2016)
Company Secretary	Watson Burton LLP
Senior Management Team: <ul style="list-style-type: none">• Executive Principal• Head of School (Nunthorpe)• Head of School (Rye Hills)• Trustee of Business and finance	L Brown D Yates C Waugh N Goodall
Company Name	Nunthorpe Multi-Academy Trust
Academies operated Nunthorpe Academy Rye Hills Academy	Nunthorpe, Middlesbrough Redcar
Principal and Registered Office	Guisborough Road Nunthorpe TS7 0LA
Company Registration Number	08188507 (England and Wales)
Independent Auditor	RSM UK Audit LLP 1 St James' Gate Newcastle Upon Tyne NE1 4AD

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

HSBC plc
60 Albert Road
Middlesbrough
TS1 1RS

Solicitors

Watson Burton LLP
1 St James' Gate
Newcastle Upon Tyne
NE1 4AD

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

TRUSTEE'S REPORT (continued)

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates two secondary academies being Nunthorpe Academy and Rye Hills Academy. Rye Hills Academy joined the trust on 1 March 2017 and is approximately 8 miles from Nunthorpe academy. These academies have a combined pupil capacity of 2,680 and had a roll of 2,571 in the school autumn census 2017.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Nunthorpe Multi-Academy Trust Limited (NMAT) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Nunthorpe Multi-Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. As required in the Academy's Articles of Association indemnity insurance with Zurich Insurance PLC has been taken out to cover the liabilities of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity of Trustees.

Method of Recruitment and Appointment or Election of Trustees

As set out in the articles and funding agreement which are published on the NMAT website, (www.nmat.co.uk), the multi-academy trust (MAT) will comprise of not less than a minimum of three members, none of which can be an employee of the Trust. These members are responsible for the appointment of Trustees.

The number of Trustees shall not be less than three at any time, and shall not exceed nine at any time. Providing that the Executive Principal agrees, the Members may appoint the Executive Principal as a Trustee.

The total number of Trustees, including the Executive Principal, who are employees of the Trust must not exceed one third of the total number of Trustees.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

TRUSTEE'S REPORT (continued)

The Trustees may also appoint Co-opted Trustees. Co-opted Trustees are sought and approached following consultation between the Executive Principal and Chair of Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Principal).

The term of office for any Trustee is four years, save that this limit will not apply to any post which is held "ex-officio", such as the Executive Principal. However, subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at a General Meeting.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust takes its responsibility to train new Trustees very seriously and therefore have developed an induction procedure to follow.

This induction process includes:

- A tour of a MAT school by a member of the senior team to include a briefing on our core purpose and values. Meet staff and students on the tour.
- Allocation of a Trustee 'buddy' so that all questions can be answered before a Trustee meeting via a telephone call or afterwards by checking if any questions remain unanswered
- Induction training programme delivered via the Clerk to the Board of Trustees
- Meet with the Executive Principal, Chair of Trustees and if appropriate other MAT senior staff

Documentation supplied will include the NMAT SEF and Development Plan, the latest Ofsted Reports, previous minutes of relevant committee meetings, list of Trustees and local Governors, list of sub committees (and terms of reference/membership), calendar of Trustee and Governor meetings.

Organisational Structure

The Executive Principal is the Trust's Accounting Officer. Their main task is to execute the policies agreed by the Multi-Academy Trust (MAT) in relation to its education functions and to bring forward for approval, proposals for further improving the quality of educational experience of the Trust's students. The Board of Trustees has delegated to the Executive Principal extensive powers to make decisions quickly and efficiently in respect of the Executive Principal's responsibilities. The MAT Leadership Team consists of:

- One Executive Principal
- Two Heads of School
- One Trustee of Business and Finance
- Two Vice Principals
- Eight Assistant Vice Principals

The Board of Trustees ensure good governance of the multi-academy trust and set policy. It can also question implementation of policy where relevant. The Board of Trustees has established a Local Governing Body (LGB) for each trust academy, each with an Academic Quality Committee (AQC) and Personal Development, Behaviour & Welfare Committee (PDBWC) with specific duties relating to their function. The Committees have delegated powers so that action can be taken quickly whenever necessary. Full details of these delegated powers are published on the NMAT website (www.nmat.co.uk).

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

TRUSTEE'S REPORT (continued)

Arrangements for setting pay and remuneration of key management personnel

The MAT's Pay and Progression policy for senior leaders has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document. The policy aims to promote high standards of educational achievement in the academy by:

- Supporting the recruitment and retention of a high quality senior leadership team;
- Enabling the MAT to recognise and reward senior leaders appropriately for their contributions at the MAT
- Helping to ensure that decisions on pay are managed in a fair and transparent way.

Pay bands and progression decisions are made, in conjunction with the Executive Principal and Heads of School, by a Salary Review Committee which is made up of a minimum of three (non staff) Trustees. Progression is assessed against annual performance targets, and in the case of the Executive Principal, an external advisor supports this assessment.

No Trustee or LGB Governor, other than elected staff representatives, receive any remuneration from the academy.

Related Parties and other Connected Charities and Organisations

The Multi-Academy Trust has maintained a subsidiary company, Nunthorpe Learning & Leisure 2015 Limited, to trade in adult learning provision in the locality of Nunthorpe Academy. All profits from the subsidiary company are donated to the Nunthorpe Academy. Nunthorpe Academy's Head of School manages the subsidiary company. The subsidiary company's Board of Trustees (all of whom are Academy Trustees/Governors) are responsible for the company including its viability and for ensuring its functions do not impact on the Academy's core business of providing the best possible education for its students.

Details of the subsidiary company, including its results for the year are included in Note 13.

Nunthorpe Academy gained Teaching School status (known as North East Schools Teaching Alliance – NESTA) in 2014, and is now working collaboratively with 7 local primary schools and 3 secondary school partners. The teaching school started training the first cohort of teacher trainees in September 2015, with all four secondary and all three primary students gaining a PGCE and Qualified Teacher Status.

During the period, NESTA continued to build upon its strong relationship with Northumbria University and School Direct, and 10 secondary and 6 primary trainee teachers are now in place (starting September 2017) to start their training towards Qualified Teacher Status (QTS). 10 staff members from within the NESTA collaboration have already gained Specialist Leader of Education status.

Objectives and Activities

The Multi-Academy Trust exists to ensure that standards of education provision at all of its academies are high and that the leadership and management of the academies develop them further still. There is an obligation on the Trust to support improvement elsewhere across the county providing that there is no detrimental effect on the quality of education provision at any of its academies.

The Board of Trustees meets half termly and has established Local Governing Bodies and other committees which support the detail of its work at each of its academy.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

TRUSTEE'S REPORT (continued)

Objectives and Aims

The Academy Trust's object is specifically restricted to the following: 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 an academy offering a broad and balanced curriculum.

Objectives, Strategies and Activities

Our Objectives

The MAT's objectives are detailed in its Development Plan. During 2016-2017, the main objectives were:

- To ensure that VA at KS5 continues to be above 0
- For all departments to achieve levels of progress (both 3LP and 3+LP) that are a minimum of 10% above national at KS4
- Ensure that the achievement gap of vulnerable students versus all students significantly narrows
- Use NESTA to train ITT students to respond to national shortage of teachers of core subjects to enable us to appoint high quality, newly qualified teachers
- Effective use of Finances across the MAT with both academies carrying forward an annual planned reserve
- Ensure that Governance in all Academies in the MAT are strategic and able to hold staff to account. Leadership and Management across all Academies in the MAT is evaluated as Outstanding in their SEFs
- Ensure that Senior Leadership in all Academies in the MAT are strategic and able to hold staff to account. Leadership and Management across all Academies in the MAT is evaluated as Outstanding in their SEFs
- Complete legalities of sponsorship of Rye Hills
- Drive continuous improvement in teaching and learning ensuring that students are challenged and that their high aspirations are met.
- Use NESTA as a vehicle to strengthen recruitment and retention across the MAT, whilst helping to raise standards in Teaching and Learning.
- Increase experiences/opportunities available to students that evolve from the growth of the MAT
- Ensure that all Academies in the MAT meet their statutory responsibilities for all staff and young people
- Explore opportunities of potential additional provision and/or increase capacity in the MAT
- Raising standards for all students across the MAT ensuring that they fulfill their potential achieving recognised qualifications that enable them to progress to the next stage of the education/training

Our Strategies

Our strategies for delivering on our strategic objectives are many and varied. These are detailed in the NMAT Development Plan.

Our Activities

Our activities in delivering on our strategic objectives are also many and varied. These are also detailed in the NMAT Development Plan.

Plans for Future Periods

- To investigate the opportunities offered to expand as a Multi-Academy Trust (MAT)
- To work increasingly closer with other Redcar and Cleveland schools and academies to raise standards for young people across the borough.
- To achieve at least an OFSTED grading of good at all MAT academies.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

TRUSTEE'S REPORT (continued)

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The MAT has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

STRATEGIC REPORT

Achievements and Performance

Nunthorpe Multi-Academy Trust will strive to ensure that our schools respond to the context of their local community, maintain their own unique character and deliver the best possible outcomes for young people.

Nunthorpe Academy

GCSE results - 82% of students achieved a pass in English with 72% securing the new standard of 'good pass'. In mathematics, the figures were 72% and 52% respectively. Overall, 70% of students achieved a pass in English and Maths which is a 2% increase on the previous year's results. Overall, our Attainment 8 grade is a C.

Post 16 results were extremely strong with a progress measure of +0.41, and our A level students achieved a pass rate of 100%. A* to C pass rate was 93%.

Nunthorpe Academy is Ofsted Outstanding in all areas.

Rye Hills Academy

GCSE results – 76% of students achieved a pass in English and 66% achieved a pass in Maths. 61% of all students achieved the equivalent of 5 GCSEs at grade A* - C, including English and maths and 41% achieved a good pass including English and maths. 68% of all GCSE grades were a C or above, and our Attainment 8 grade was a C.

Rye Hills Foundation School (the academy predecessor school) was judged Requires Improvement in all areas.

Key Performance Indicators

These include:

	2017	2016
Wages and salaries (excluding pension) as a percentage of GAG	86%	80%
Liquidity ratio (current asset/ current liabilities)	1.39	2.47
Cash balance	£903,512	£1,112,924

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

TRUSTEE'S REPORT (continued)

Financial Review

Most of the MATs income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, total expenditure of £13,288,666 was less than the total grant funding received from the ESFA together with other incoming resources. The excess income over total expenditure for the year (prior to gains/losses) was £8,293,553. This is due to the addition of Rye Hills into the Trust on 1 March 2017. Excluding the addition of Rye Hills there is a deficit of £1,384,637.

Excluding the restricted fixed asset funds there is a total carried forward deficit of £2,007,241 of which £2,320,000 relates to the pension deficit. The closing funds excluding the restricted fixed asset fund and the pension deficit are therefore £312,759.

As at 31 August 2017 the net book value of fixed assets was £19,882,695 and 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 NMAT. Cash balances are £903,512 (2016: £1,112,924).

Financial and risk management objective and policies

The Trust manages its risks appropriately. We consider that risks such as the uncertainty over the LGPS deficit and future recurrent funding provision, possibly due to the introduction of a national funding formula, will feature in the financial risk register as the main areas of concern.

Reserves Policy

The Trustees review the reserve levels of the MAT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be a set amount of approximately £350,000. 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 MATs current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £312,759. Looking forward the Trustees have determined that these free reserves should be increased, if possible, to closer to £500,000 in order to reflect the uncertainties in the future funding formulae in education, the increasing age and condition of the site and the economic pressures generally seen.

Investment Policy

The objectives of this policy are to ensure that the MAT:

- maintains sufficient cash balances in its current account to meet its day to day commitments
- invests surplus cash when appropriate to earn an acceptable rate of return without undue risk
- consider spreading risk between differing types of investment and institutions to reduce credit risk

The MAT operates an interest bearing account with a bank approved by the Board of Trustees (HSBC) and will maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

The MAT will not take out any long term investments until reliable cash flow pattern have been established, and monies will only be paid into term deposits not exceeding six months.

Principal Risks and Uncertainties

The MAT undertakes a regular review of the strategic risks it faces by way of maintaining a 'risk register' which is updated and reviewed annually at the Board of Trustees meeting. This considers risks under the following broad headings: Strategic Risk; Organisational Risk; Information Risk; Human Resource Risk; Legal Risk; and Financial Risk.

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TRUSTEE'S REPORT (continued)

The potential impact of the new national funding formula on the trust remains unclear at the period end as specific details of its impact have not been published by the Government. The Trust will continue to monitor this going forward, and will work pro-actively with the local authority and any other relevant bodies in order to maximise income and therefore, educational benefits for its students.

In line with similar education organisations, the MAT faces a potential future recruitment issue, particularly in recruiting good quality teachers for the sciences, maths and modern foreign languages. The teaching school initiative (NESTA) is one solution to address this risk.

As the MATs properties increase in age, particularly at Nunthorpe Academy, keeping all areas in a clean, fit for purpose and safe environment for students, staff, parents and visitors presents an ongoing challenge.

Regular site Health & Safety assessments are undertaken, and a comprehensive rolling programme of maintenance and repair is in place. Sources of external capital funding are explored throughout the year, with bids for funding streams placed wherever possible.

Plans for Future Periods

In line with the MATs Development plan, our plans for the future are:

- To ensure that VA at KS5 continues to be above 0
- For all departments in the MATs academies to positively contribute towards a positive Progress 8 score of +0.2 or better
- Ensure that the achievement gap of vulnerable students versus all students significantly narrows
- Use NESTA to train ITT students to respond to national shortage of teachers of core subjects to enable us to appoint high quality, newly qualified teachers

In addition to the above, the MAT will investigate

- the opportunities offered to expand as a Multi-Academy Trust (MAT)
- To work increasingly closer with other Redcar and Cleveland schools and academies to raise standards for young people across the borough.
- To achieve at least an OFSTED grading of good at all MAT academies.

Employee Consultation and Disabled Employees

The Trust is committed to ensuring equality for all who learn and work in its academies. We respect and value differences in race, gender, sexual orientation, ability, class and age. We strive to remove conditions which place people at a disadvantage and we actively address bigotry and discrimination.

The Trust considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment within the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The Trust works with employee trade unions and professional associations across all of its academies and engages in consultations, as required, to ensure that all aspects of the Trust affecting its employees, including financial and economic factors, are discussed, conveyed and consulted with them.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

TRUSTEE'S REPORT (continued)

Auditor


RSM UK Audit LLP have indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

In so far as the trustees are aware:

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

The Trustees' Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 9 JAN 2019 and signed on its behalf by:



A Mansfield
Trustee

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

GOVERNANCE STATEMENT (continued)

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Principal, 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 Nunthorpe Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

Nunthorpe Academy operated as a single academy trust from 1 September 2016 to 1 March 2017 when Rye Hills Academy (formerly a foundation status school) joined the Nunthorpe Multi-Academy Trust. During this initial period the Governing Body of Nunthorpe Academy met twice. Attendance during this period was as follows:

Trustee	Meetings attended	Out of a possible
BH Whitfield (chair)	2	2
M Robinson	2	2
S Jones	2	2
K Ruddy	2	2
A Blacklock (staff trustee)	1	2
L McMann (staff trustee)	2	2
J Ross	2	2
C Welford	1	2
J Buttery	2	2
L Brown (Executive Principal and Accounting Officer)	2	2

The Board of Trustees of Nunthorpe Multi-Academy Trust has formally met four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Mansfield (chair)	3	4
K Brentnall	2	4
S Jones	4	4
M Robinson	3	4
I Fuller	4	4
J V Liddle	4	4
L Brown (Executive Principal and Accounting Officer)	4	4

The Board of Trustees has established a Local Governing Body (LGB) for each trust academy, each with an Academic Quality Committee (AQC) and Personal Development, Behaviour & Welfare Committee (PDBWC) with specific duties relating to their function. The Committees have delegated powers so that action can be taken quickly whenever necessary. Full details of these delegated powers are published on the NMAT website (www.nmat.co.uk).

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

GOVERNANCE STATEMENT (continued)

Governance Review

During the period, Nunthorpe academy achieved multi-academy status, with Rye Hills Academy joining the MAT from 1 March 2017. In order to do this, a review of the skills mix of both organisations was undertaken in order to form a new and effective 'central' Board of Trustees. This exercise was also completed at each trust academy so that effective Local Governing Bodies were in place.

Going forward, Nunthorpe Multi-Academy Trust will assess its' governance structure on an annual basis in order to ensure that it remains effective. This will include the consideration of the skills mix of its Board of Trustees as well as the Local Governing Bodies and will arrange appropriate training through either the local authority's Governor Support Service or external organisations, such as the National Governors Association (NGA).

Training from both of these bodies was delivered during the period.

The Board of Trustees meets 6 times a year, on a half termly basis.

Review of Value for Money

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

Nunthorpe Academy

- The academy continues to move towards being a fully cashless environment, using ParentPay as the preferred method of payment from carers/parents. ParentPay provides an efficient, on-line payment mechanism that helps parents track their 'spend', whilst also increasing security as students and staff do not need to handle cash in the academy.
- NESTA – the training school is helping the MAT 'grow its own' next generation of teachers to address potential future recruitment issues, particularly in Sciences, Maths and MFL. The aim is to help the MAT partners, as well as the wider region, address this potential staffing shortfall.
- The academy regularly reviews its contracts with a view to seeking best value return. This is however, not just in respect of cash costs, but includes 'intangible' factors such as quality of service, reliability, etc.

Rye Hills Academy

- During the period the biometric catering system was updated. Several quotes were obtained and the provider which offered the best overall value (including quality of software, technical support and training) was commissioned. The system is compatible with ParentPay and will improve serving times for students.
- The telephone system was reviewed and upgraded to a digital cloud based system, which has improved system reliability and also provided an annual saving of c£3,000 pa.
- The academy regularly reviews its contracts with a view to seeking best value return. This is however, not just in respect of cash costs, but includes 'intangible' factors such as quality of service, reliability, etc.

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.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

GOVERNANCE STATEMENT (continued)

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 Nunthorpe Multi-Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed RSM Risk Assurance Services LLP, the external auditor to perform additional checks.

Their 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 included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of income recording systems
- testing of the accounting system

These regularity checks have been fully delivered in line with the EFSA's requirements.

Review of Effectiveness

As accounting officer the executive principal 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 reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the senior managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

GOVERNANCE STATEMENT (continued)

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

Approved by order of the members of the board of trustees on 09/1/12 and signed on its behalf by:



A Mansfield
Trustee



L Brown
Accounting Officer

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Nunthorpe Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2016.

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



L Brown
Accounting Officer

9 JAN 2018

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as trustees of Nunthorpe Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 9 Jan 2018 and signed on its behalf by:



A Mansfield
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

YEAR ENDED 31 AUGUST 2017

Opinion on financial statements

We have audited the financial statements of Nunthorpe Multi Academy Trust (the "parent charitable company") and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2017 and of the group's 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 Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

YEAR ENDED 31 AUGUST 2017

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 16, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUNTHORPE MULTI-ACADEMY TRUST
(PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)**

YEAR ENDED 31 AUGUST 2017

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



CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date

11/1/18

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted General	Restricted Fixed Asset	Total 2017	Total 2016
	Note	£	£	£	£	£
Incoming and endowments from:						
Donations and capital grants	3	52,730	50,278	-	103,008	232,740
Donations – transfer on conversion	27	-	(1,021,810)	10,700,000	9,678,190	-
Charitable activities:						
-Funding for educational operations	4	-	11,109,523	-	11,109,523	8,016,916
- Funding for teaching schools	4	-	40,000	-	40,000	60,000
Other trading activities	5	651,408	-	-	651,408	752,541
Investment income	6	90	-	-	90	1,110
Total income and endowments		<u>704,228</u>	<u>10,177,991</u>	<u>10,700,000</u>	<u>21,582,219</u>	<u>9,063,307</u>
Expenditure on:						
Raising funds	7	525,516	-	-	525,516	265,451
Charitable activities						
-Educational operations	8	-	12,323,185	439,965	12,763,150	8,583,343
Total expenditure	7	<u>525,516</u>	<u>12,323,185</u>	<u>439,965</u>	<u>13,288,666</u>	<u>8,848,794</u>
Net income/(expenditure)		178,712	(2,145,194)	10,260,035	8,293,553	214,513
Transfers between funds	18	(520,109)	362,849	157,260	-	-
Other recognised gains and losses		(341,397)	(1,782,345)	10,417,295	8,293,553	214,513
Remeasurement of net defined benefit obligations	23	-	1,483,000	-	1,483,000	(1,374,000)
Net movement in funds		<u>(341,397)</u>	<u>(299,345)</u>	<u>10,417,295</u>	<u>9,776,553</u>	<u>(1,159,487)</u>
Reconciliation of funds						
Total funds brought forward		654,156	(2,020,655)	9,465,400	8,098,901	9,258,388
Total funds carried forward		<u>312,759</u>	<u>(2,320,000)</u>	<u>19,882,695</u>	<u>17,875,454</u>	<u>8,098,901</u>

NUNTHORPE MULTI-ACADEMY TRUST
(Company Number 08188507)
(PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
BALANCE SHEETS
AT 31 AUGUST 2017

		Group 2017	Company 2017	Group 2016	Company 2016
	Note	£	£	£	£
Fixed assets					
Tangible assets	12	19,882,695	19,882,695	9,465,400	9,465,400
Investments	13	-	1	-	1
		<u>19,882,695</u>	<u>19,882,696</u>	<u>9,465,400</u>	<u>9,465,401</u>
Current assets					
Debtors	14	271,145	285,145	267,529	238,742
Cash at bank and in hand		903,512	821,769	1,112,924	1,103,354
		<u>1,174,657</u>	<u>1,106,914</u>	<u>1,380,453</u>	<u>1,342,096</u>
Liabilities					
Creditors: amounts falling due within one year	15	(841,898)	(833,849)	(558,952)	(556,355)
Net current assets		<u>332,759</u>	<u>273,065</u>	<u>821,501</u>	<u>785,741</u>
Net assets excluding pension liability		<u>20,215,454</u>	<u>20,155,760</u>	<u>10,286,901</u>	<u>10,251,142</u>
Defined pension liability	23	(2,340,000)	(2,340,000)	(2,188,000)	(2,188,000)
Net assets		<u><u>17,875,454</u></u>	<u><u>17,815,760</u></u>	<u><u>8,098,901</u></u>	<u><u>8,063,142</u></u>
Funds of academy trust:					
Restricted funds					
- Restricted fixed asset funds	18	19,882,695	19,882,695	9,465,400	9,465,400
- Restricted general funds	18	20,000	20,000	167,345	167,345
- Pension reserve	18	(2,340,000)	(2,340,000)	(2,188,000)	(2,188,000)
Total restricted funds		<u>17,562,695</u>	<u>17,562,695</u>	<u>7,444,745</u>	<u>7,444,745</u>
Unrestricted income funds	18	<u>312,759</u>	<u>253,065</u>	<u>654,156</u>	<u>618,397</u>
Total funds		<u><u>17,875,454</u></u>	<u><u>17,815,760</u></u>	<u><u>8,098,901</u></u>	<u><u>8,063,142</u></u>

The notes on pages 23 to 48 form part of these financial statements.

The results of the unconsolidated entity charity are total income for the year of £21,418,306 (2016: £8,913,500) and net incoming resources for the year of £8,269,618 (2016: £186,543).

These financial statements were approved by the Trustees and authorised for issue on 9 3rd 2018 and signed on their behalf by:



A Mansfield
Chairman

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(271,879)</u>	<u>482,767</u>
Cash flows from investing activities			
Interest received		90	1,110
Capital grants from DfE		50,278	31,630
Payments to acquire tangible fixed assets		<u>(157,260)</u>	<u>(191,298)</u>
		<u>(106,892)</u>	<u>(158,558)</u>
Cash transferred on conversion to an academy trust		<u>169,359</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>(209,412)</u>	<u>324,209</u>
Cash and cash equivalents at beginning of the year		<u>1,112,924</u>	<u>788,715</u>
Cash and cash equivalents at end of the year		<u>903,512</u>	<u>1,112,924</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

General information

Nunthorpe Multi-Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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.

Basis of preparation

The financial statements of the academy have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Nunthorpe Multi-Academy Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the financial currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest £1, except where otherwise indicated.

Going Concern

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

School transfers

The conversion from a foundation school to an academy trust involved in 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 Rye Hills Academy to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent terms. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer on conversion in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. The transfer includes £10,700,000 of land and buildings and £1,302,000 of pension liability. Further details of the transaction are set out in note 27.

Consolidation

The group financial statements consolidate, on a line by line basis, those of the company and its subsidiary undertakings, Nunthorpe Learning and Leisure Limited and Nunthorpe Learning and Leisure 2015 Ltd, over which it exercises control. These financial statements are drawn up to 31 August 2017. Profits or losses on intra-group transactions are eliminated in full.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

Income

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

Grants

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

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

Capital grants are recognised 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 hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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 to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

Charitable activities

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

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more (Machinery, Equipment and Vehicles) and £10,000 or more (Land, Buildings and improvements) are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

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

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

Land and buildings	Straight line over 50 years
Computer equipment	Straight line over 3 years
Fixtures, fittings and equipment	Straight line over 3 - 5 years
Motor vehicles	Straight line over 7 years

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.

Fixed asset investments

Fixed asset investments are carried at historical cost less any provision for impairment in value.

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 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.

Leased assets

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

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Pensions benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but 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. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income 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.

Termination Benefits

Termination benefits to encourage employees to leave service voluntarily are recognised when employees accept the Academy trust's offer to those benefits. Termination benefits provided as a result of the Academy terminating employment are recognised when the Academy Trust has communicated its plan of termination to the affected employees.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

Financial Instruments

The academy trust has chosen to adopt section 11 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and liabilities are recognised when the Academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Derecognition of financial assets or liabilities

A financial asset is derecognised only when the contractual right to cash flows expire or are settled, or substantially all of the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education and Skills Funding Agency (ESFA) and Department for Education.

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

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement (continued)

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Reduced disclosures

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Capital grants	-	50,278	50,278	222,740
Other Donations	52,730	-	52,730	10,000
	<u>52,730</u>	<u>50,278</u>	<u>103,008</u>	<u>232,740</u>

The income from donations and capital grants was £103,008 (2016: £232,740) of which £52,730 (2016: £nil) was unrestricted, £50,278 (2016: £201,110) was restricted and £nil was restricted fixed assets (2016: £31,630).

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG)	-	10,057,450	10,057,450	7,624,647
Other DfE/ESFA grants	-	797,698	797,698	361,960
	<u>-</u>	<u>10,855,148</u>	<u>10,855,148</u>	<u>7,986,607</u>
OTHER GOVERNMENT GRANTS				
Local authority grants	-	254,375	254,375	30,309
Teaching schools income	-	40,000	40,000	60,000
	<u>-</u>	<u>11,149,523</u>	<u>11,149,523</u>	<u>8,076,916</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
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4 Funding for the academy trust's educational operations (continued)

The income from funding for educational operations was £11,149,523 (2016: £8,076,916) of which £11,149,523 was restricted (2016: £8,076,916).

Other DfE/ESfA grants are made up of pupil premium, summer school income and year 7 catch up grants. Local authority grants are made up of an inspire to learn fund reimbursement and individual pupil support. There are no unfulfilled conditions or contingencies for grants recognised in the period.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
School Fund	174,387	-	174,387	127,284
Tuition	199,648	-	199,648	157,504
Contribution from Sixth Form Experience	-	-	-	353,114
Hire of facilities	52,069	-	52,069	22,121
Catering income	106,299	-	106,299	-
Other income	119,005	-	119,005	92,518
	<u>651,408</u>	<u>-</u>	<u>651,408</u>	<u>752,541</u>

The income from other trading activities was £651,408 (2016: £752,541) of which £651,408 (2016: £752,541) was unrestricted.

6 Investment income

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Short term deposits	90	-	90	1,110
	<u>90</u>	<u>-</u>	<u>90</u>	<u>1,110</u>

The income from funding for investment income was £90 (2016: £1,110) of which £90 (2016: £1,110) was unrestricted.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
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7 Expenditure

	Non Pay Expenditure			2017 Total £	2016 Total £
	Staff Costs	Premises costs	Other costs		
	£	£	£		
Expenditure on raising funds	-	-	525,516	525,516	265,451
Academy's Educational Operations					
-Direct costs	6,953,212	439,965	854,854	8,248,031	5,915,127
-Allocated support costs	3,093,264	926,211	495,644	4,515,119	2,668,216
Total expenditure	10,046,476	1,366,176	1,876,014	13,288,666	8,848,794

	2017 £	2016 £
Net income/(expenditure) for the year includes:		
Fees payable to auditor		
- Audit	13,700	14,100
- Other services	7,750	11,765
Operating lease rentals	15,064	19,111
Depreciation of tangible fixed assets	439,965	324,898
Net interest on defined benefit pension liability	55,000	24,000

Expenditure on raising funds was £525,516 (2016: 265,451) of which £525,516 (2016: £265,451) was unrestricted.

Central services

No central charges were made by the Trust to its academies during the year.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities – academy’s educational operations

	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Direct costs – educational operations	-	8,248,031	8,248,031	5,915,127
Support costs – educational operations	-	4,515,119	4,515,119	2,668,216
	<u>-</u>	<u>12,763,150</u>	<u>12,763,150</u>	<u>8,583,343</u>

The expenditure on educational operations was £12,763,150 (2016: £8,583,343) of which £12,323,185 (2016: 8,258,444) was restricted general, £nil (2016: £nil) was unrestricted and £439,965 (2016: £324,899) was restricted fixed assets.

Analysis of Support Costs

	2017 £	2016 £
Support staff costs	3,093,264	1,900,377
Premises costs	926,211	493,339
Other support costs	444,662	229,026
Governance costs	50,982	45,474
	<u>4,515,119</u>	<u>2,668,216</u>

9 Staff

Staff costs	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	7,476,150	5,509,613
Social security costs	779,533	453,321
Pension costs	1,430,284	885,732
Total staff costs	<u>9,685,967</u>	<u>6,848,666</u>
Supply staff costs	309,009	145,271
Restructuring costs	51,500	8,805
	<u>10,046,476</u>	<u>7,002,742</u>

Staff restructuring costs comprise redundancy payments of £nil (2016: £nil) and severance payments of £51,500 (2016: £8,805).

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
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9 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments of £51,500 (2016: £8,805). Individually these payments were £13,500, £15,500 and £22,500.

Staff numbers

The average number of persons employed by the group during the year ended 31 August 2017 was as follows:

	2017 Number	2016 Number
Teachers	189	109
Administration and support	151	93
Management	7	4
	<u>347</u>	<u>206</u>

The average number of persons employed by the charity during the year ended 31 August 2017 was as follows:

	2017 Number	2016 Number
Teachers	151	109
Administration and support	149	93
Management	7	4
	<u>307</u>	<u>206</u>

Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	-	3
£70,001 - £80,000	1	-
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,000 - £110,000	1	-
	<u>4</u>	<u>4</u>

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

	2017 No.	2016 No.
£70,001 - £80,000	1	3
£80,001 - £90,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>4</u>	<u>4</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
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9 Staff (continued)

Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Academy Trust was £413,424 (2016: £365,446).

10 Trustees' remuneration and expenses

Principal and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The annual amount of the Principal's remuneration was £102,570 (2016: £91,187). The Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £16,904 (2016: £15,028).

The annual amount of other staff trustees' remuneration, excluding employer pension contributions, was £108,013 (2016: £61,047). The staff trustees are accruing retirement benefits under the Local Government Pension Scheme and contributions paid in the year amounted to £10,698 (2016: £8,814).

During the year ended 31 August 2017, travel and subsistence expenses totalling £nil (2016: £nil) were reimbursed to Trustees.

Related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover for any one claim and the cost for the year ended 31 August 2017 was included in the total general premium of £266 (2016: £313).

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

Group and Company	Land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2016	10,015,000	684,901	14,110	10,714,011
Transferred on conversion (note 27)	10,700,000	-	-	10,700,000
Additions	-	157,260	-	157,260
At 31 August 2017	<u>20,715,000</u>	<u>842,161</u>	<u>14,110</u>	<u>21,571,271</u>
Depreciation				
At 1 September 2016	781,767	460,629	6,215	1,248,611
Charge in period	306,599	131,350	2,016	439,965
At 31 August 2017	<u>1,088,366</u>	<u>591,979</u>	<u>8,231</u>	<u>1,688,576</u>
Net book value				
At 31 August 2017	<u>19,626,634</u>	<u>250,182</u>	<u>5,879</u>	<u>19,882,695</u>
At 31 August 2016	<u>9,233,233</u>	<u>224,272</u>	<u>7,895</u>	<u>9,465,400</u>

13 Investment in subsidiary

The Academy Trust has two wholly owned subsidiaries, Nunthorpe Learning and Leisure Limited and Nunthorpe Learning and Leisure 2015 Ltd.

Company name	Activity
Nunthorpe Learning and Leisure Limited (Company no. 08232394)	Dormant
Nunthorpe Learning and Leisure (2015) Ltd (Company no. 09677132)	Educational services to wider community

The wholly owned subsidiaries pay all of their profits to the Academy via a gift aid payment. A summary of the trading results for the companies is shown overleaf.

The subsidiary companies registered office is at the registered office of the Trust disclosed on page 1.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13 Investment in subsidiary (continued)

Nunthorpe Learning and Leisure Limited

	2017	2016
	£	£
Turnover and other income	-	-
Cost of sales and administration costs	<u>(29)</u>	<u>(67)</u>
Operating (loss)	<u>(29)</u>	<u>(67)</u>
The assets and liabilities were:		
Total assets	29,721	14,026
Total liabilities	<u>(29,724)</u>	<u>(14,000)</u>
Total net (liabilities)/assets	<u>(3)</u>	<u>26</u>

Nunthorpe Learning and Leisure 2015 Ltd

	2017	2016
	£	£
Turnover and other income	199,648	157,504
Cost of sales and administration costs	<u>(139,949)</u>	<u>(121,770)</u>
Operating profit	<u>59,699</u>	<u>35,734</u>
The assets and liabilities were:		
Total assets	67,747	48,832
Total liabilities	<u>(8,048)</u>	<u>(13,098)</u>
Total net assets	<u>59,699</u>	<u>35,734</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
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14 Debtors

	Group 2017 £	Company 2017	Group 2016	Company 2016 £
Trade debtors	85,916	85,916	37,077	37,077
Prepayments and accrued income	86,494	86,494	70,092	70,092
VAT recoverable	88,401	88,401	107,239	107,239
Amounts due from group undertakings	-	14,000	-	14,000
Other debtors	10,334	10,334	53,121	10,334
	<u>271,145</u>	<u>285,145</u>	<u>267,529</u>	<u>238,742</u>

15 Creditors: amounts falling due within one year

	Group 2017 £	Company 2017	Group 2016	Company 2016 £
Trade creditors	341,542	333,979	254,150	252,233
Accruals and deferred income	129,919	129,919	51,498	51,498
Other taxation and social security	227,261	226,894	135,164	134,649
Other creditors	143,176	143,057	118,140	117,975
	<u>841,898</u>	<u>833,849</u>	<u>558,952</u>	<u>556,355</u>

16 Deferred income

	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	<u>63,690</u>	<u>-</u>
Deferred income at 1 September 2016	-	-
Amounts deferred in the year	<u>63,690</u>	<u>-</u>
Deferred income at 31 August 2017	<u>63,690</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in relation to SEN funding.

17 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>96,250</u>	<u>90,198</u>
Carrying amount of financial liabilities		
Financial Liabilities measured at amortised cost	<u>550,677</u>	<u>423,788</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

Consolidated

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted General Fund					
General Annual Grant (GAG)	-	10,057,450	(10,420,299)	362,849	-
Other DfE/ESFA grants	-	847,976	(847,976)	-	-
Other government grants	-	254,375	(254,375)	-	-
Teaching schools	-	40,000	(40,000)	-	-
Other restricted income	167,345	280,190	(427,535)	-	20,000
	<u>167,345</u>	<u>11,479,991</u>	<u>(11,990,185)</u>	<u>362,849</u>	<u>20,000</u>
Funds excluding pensions	167,345	11,479,991	(11,990,185)	362,849	20,000
Pension reserve	(2,188,000)	(1,302,000)	(333,000)	1,483,000	(2,340,000)
Restricted General Funds	<u>(2,020,655)</u>	<u>10,177,991</u>	<u>(12,323,185)</u>	<u>1,845,849</u>	<u>(2,320,000)</u>
Restricted fixed asset funds					
Inherited funds	9,116,541	-	(285,117)	-	8,831,424
Transferred on conversion	-	10,700,000	(107,000)	-	10,593,000
DfE / ESFA capital grants	61,466	-	-	-	61,466
Capital expenditure from unrestricted funds	287,393	-	(47,848)	157,260	396,805
Restricted Fixed Asset Fund	<u>9,465,400</u>	<u>10,700,000</u>	<u>(439,965)</u>	<u>157,260</u>	<u>19,882,695</u>
Total restricted funds	<u>7,444,745</u>	<u>20,877,991</u>	<u>(12,763,150)</u>	<u>2,003,109</u>	<u>17,562,695</u>
Unrestricted funds					
General fund	654,156	704,228	(525,516)	(520,109)	312,759
Total unrestricted	<u>654,156</u>	<u>704,228</u>	<u>(525,516)</u>	<u>(520,109)</u>	<u>312,759</u>
Total funds	<u>8,098,901</u>	<u>21,582,219</u>	<u>(13,288,666)</u>	<u>1,483,000</u>	<u>17,875,454</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (continued)

Company	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted General Fund					
General Annual Grant (GAG)	-	10,057,450	(10,420,299)	362,849	-
Other DfE/ESFA grants	-	847,976	(847,976)	-	-
Other government grants	-	254,375	(254,375)	-	-
Teaching schools	-	40,000	(40,000)	-	-
Other restricted income	167,345	280,190	(427,535)	-	20,000
	<u>167,345</u>	<u>11,479,991</u>	<u>(11,990,185)</u>	<u>362,849</u>	<u>20,000</u>
Funds excluding pensions	167,345	11,479,991	(11,990,185)	362,849	20,000
Pension reserve	(2,188,000)	(1,302,000)	(333,000)	1,483,000	(2,340,000)
Restricted General Funds	<u>(2,020,655)</u>	<u>10,177,991</u>	<u>(12,323,185)</u>	<u>1,845,849</u>	<u>(2,320,000)</u>
Restricted fixed asset funds					
Inherited funds	9,116,541	-	(285,117)	-	8,831,424
Transferred on conversion	-	10,700,000	(107,000)	-	10,593,000
DfE / ESFA capital grants	61,466	-	-	-	61,466
Capital expenditure from unrestricted funds	287,393	-	(47,848)	157,260	396,805
Restricted Fixed Asset Fund	<u>9,465,400</u>	<u>10,700,000</u>	<u>(439,965)</u>	<u>157,260</u>	<u>19,882,695</u>
Total restricted funds	<u>7,444,745</u>	<u>20,877,991</u>	<u>(12,763,150)</u>	<u>2,003,109</u>	<u>17,562,695</u>
Unrestricted funds					
General fund	618,397	540,315	(385,538)	(520,109)	253,065
Total unrestricted	<u>618,397</u>	<u>540,315</u>	<u>(385,538)</u>	<u>(520,109)</u>	<u>253,065</u>
Total funds	<u>8,063,142</u>	<u>21,418,306</u>	<u>(13,148,688)</u>	<u>1,483,000</u>	<u>17,815,760</u>

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

General Annual Grant

General Annual Grant must be used for the normal running costs of the Academy. The Academy Trust is not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE / ESFA grants

Other DfE/ ESFA grants relate to Summer School income, Year 7 catch up grant and Pupil Premium income which were all received and fully utilised in the year.

Other Government grants

Other government grants relate to inspire to learn reimbursement and individual pupil support. Income received is fully utilised in the year.

Other restricted income

Other restricted income is in relation to CIF funding received for the hardwire build. Funds are expected to be utilised within twelve months.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
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18 Funds (continued)

Pension reserve

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, hence the pension liability has been aligned with these funds.

Inherited funds

This represents the freehold main school premises, which will be depreciated over the life of the lease, and the estimated value of other fixed assets on conversion, which will be depreciated over their remaining life.

DfE/ESFA Capital grants

Capital funding has been received from the DfE for utilisation on building improvements and refurbishments. Where expenditure is capitalised, depreciation will be charged to the fund over the life of the related assets.

Capital expenditure from unrestricted funds

Capital projects funded with unrestricted funds. Depreciation will be charged to the fund over the life of the assets.

Unrestricted funds

General funds can be used for any purpose, at the discretion of the trustees, within the objects of the Academy.

Transfers

Transfers between funds represent amounts financed from unrestricted reserves.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (continued)

Funds prior year

Consolidated

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted General Fund					
General Annual Grant (GAG)	-	7,624,647	(7,688,410)	63,763	-
Other DfE/ESFA grants	-	361,960	(361,960)	-	-
Other government grants	-	30,309	(30,309)	-	-
Teaching schools	-	60,000	(60,000)	-	-
Other restricted income	-	201,110	(33,765)	-	167,345
	<u>-</u>	<u>8,278,026</u>	<u>(8,174,444)</u>	<u>63,763</u>	<u>167,345</u>
Funds excluding pensions	-	8,278,026	(8,174,444)	63,763	167,345
Pension reserve	(730,000)	-	(84,000)	(1,374,000)	(2,188,000)
Restricted General Funds	<u>(730,000)</u>	<u>8,278,026</u>	<u>(8,258,444)</u>	<u>(1,310,237)</u>	<u>(2,020,655)</u>
Restricted fixed asset funds					
Inherited funds	9,401,659	-	(285,117)	-	9,116,541
DfE / ESFA capital grants	29,836	31,630	-	-	61,466
Capital expenditure from unrestricted funds	197,343	-	(39,782)	129,832	287,393
Restricted Fixed Asset Fund	<u>9,628,837</u>	<u>31,630</u>	<u>(324,899)</u>	<u>129,832</u>	<u>9,465,400</u>
Total restricted funds	<u>8,898,837</u>	<u>8,309,656</u>	<u>(8,583,343)</u>	<u>(1,180,405)</u>	<u>7,444,745</u>
Unrestricted funds					
General fund	359,551	753,651	(265,451)	(193,595)	654,156
Total funds	<u>9,258,388</u>	<u>9,063,307</u>	<u>(8,848,794)</u>	<u>(1,374,000)</u>	<u>8,098,901</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (continued)

Funds prior year

Company	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted General Fund					
General Annual Grant (GAG)	-	7,624,647	(7,688,410)	63,763	-
Other DfE/ESFA grants	-	361,960	(361,960)	-	-
Other government grants	-	30,309	(30,309)	-	-
Teaching schools	-	60,000	(60,000)	-	-
Other restricted income	-	201,110	(33,765)	-	167,345
	<u>-</u>	<u>8,278,026</u>	<u>(8,174,444)</u>	<u>63,763</u>	<u>167,345</u>
Funds excluding pensions	-	8,278,026	(8,174,444)	63,763	167,345
Pension reserve	(730,000)	-	(84,000)	(1,374,000)	(2,188,000)
Restricted General Funds	<u>(730,000)</u>	<u>8,278,026</u>	<u>(8,258,444)</u>	<u>(1,310,237)</u>	<u>(2,020,655)</u>
Restricted fixed asset funds					
Inherited funds	9,401,659	-	(285,117)	-	9,116,541
DfE / ESFA capital grants	29,836	31,630	-	-	61,466
Capital expenditure from unrestricted funds	197,343	-	(39,782)	129,832	287,393
Restricted Fixed Asset Fund	<u>9,628,837</u>	<u>31,630</u>	<u>(324,899)</u>	<u>129,832</u>	<u>9,465,400</u>
Total restricted funds	<u>8,898,837</u>	<u>8,309,656</u>	<u>(8,853,343)</u>	<u>(1,180,405)</u>	<u>7,444,745</u>
Unrestricted funds					
General fund	351,762	603,844	(143,614)	(193,595)	618,397
Total funds	<u>9,250,599</u>	<u>8,913,500</u>	<u>(8,726,957)</u>	<u>(1,374,000)</u>	<u>8,063,142</u>

Total funds analysis by academy

	Total 2017 £	Total 2016 £
Nunthorpe Academy	289,142	821,501
Rye Hills Academy	43,617	-
Total before fixed asset fund and pension reserve	332,759	821,501
Restricted fixed asset fund	19,882,695	9,465,400
Pension reserve	(2,340,000)	(2,188,000)
Total	<u>17,875,454</u>	<u>8,089,901</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
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18 Funds (continued)

Total costs analysis by academy

	Teaching and Educational Support Staff £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2017 £	Total 2016 £
Nunthorpe Academy	4,950,370	1,588,765	697,189	2,146,073	9,382,397	8,439,895
Rye Hills Academy	<u>1,449,175</u>	<u>722,633</u>	<u>157,665</u>	<u>768,095</u>	<u>3,097,568</u>	-
Academy Trust	<u>6,399,545</u>	<u>2,311,398</u>	<u>854,854</u>	<u>2,914,168</u>	<u>12,479,965</u>	<u>8,439,895</u>

19 Analysis of net assets between funds

Group	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2017 £
Tangible fixed assets	-	-	19,882,695	19,882,695
Current assets	312,759	861,898	-	1,174,657
Creditors falling due within one year	-	(841,898)	-	(841,898)
Pension liability	-	(2,340,000)	-	(2,340,000)
Total net assets at 31 August 2017	<u>312,759</u>	<u>(2,320,000)</u>	<u>19,882,695</u>	<u>17,875,454</u>

Analysis of net assets between funds – prior year

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2016 £
Tangible fixed assets	-	-	9,465,400	9,465,400
Fixed asset investments	-	-	-	-
Current assets	654,156	726,297	-	1,380,453
Creditors falling due within one year	-	(558,952)	-	(558,952)
Pension liability	-	(2,188,000)	-	(2,188,000)
Total net assets at 31 August 2016	<u>654,156</u>	<u>(2,020,655)</u>	<u>9,465,400</u>	<u>8,098,901</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds (continued)

Company	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2017 £
Tangible fixed assets	-	-	19,882,695	19,882,695
Fixed asset investments	-	1	-	1
Current assets	253,065	853,849	-	1,106,914
Creditors falling due within one year	-	(833,849)	-	(833,849)
Pension liability	-	(2,340,000)	-	(2,340,000)
Total net assets at 31 August 2017	253,065	(2,320,000)	19,882,695	17,815,760

Analysis of net assets between funds – prior year

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2016 £
Tangible fixed assets	-	-	9,465,400	9,465,400
Fixed asset investments	-	1	-	1
Current assets	618,397	723,699	-	1,342,096
Creditors falling due within one year	-	(556,355)	-	(556,355)
Pension liability	-	(2,188,000)	-	(2,188,000)
Total net assets at 31 August 2016	618,397	(2,020,655)	9,465,400	8,063,142

20 Commitments under operating leases

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

	2017 £	2016 £
Amounts due within one year	24,578	14,336
Amounts due between one and five years	36,530	7,484
	61,108	21,820

Operating leases relate to the rental of vehicles and office equipment.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £	2016 £
Net incoming resources	8,293,553	214,513
Adjusted for:		
Depreciation of tangible fixed assets	439,965	324,899
Net surplus on conversion to Academy	(9,678,190)	-
Interest receivable	(90)	(1,110)
Defined benefit pension scheme costs less contributions payable	278,000	60,000
Defined benefit pension scheme finance cost	55,000	24,000
Decrease/(increase) in debtors	209,918	(175,914)
Increase in creditors	180,243	68,009
Capital grants from DfE / ESFA and other capital income	(50,278)	(31,630)
	<u>(271,879)</u>	<u>482,767</u>

22 Contingent liabilities

In the event that during the period of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

23 Pension and similar obligations

The Academy'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 Middlesbrough Borough Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £113,959 (2016: £108,333) were payable to the scheme, at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

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.

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.

Valuation of the Teachers' Pensions Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the 'Public Service Pensions' (Valuations and Employer Cost Cap) Trustees 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 in June 2014.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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%

The TPS valuation for 2012 determined an employer rate of 16.4% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the year amounted to £881,302 (2016 £636,732).

The TPS is a multi-employer pension scheme and there is insufficient information to account for the scheme as a defined benefit scheme so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The agreed contribution rates for future years are 16.4% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2017 £	2016 £
Employer's contributions	207,000	189,000
Employees' contributions	87,000	82,000
Total contributions	294,000	271,000

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	2017 %	2016 %
Rate of increases in salaries	3.0	3.4
Rate of increase for pensions in payment/inflation	2.0	1.9
Discount rate for scheme liabilities	2.5	2.0
Inflation assumption (CPI)	2.0	1.9

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (continued)

The assumed life expectations on retirement at 65 are:

	2017 Years	2016 Years
Retiring today:		
Males	22.8	23.1
Females	24.9	25.6
Retiring in 20 years:		
Males	25.0	25.3
Females	27.2	28.0

The Academy's share of the assets in the scheme:

	Fair value 2017 £	Fair value 2016 £
Equities	4,942,000	2,504,408
Property	400,000	214,328
Government bonds	-	23,488
Corporate bonds	6,000	23,488
Cash	800,000	170,288
Other	100,000	-
Total market value of assets	<u>6,248,000</u>	<u>2,936,000</u>
Actual return on scheme assets	<u>582,000</u>	<u>397,000</u>

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	278,000	60,000
Net interest cost	55,000	24,000
	<u>333,000</u>	<u>84,000</u>

Changes in the present value of defined benefit obligations

	2017 £
At 1 September 2016	5,124,000
Current service cost	485,000
Interest cost	141,000
Employee contributions	87,000
Net benefits paid out	(38,000)
Net increase from acquisitions	3,776,000
Actuarial gain	(987,000)
At 31 August 2017	<u>8,588,000</u>

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (continued)

Changes in the fair value of Academy's share of scheme assets:	2017 £
At 1 September 2016	2,936,000
Interest income	86,000
Return on plan assets (excluding net interest on the net defined pension liability)	496,000
Employer contributions	207,000
Employee contributions	87,000
Net benefits paid out	(38,000)
Net increase from acquisitions	2,474,000
	<hr/>
At 31 August 2017	6,248,000
	<hr/> <hr/>

24 Members' liability

Each member of the charitable company undertakes 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.

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the Governing Body may have an interest. Any transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year, expenditure totalling £nil (2016: £2,400) was incurred with Alpha Graphics, a company which Stephen Jones, a previous trustee of Nunthorpe Multi-Academy Trust, is an employee of. Balances outstanding at the year-end totalled £nil (2016: £nil).

No further related party transactions took place in the year, other than certain trustees' remuneration and expenses already disclosed in Note 9.

26 Agency arrangements

The Academy distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the year the Academy received £11,018 and disbursed £11,018 from the fund.

NUNTHORPE MULTI-ACADEMY TRUST (PREVIOUSLY KNOWN AS NUNTHORPE ACADEMY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

27 Conversion to an academy

On 1 March 2017 the Rye Hills Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Nunthorpe Multi-Academy Trust from the Redcar and Cleveland 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
Rye Hills Academy	Redcar	1 March 2017

Net assets transferred:	2017 £
Leasehold buildings	10,700,000
	<u>10,700,000</u>

Funds surplus/(deficit) transferred:	Unrestricted funds £	Restricted general funds £	Restricted fixed assets funds £	Total 2017 £
Fixed asset funds	-	-	10,700,000	10,700,000
LGPS pension funds	-	(1,302,000)	-	(1,302,000)
School budget share	-	280,190	-	280,190
	<u>-</u>	<u>(1,021,810)</u>	<u>10,700,000</u>	<u>9,678,190</u>

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE MEMBERS OF NUNTHORPE MULTI-ACADEMY TRUST AND EDUCATION AND SKILLS
FUNDING AGENCY**

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Nunthorpe Multi-Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Nunthorpe Multi-Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Nunthorpe Multi-Academy Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Nunthorpe Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2016, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the trustees of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Nunthorpe Multi-Academy Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 2016 to 2017.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement 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.

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 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE MEMBERS OF NUNTHORPE MULTI-ACADEMY TRUST AND EDUCATION AND SKILLS
FUNDING AGENCY**

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to Nunthorpe Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 20 July 2017. Our work has been undertaken so that we might state to Nunthorpe Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nunthorpe Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



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Dated: 11/1/18