

Company Registration No. 08188507 (England and Wales)

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

| | | |
|--|---|----------------------------|
| Members | B H Whitfield A Mansfield A Shield A Brundell | |
| Trustees | A Mansfield (Chair) K Brentall S Jones M Robinson I Fuller J Liddle L Brown (Executive Principal and Accounting Officer) G Cornforth (Appointed 23 May 2018) D Humpleby (Appointed 23 May 2018) | |
| Senior management team | | |
| - Executive Principal | L Brown | |
| - Head of School (Nunthorpe) | D Yates | |
| - Head of School (Rye Hills) | C Waugh | |
| - Director of Business and Finance | N Goodall | |
| Company secretary | WB Company Secretaries Limited | |
| Company registration number | 08188507 (England and Wales) | |
| Principal and registered office | Nunthorpe Academy Guisborough Road Nunthorpe TS7 0LA | |
| Academies operated | Location | Executive Principal |
| Nunthorpe Academy | Nunthorpe, Middlesbrough | D Yates |
| Rye Hills Academy | Redcar | C Waugh |
| Independent auditor | RSM UK Audit LLP 1 St. James' Gate Newcastle upon Tyne NE1 4AD | |
| 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 LIMITED

TRUSTEES' REPORT

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

The Trust 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 2,755 and had a roll of 2,510 in the school autumn census 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 Trust.

The charitable company is known as Nunthorpe Multi-Academy Trust Limited.

The trustees of Nunthorpe Multi-Academy Trust Limited are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these financial statements are approved, 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 Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or 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.

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 Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the 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.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

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), and a 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 Director of Business and Finance
- Two Vice Principals
- Nine Assistant Vice Principals

The Board of Trustees ensure good governance of the multi-academy trust and set policy. The Board of Trustees currently fulfils the functions of an Audit/Finance committee, but it is the intention to introduce an NMAT Finance Committee to the NMAT governance structure from September 2018. 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).

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 Trust 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; and
- 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 Trust.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

Trade union facility time

Relevant union officials

| | |
|--|------|
| Number of employees who were relevant union officials during the relevant period | 1 |
| Full-time equivalent employee number | 1.00 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | - |
| 1%-50% | 1 |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time

| | |
|---|------------|
| Total cost of facility time | 11,533 |
| Total pay bill | 12,028,604 |
| Percentage of the total pay bill spent on facility time | - |

Paid trade union activities

| | |
|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - |
|---|---|

Related parties and co-operation with other organisations

The 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 Trust. Nunthorpe Academy's Head of School manages the subsidiary company. The subsidiary company's Board of Directors are responsible for the company including its viability and for ensuring its functions do not impact on the Trust'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 14.

Nunthorpe Academy gained Teaching School status (known as North East Schools Teaching Alliance – previously known as NESTA) in 2014 and is now working collaboratively with 7 local primary schools and 3 secondary school partners.

During the period, the North East Schools Teaching Alliance continued to build upon its strong relationship with Northumbria University, and the next cohort of 9 secondary and 7 primary trainee teachers have been recruited to begin in September 2018 to start their training towards Qualified Teacher Status (QTS). 10 members of staff from within the North East Schools Teaching Alliance 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 academies.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

Objectives and aims

The 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 2017-2018, the main objectives were:

- To ensure that VA at KS5 continues to be above 0.
- To support all departments to achieve Progress 8 scores of 0 or better.
- Ensure that the achievement gap of vulnerable students versus all students significantly narrows.
- Use the North East Schools Teaching Alliance to train ITT students to respond to national shortage of teachers of core subjects to enable us to appoint high quality, newly qualified teachers.
- 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 at least Good in their SEFs.
- Drive continuous improvement in teaching and learning ensuring that students are challenged and that their high aspirations are met.

Our strategies

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

Our activities

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

Public benefit

A public benefit entity is defined by the Financial Reporting Standard (FRS) 102 as 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members'.

The Trustees have therefore 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, the 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.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

Rye Hills Academy

GCSE results - 74% of students achieved a pass in English with 58% securing the new standard of 'good pass'. In mathematics, the figures were 70% and 46% respectively. Overall, 64% of students achieved a pass in English and Maths with 40% securing the new standard of 'good pass'. Overall, the Attainment 8 grade is a C.

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

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 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018, total expenditure of £16,109,861 (2017: £13,288,666) was more than the total grant funding received from the ESFA together with other incoming resources. The excess expenditure over total income for the year (prior to gains/losses) was £1,438,591 (2017: gain of £8,293,553).

Excluding the restricted fixed asset funds there is a total carried forward deficit of £2,143,474 (2017: £2,007,241) of which £1,897,000 (2017: £2,340,000) relates to the pension deficit. The closing funds excluding the restricted fixed asset fund and the pension deficit are therefore a deficit of £246,474 (2017: surplus of £332,759).

As at 31 August 2018 the net book value of fixed assets was £19,387,337 (2017: £19,882,695) and movements in tangible fixed assets are shown in note 13 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 £288,311 (2017: £903,512).

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. In 2018/19 the MAT free reserves currently stand at negative £246k. This is due in part to both planned and unplanned expenditure. An element of this planned expenditure included a number of internal restructures to realign the pastoral system with the educational needs of the students at Nunthorpe. The MAT is implementing a financial recovery plan and an alteration to the NMAT Business Leadership structure will mean that specialist roles and knowledge are more closely aligned to the key priorities of the Trust going forward. The work of the newly formed NMAT Finance Committee, along with the Executive principal will hold the NMAT Leadership team to account. A key focus for the Trust moving forward is to address the priorities outlined in the recovery plan along with the requirement to rebuild the MAT reserves over time to return to the previously approved position that reserves should be close to c£500,000 in order to reflect the uncertainties in the future funding formulae in education and the increasing age and condition of the Nunthorpe site.

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.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

These include:

| | 2018 | 2017 |
|---|----------|----------|
| Wages and salaries (excluding pension) as a percentage of GAG | 84% | 88% |
| Liquidity ratio (current asset/ current liabilities) | 0.75 | 1.39 |
| Cash balance | £288,311 | £903,512 |

Going concern

The board of trustees acknowledges that the Trust has net current liabilities of £246k and a deficit on reserves carried forward of £246k. There has been a review of all support staff roles and restructures across the organisation. The first stage was actioned from September 2018, and this process was completed on budget. Further reductions in headcount of support and teaching staff are planned throughout the remainder of the 2018/19 academic year through further restructures, review of curriculum offer, capability and appraisal processes and/or natural wastage. The board undertook a challenging review of the budgets and forecasts. 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.

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 +0.05 or better.
- Ensure that the achievement gap of vulnerable students versus all students significantly narrows.
- Use the teaching school 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:

- Restructuring staffing levels across all MAT academies in order to ensure that the organisation is both financially stable (noting the financial pressures in the education sector), and as efficient as possible, providing strong 'value for money' outcomes.
- 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 LIMITED

TRUSTEES' REPORT (CONTINUED)

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.

The education sector is currently facing some financial uncertainties, with 'unfunded' salary costs/increases being a particular concern. The MAT is currently undertaking a full review of its staffing structure to ensure that it remains financially stable, whilst still being able to provide the best education possible to its students.

In line with similar education organisations, the MAT also faces a potential future recruitment issue, particularly in recruiting good quality teachers for the sciences, maths and modern foreign languages. The teaching school initiative 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.

Fundraising

The Trust does not work with third party fundraising organisations. Fundraising is restricted to school events such as non-uniform days, school fairs and school performances where donations are encouraged but not expected and proceeds are either donated to a named charity or accepted into the School Fund.

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.

AUDITOR

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

Statement as to disclosure of information to auditor

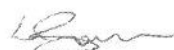
The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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 21 December 2018 and signed on its behalf by:

A Mansfield
Chair



L Brown
Executive Principal and Accounting Officer



NUNTHORPE MULTI-ACADEMY TRUST LIMITED

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Nunthorpe Multi-Academy Trust Limited 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 Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| A Mansfield (Chair) | 6 | 6 |
| K Brentall | 6 | 6 |
| S Jones | 5 | 6 |
| M Robinson | 6 | 6 |
| I Fuller | 4 | 6 |
| J Liddle | 6 | 6 |
| L Brown (Executive Principal and Accounting Officer) | 6 | 6 |
| G Cornforth (Appointed 23 May 2018) | 2 | 2 |
| D Humpleby (Appointed 23 May 2018) | 2 | 2 |

The Board of Trustees has established a Local Governing Body (LGB) for each 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).

Governance reviews

Nunthorpe Multi-Academy Trust Limited 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, which also performs the role of audit/finance committee 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 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.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

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 available. The accounting officer for the Trust has delivered improved value for money during the year by:

Nunthorpe Academy

The MAT 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. Registration is now standing at 86%.

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 catering provision was outsourced to P&A Food Management Services Ltd, on a 'nil-cost' basis for the academy.

Roll out and increased use of ParentPay during the period. Registration now up to 60%, reducing the need for students to carry cash in the academy, as well as reducing banking costs.

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. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Limited for the period 1 September 2017 to 31 August 2018 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The 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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided 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 covered testing of payroll systems. The internal reviewer reports to the board of trustees on the operation of the systems of control.

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; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 21 December 2018 and signed on its behalf by:



A Mansfield
Chair

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that the following instances of material irregularity, impropriety of funding or non-compliance discovered to date have been notified to the board of trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

- During the year the Trust used an overdraft facility on three separate occasions. The maximum value of the overdraft was £20,918. This was due to transactional issues rather than the need to borrow as there were sufficient funds available in the other Trust bank accounts. The Trust did not seek prior approval from the ESFA, however the ESFA were subsequently informed.



L Brown
Accounting Officer

21 December 2018

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Nunthorpe Multi-Academy Trust Limited 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 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 21 December 2018 and signed on its behalf by:



A Mansfield
Chair



L Brown
Executive Principal and Accounting Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NUNTHORPE MULTI-ACADEMY TRUST LIMITED

Opinion

We have audited the financial statements of Nunthorpe Multi-Academy Trust Limited (the "parent charitable company") and its subsidiaries (the "group") for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Statement of Cash Flows and the 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 2017 to 2018 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 2018 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 2017 to 2018 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NUNTHORPE MULTI-ACADEMY TRUST LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the Strategic Report, included within the Trustees' 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 13, 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.

Use of our report

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



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



NUNTHORPE MULTI-ACADEMY TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

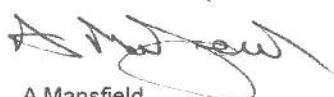
| | | Unrestricted Funds | Restricted General Funds | Restricted Fixed asset Funds | Total 2018 | Total 2017 |
|---|-------|-----------------------|--------------------------------|------------------------------------|-------------------|-------------------|
| | Notes | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 27,693 | 57,781 | - | 85,474 | 103,008 |
| Donations - transfer from local authority on conversion | | - | - | - | - | 9,678,190 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | - | 13,874,730 | - | 13,874,730 | 11,109,523 |
| - Funding for teaching school | 27 | - | 40,000 | - | 40,000 | 40,000 |
| Other trading activities | 5 | 670,866 | - | - | 670,866 | 651,408 |
| Investments | 6 | 200 | - | - | 200 | 90 |
| Total | | <u>698,759</u> | <u>13,972,511</u> | <u>-</u> | <u>14,671,270</u> | <u>21,582,219</u> |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 310,251 | - | - | 310,251 | 525,516 |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | - | 15,212,647 | 546,963 | 15,759,610 | 12,723,150 |
| - Teaching School | 27 | - | 40,000 | - | 40,000 | 40,000 |
| Total | 7 | <u>310,251</u> | <u>15,252,647</u> | <u>546,963</u> | <u>16,109,861</u> | <u>13,288,666</u> |
| Net income/(expenditure) | | 388,508 | (1,280,136) | (546,963) | (1,438,591) | 8,293,553 |
| Transfers between funds | 19 | (947,741) | 896,136 | 51,605 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains on defined benefit pension schemes | 24 | - | 807,000 | - | 807,000 | 1,483,000 |
| Net movement in funds | | <u>(559,233)</u> | <u>423,000</u> | <u>(495,358)</u> | <u>(631,591)</u> | <u>9,776,553</u> |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 312,759 | (2,320,000) | 19,882,695 | 17,875,454 | 8,098,901 |
| Total funds carried forward | | <u>(246,474)</u> | <u>(1,897,000)</u> | <u>19,387,337</u> | <u>17,243,863</u> | <u>17,875,454</u> |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED**BALANCE SHEETS****AS AT 31 AUGUST 2018**

| | Notes | Group 2018 £ | Company 2018 £ | Group 2017 £ | Company 2017 £ |
|--|-------|--------------------|----------------------|--------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 13 | 19,387,337 | 19,387,337 | 19,882,695 | 19,882,695 |
| Investments | 14 | - | 1 | - | 1 |
| | | 19,387,337 | 19,387,338 | 19,882,695 | 19,882,696 |
| Current assets | | | | | |
| Debtors | 15 | 273,978 | 285,823 | 271,145 | 285,145 |
| Cash at bank and in hand | | 419,039 | 383,884 | 903,512 | 821,768 |
| | | 693,017 | 669,707 | 1,174,657 | 1,106,913 |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 16 | (939,491) | (938,078) | (841,898) | (833,849) |
| Net current assets | | (246,474) | (268,371) | 332,759 | 273,064 |
| Net assets excluding pension liability | | 19,140,863 | 19,118,967 | 20,215,454 | 20,155,760 |
| Defined benefit pension scheme liability | 24 | (1,897,000) | (1,897,000) | (2,340,000) | (2,340,000) |
| Net assets | | 17,243,863 | 17,221,967 | 17,875,454 | 17,815,760 |
| Funds of the Trust: | | | | | |
| Restricted funds | 19 | | | | |
| - Restricted fixed asset funds | | 19,387,337 | 19,387,337 | 19,882,695 | 19,882,695 |
| - Restricted income funds | | - | - | 20,000 | 20,000 |
| - Pension reserve | | (1,897,000) | (1,897,000) | (2,340,000) | (2,340,000) |
| Total restricted funds | | 17,490,337 | 17,490,337 | 17,562,695 | 17,562,695 |
| Unrestricted income funds | 19 | (246,474) | (268,370) | 312,759 | 253,065 |
| Total funds | | 17,243,863 | 17,221,967 | 17,875,454 | 17,815,760 |

The results of the unconsolidated entity charity are total income for the year of £14,532,642 (2017: £21,418,306) and net expenditure for the year of £637,157 (2017: £8,269,618 net incoming resources).

The financial statements on pages 16 to 44 were approved by the board of trustees and authorised for issue on 21 December 2018 and are signed on their behalf by:



A Mansfield
Chair



L Brown
Executive Principal and Accounting Officer

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| Cash flows from operating activities | | | | | |
| Net cash used in operating activities | 22 | (615,277) | | (271,879) | |
| Cash funds transferred on conversion | | - | | 169,359 | |
| | | <u>(615,277)</u> | | <u>(102,520)</u> | |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 200 | | 90 | |
| Capital grants from DfE Group | | 51,481 | | 50,278 | |
| Purchase of tangible fixed assets | | <u>(51,605)</u> | | <u>(157,260)</u> | |
| Net cash provided by/(used in) investing activities | | | 76 | | (106,892) |
| Net decrease in cash and cash equivalents in the reporting period | | | <u>(615,201)</u> | | <u>(209,412)</u> |
| Cash and cash equivalents at beginning of the year | | | 903,512 | | 1,112,924 |
| Cash and cash equivalents at end of the year | | | <u>288,311</u> | | <u>903,512</u> |
| Relating to: | | | | | |
| Bank and cash balances | | | 419,039 | | 903,512 |
| Bank overdrafts | | | <u>(130,728)</u> | | <u>-</u> |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

General information

Nunthorpe Multi-Academy Trust Limited 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 Trust 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Trust is 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 functional currency of the Trust.

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

Going concern

The Trust has net current liabilities and a deficit on funds carried forward of £246k. The cash flow forecasts to December 2019 reflect that the Trust will have sufficient cash balances to continue in operational existence. 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

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 2018. Profits or losses on intra-group transactions are eliminated in full.

Income

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

Grants

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

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

1 Accounting policies (Continued)

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

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

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

Charitable activities

These are costs incurred on the Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £1,000 or more (fixtures, fittings and equipment and motor vehicles) and £10,000 or more (land and buildings) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

| | |
|----------------------------------|--------------------------------|
| Land and buildings | straight line over 50 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.

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

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

Investments

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

Financial instruments

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust 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), unless the arrangement constitutes a financing transaction. A financial asset of 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 agreement 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.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the 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.

Taxation

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

Pensions benefits

Retirement benefits to employees of the Trust 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently 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.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 reporting 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.

Fund accounting

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

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

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

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 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 Charity only Statement of Cash Flow and related notes and disclosures.

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 51,481 | 51,481 | 50,278 |
| Other donations | 27,693 | 6,300 | 33,993 | 52,730 |
| | <u>27,693</u> | <u>57,781</u> | <u>85,474</u> | <u>103,008</u> |

The income from donations and capital grants was £85,474 (2017: £103,008) of which £27,693 was unrestricted (2017: £52,730) and £57,781 was restricted (2017: £50,278).

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

4 Funding for the Trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 12,649,737 | 12,649,737 | 10,057,450 |
| Other DfE group grants | - | 758,313 | 758,313 | 797,698 |
| | - | 13,408,050 | 13,408,050 | 10,855,148 |
| Other government grants | | | | |
| Local authority grants | - | 466,680 | 466,680 | 254,375 |
| Teaching School income | - | 40,000 | 40,000 | 40,000 |
| | - | 13,914,730 | 13,914,730 | 11,149,523 |

The income from funding for educational operations was £13,914,730 (2017: £11,149,523) of which £13,914,730 was restricted (2017: £11,149,523).

Other DfE group grants are made up of pupil premium, summer school income and year 7 catch up grants. Local authority grants are made up of school sports partnership funding, looked after children funding 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 £ | Total 2018 £ | Total 2017 £ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| School Fund | 184,673 | - | 184,673 | 174,387 |
| Tuition | 138,628 | - | 138,628 | 199,648 |
| Hire of facilities | 58,111 | - | 58,111 | 52,069 |
| Catering income | 133,688 | - | 133,688 | 106,299 |
| Other income | 155,766 | - | 155,766 | 119,005 |
| | 670,866 | - | 670,866 | 651,408 |

The income from other trading activities was £670,866 (2017: £651,408) of which £670,866 was unrestricted (2017: £651,408).

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|-----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Interest from short term deposits | 200 | - | 200 | 90 |

The income from funding for investment income was £200 (2017: £90) of which £200 was unrestricted (2017: £90).

7 Expenditure

| | Staff costs £ | Non Pay Expenditure Premises £ | Other £ | Total 2018 £ | Total 2017 £ |
|----------------------------------|------------------|--------------------------------------|------------|--------------------|--------------------|
| Expenditure on raising funds | | | | | |
| - Direct costs | - | - | 310,251 | 310,251 | 525,516 |
| Academy's educational operations | | | | | |
| - Direct costs | 8,806,881 | 546,963 | 932,334 | 10,286,178 | 8,208,031 |
| - Allocated support costs | 3,918,931 | 942,128 | 612,373 | 5,473,432 | 4,515,119 |
| Teaching School | | | | | |
| - Direct costs | - | - | 40,000 | 40,000 | 40,000 |
| Total support costs | 12,725,812 | 1,489,091 | 1,894,958 | 16,109,861 | 13,288,666 |

The expenditure on raising funds was £310,251 (2017: £525,516) of which £310,251 was unrestricted (2017: £525,516).

Net income/(expenditure) for the year includes:

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Operating lease rentals | - | 15,064 |
| Depreciation of tangible fixed assets | 546,963 | 439,965 |
| Net interest on defined benefit pension liability | 54,000 | 55,000 |
| Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows: | | |
| - Audit | 15,000 | 13,700 |
| - Other services | 6,150 | 7,750 |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Educational operations | - | 10,286,178 | 10,286,178 | 8,208,031 |
| Teaching School | - | 40,000 | 40,000 | 40,000 |
| Support costs | | | | |
| Educational operations | - | 5,473,432 | 5,473,432 | 4,515,119 |
| | - | 15,799,610 | 15,799,610 | 12,763,150 |

The expenditure on charitable activities was £15,759,610 (2017: £12,723,150) of which £15,212,647 was restricted (2017: £12,283,185) and £546,963 was restricted fixed assets (2017: £439,965).

The expenditure on teaching school was £40,000 (2017: £40,000) of which £40,000 was restricted (2017: £40,000).

| | Teaching School £ | Educational operations £ | Total 2018 £ | Total 2017 £ |
|----------------------------------|-------------------------|--------------------------------|--------------------|--------------------|
| Analysis of support costs | | | | |
| Support staff costs | - | 3,918,931 | 3,918,931 | 3,093,264 |
| Premises costs | - | 942,128 | 942,128 | 926,211 |
| Other support costs | - | 549,598 | 549,598 | 444,662 |
| Governance costs | - | 62,775 | 62,775 | 50,982 |
| | - | 5,473,432 | 5,473,432 | 4,515,119 |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

9 Staff

Staff costs

Staff costs during the year were:

| | 2018 £ | 2017 £ |
|---------------------------|------------|------------|
| Wages and salaries | 9,586,973 | 7,476,150 |
| Social security costs | 989,571 | 1,430,284 |
| Pension costs | 1,762,060 | 779,533 |
| Staff costs | 12,338,604 | 9,685,967 |
| Agency staff costs | 311,896 | 309,009 |
| Staff restructuring costs | 75,312 | 51,500 |
| Total staff expenditure | 12,725,812 | 10,046,476 |

Staff restructuring costs comprise:

| | | |
|--------------------|--------|--------|
| Severance payments | 75,312 | 51,500 |
|--------------------|--------|--------|

Non statutory/non-contractual staff severance payments

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £75,312 (2017: £51,500). Individually, the payments were: £41,258 on 31 December 2017, £20,054 on 31 October 2017, £6,000 on 16 October 2017 and £8,000 on 11 April 2018.

Staff numbers

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

| | 2018 Number | 2017 Number |
|----------------------------|----------------|----------------|
| Teachers | 217 | 189 |
| Administration and support | 201 | 151 |
| Management | 11 | 7 |
| | 429 | 347 |

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

| | 2018 Number | 2017 Number |
|----------------------------|----------------|----------------|
| Teachers | 181 | 151 |
| Administration and support | 197 | 149 |
| Management | 11 | 7 |
| | 389 | 307 |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

9 Staff (Continued)

Higher paid staff

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

| | 2018 Number | 2017 Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | 1 | 1 |
| £70,001 - £80,000 | 3 | 2 |
| £100,001 - £110,000 | 1 | 1 |
| | <u>5</u> | <u>4</u> |

Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Trust was £415,597 (2017: £413,424).

10 Central services

No central services were provided by the Trust to its academies during the year and no central charges arose.

11 Trustees' remuneration and expenses

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

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

The annual amount of the Executive Principal's remuneration was £105,132 (2017: £102,570). The Executive Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £17,326 (2017: £16,904).

The annual amount of other staff Trustees' remuneration, excluding employer pension contributions, was £nil (2017: £108,013). The staff Trustees are accruing retirement benefits under the Local Government Pension Scheme and contributions paid in the year amounted to £nil (2017: £10,698).

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017: £nil) were reimbursed to trustees.

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

12 Trustees and officers insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £250,000 on any one claim and the cost for the year ended 31 August 2018 was £896 (2017: £266). The cost of this insurance is included in the total insurance cost.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

13 Tangible fixed assets

| Group and company | Land and buildings £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|-----------------------|----------------------------|---|------------------------|------------|
| Cost | | | | |
| At 1 September 2017 | 20,715,000 | 842,161 | 14,110 | 21,571,271 |
| Additions | - | 51,301 | 304 | 51,605 |
| At 31 August 2018 | 20,715,000 | 893,462 | 14,414 | 21,622,876 |
| Depreciation | | | | |
| At 1 September 2017 | 1,088,366 | 591,979 | 8,231 | 1,688,576 |
| Charge for the year | 413,599 | 131,348 | 2,016 | 546,963 |
| At 31 August 2018 | 1,501,965 | 723,327 | 10,247 | 2,235,539 |
| Net book value | | | | |
| At 31 August 2018 | 19,213,035 | 170,135 | 4,167 | 19,387,337 |
| At 31 August 2017 | 19,626,634 | 250,182 | 5,879 | 19,882,695 |

14 Investment in subsidiaries

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

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

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

| Company | Country of registration | Principal activities |
|---|----------------------------|--|
| Nunthorpe Learning and Leisure Limited | United Kingdom | Dormant |
| Nunthorpe Learning And Leisure (2015) Ltd | United Kingdom | Educational services to wider community |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

14 Investment in subsidiaries (Continued)

Nunthorpe Learning and Leisure Limited

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Summary statement of comprehensive income | | |
| Turnover and other income | - | - |
| Cost of sales and administrative expenses | - | (29) |
| Operating loss | - | (29) |
| The assets and liabilities of the subsidiary were: | | |
| Total assets | 29,721 | 29,721 |
| Total liabilities | (29,724) | (29,724) |
| Total net liabilities | (3) | (3) |

Nunthorpe Learning and Leisure 2015 Ltd

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Summary statement of comprehensive income | | |
| Turnover and other income | 138,628 | 199,648 |
| Cost of sales and administrative expenses | (119,727) | (139,949) |
| Operating profit | 18,901 | 59,699 |
| The assets and liabilities of the subsidiary were: | | |
| Total assets | 23,313 | 67,747 |
| Total liabilities | (1,412) | (8,048) |
| Total net assets | 21,901 | 59,699 |

| 15 Debtors | Group 2018 £ | Company 2018 £ | Group 2017 £ | Company 2017 £ |
|------------------------------------|--------------------|----------------------|--------------------|----------------------|
| Trade debtors | 36,682 | 36,682 | 85,916 | 85,916 |
| Amounts owed by group undertakings | - | 14,000 | - | 14,000 |
| VAT recoverable | 93,654 | 91,675 | 88,401 | 88,401 |
| Other debtors | 176 | - | 10,334 | 10,334 |
| Prepayments and accrued income | 143,466 | 143,466 | 86,494 | 86,494 |
| | 273,978 | 285,823 | 271,145 | 285,145 |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

16 Creditors: amounts falling due within one year

| | Group 2018 £ | Company 2018 £ | Group 2017 £ | Company 2017 £ |
|--|--------------------|----------------------|--------------------|----------------------|
| Bank overdrafts | 130,728 | 130,728 | - | - |
| Trade creditors | 363,281 | 362,733 | 341,542 | 333,979 |
| Other taxation and social security | 227,309 | 226,564 | 227,261 | 226,894 |
| Other creditors | 137,857 | 137,737 | 143,176 | 143,057 |
| Accruals and deferred income (see note 17) | 80,316 | 80,316 | 129,919 | 129,919 |
| | <u>939,491</u> | <u>938,078</u> | <u>841,898</u> | <u>833,849</u> |

As at 31 August 2018 one of the Trusts' bank accounts was overdrawn, with a statement balance of £10,954. The bank account returned to credit on 3 September 2018. The bank overdraft figure included in creditors less than one year includes unrepresented items.

| 17 Deferred income | 2018 £ | 2017 £ |
|--|-----------|---------------|
| Deferred income is included within: | | |
| Creditors due within one year | - | 63,690 |
| | <u>-</u> | <u>63,690</u> |
| Deferred income at 1 September 2017 | 63,690 | - |
| Released from previous years | (63,690) | - |
| Resources deferred in the year | - | 63,690 |
| | <u>-</u> | <u>63,690</u> |
| Deferred income at 31 August 2018 | - | 63,690 |

| 18 Financial instruments | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 37,038 | 96,250 |
| | <u>37,038</u> | <u>96,250</u> |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 581,454 | 550,677 |
| | <u>581,454</u> | <u>550,677</u> |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

| Consolidated | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2018 £ |
|--|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 12,649,737 | (13,545,873) | 896,136 | - |
| Other DfE / ESFA grants | - | 809,794 | (809,794) | - | - |
| Other government grants | - | 466,680 | (466,680) | - | - |
| Teaching School | - | 40,000 | (40,000) | - | - |
| Other restricted funds | 20,000 | 6,300 | (26,300) | - | - |
| Pension reserve | (2,340,000) | - | (364,000) | 807,000 | (1,897,000) |
| | <u>(2,320,000)</u> | <u>13,972,511</u> | <u>(15,252,647)</u> | <u>1,703,136</u> | <u>(1,897,000)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited funds | 8,831,424 | - | (285,117) | - | 8,546,307 |
| Transferred on conversion | 10,593,000 | - | (214,000) | - | 10,379,000 |
| DfE Group capital grants | 61,466 | - | - | - | 61,466 |
| Capital expenditure from unrestricted funds | 396,805 | - | (47,846) | 51,605 | 400,564 |
| | <u>19,882,695</u> | <u>-</u> | <u>(546,963)</u> | <u>51,605</u> | <u>19,387,337</u> |
| Total restricted funds | <u>17,562,695</u> | <u>13,972,511</u> | <u>(15,799,610)</u> | <u>1,754,741</u> | <u>17,490,337</u> |
| Unrestricted funds | | | | | |
| General funds | <u>312,759</u> | <u>698,759</u> | <u>(310,251)</u> | <u>(947,741)</u> | <u>(246,474)</u> |
| Total funds | <u>17,875,454</u> | <u>14,671,270</u> | <u>(16,109,861)</u> | <u>807,000</u> | <u>17,243,863</u> |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds (Continued)

| Company | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2018 £ |
|--|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 12,649,737 | (13,545,873) | 896,136 | - |
| Other DfE / ESFA grants | - | 809,794 | (809,794) | - | - |
| Other government grants | - | 466,680 | (466,680) | - | - |
| Teaching School | - | 40,000 | (40,000) | - | - |
| Other restricted funds | 20,000 | 6,300 | (26,300) | - | - |
| Pension reserve | (2,340,000) | - | (364,000) | 807,000 | (1,897,000) |
| | <u>(2,320,000)</u> | <u>13,972,511</u> | <u>(15,252,647)</u> | <u>1,703,136</u> | <u>(1,897,000)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited funds | 8,831,424 | - | (285,117) | - | 8,546,307 |
| Transferred on conversion | 10,593,000 | - | (214,000) | - | 10,379,000 |
| DfE Group capital grants | 61,466 | - | - | - | 61,466 |
| Capital expenditure from unrestricted funds | 396,805 | - | (47,846) | 51,606 | 400,565 |
| | <u>19,882,695</u> | <u>-</u> | <u>(546,963)</u> | <u>51,606</u> | <u>19,387,338</u> |
| Total restricted funds | <u>17,562,695</u> | <u>13,972,511</u> | <u>(15,799,610)</u> | <u>1,754,742</u> | <u>17,490,338</u> |
| Unrestricted funds | | | | | |
| General funds | 253,065 | 616,830 | (190,524) | (947,742) | (268,371) |
| Total funds | <u>17,815,760</u> | <u>14,589,341</u> | <u>(15,990,134)</u> | <u>807,000</u> | <u>17,221,967</u> |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

19 Funds (Continued)

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

General Annual Grant

General Annual Grant must be used for the normal running costs of the Trust. The Trust is not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE / ESFA grants

Other DfE/ ESFA grants relate to DfE funding, rates relief, 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 school sports partnership funding and individual pupil support. Income received is fully utilised in the year.

Teaching schools

This includes National College for Training and Leadership funding.

Other restricted income

Other restricted income is in relation to funding received for educational resources. Funds are expected to be utilised within one year.

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. The Trust is carrying a net deficit of £246,474 on unrestricted funds. The Trust is taking action to return these funds to surplus.

Transfers

Transfers between funds represent amounts financed from unrestricted reserves.

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

19 Funds (Continued)

Funds prior year

| Consolidated | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2017 £ |
|--|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| 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 School | - | 40,000 | (40,000) | - | - |
| Other restricted funds | 167,345 | 280,190 | (427,535) | - | 20,000 |
| Pension reserve | (2,188,000) | (1,302,000) | (333,000) | 1,483,000 | (2,340,000) |
| | <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 Group capital grants | 61,466 | - | - | - | 61,466 |
| Capital expenditure from unrestricted funds | 287,393 | - | (47,848) | 157,260 | 396,805 |
| | <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 funds | <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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds (Continued)

Funds prior year

| Company | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2017 £ |
|--|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| 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 School | - | 40,000 | (40,000) | - | - |
| Other restricted funds | 167,345 | 280,190 | (427,535) | - | 20,000 |
| Pension reserve | (2,188,000) | (1,302,000) | (333,000) | 1,483,000 | (2,340,000) |
| | <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 Group capital grants | 61,466 | - | - | - | 61,466 |
| Capital expenditure from unrestricted funds | 287,393 | - | (47,848) | 157,260 | 396,805 |
| | <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 funds | 618,397 | 540,315 | (385,538) | (520,109) | 253,065 |
| 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> |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

19 Funds (Continued)

Total funds analysis by academy

| | 2018 £ | 2017 £ |
|--|-------------|-------------|
| Fund balances at 31 August 2018 were allocated as follows: | | |
| Nunthorpe Academy | (271,864) | 289,142 |
| Rye Hills Academy | 25,390 | 43,617 |
| Total before fixed assets fund and pension reserve | (246,474) | 332,759 |
| Restricted fixed asset fund | 19,387,337 | 19,882,695 |
| Pension reserve | (1,897,000) | (2,340,000) |
| Total funds | 17,243,863 | 17,875,454 |

Total cost analysis by academy

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

| | Teaching and educational support staff £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2018 £ | Total 2017 £ |
|-------------------|---|-----------------------------------|------------------------------|---|--------------------|--------------------|
| Nunthorpe Academy | 5,546,467 | 2,358,657 | 694,349 | 1,028,379 | 9,627,852 | 9,382,397 |
| Rye Hills Academy | 3,260,414 | 1,560,274 | 277,985 | 716,646 | 5,815,319 | 3,097,568 |
| | 8,806,881 | 3,918,931 | 972,334 | 1,745,025 | 15,443,171 | 12,479,965 |

20 Analysis of net assets between funds

| Group | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|---|----------------------------|-------------------------------------|---|---------------------|
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible fixed assets | - | - | 19,387,337 | 19,387,337 |
| Current assets | - | 693,017 | - | 693,017 |
| Creditors falling due within one year | (246,474) | (693,017) | - | (939,491) |
| Defined benefit pension liability | - | (1,897,000) | - | (1,897,000) |
| Total net assets | (246,474) | (1,897,000) | 19,387,337 | 17,243,863 |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

20 Analysis of net assets between funds (Continued)

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2017 are represented by: | | | | |
| Tangible fixed assets | - | - | 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) |
| Defined benefit pension liability | - | (2,340,000) | - | (2,340,000) |
| Total net assets | 312,759 | (2,320,000) | 19,882,695 | 17,875,454 |

| Company | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--|----------------------------|-------------------------------------|---|---------------------|
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible fixed assets | - | - | 19,387,337 | 19,387,337 |
| Fixed asset investments | - | - | 1 | 1 |
| Current assets | - | 669,707 | - | 669,707 |
| Creditors falling due within one year | (268,371) | (669,707) | - | (938,078) |
| Defined benefit pension liability | - | (1,897,000) | - | (1,897,000) |
| Total net assets | (268,371) | (1,897,000) | 19,387,338 | 17,221,967 |

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2017 are represented by: | | | | |
| Tangible fixed assets | - | - | 19,882,695 | 19,882,695 |
| Fixed asset investments | - | 1 | - | 1 |
| Current assets | 253,065 | 853,848 | - | 1,106,913 |
| Creditors falling due within one year | - | (833,849) | - | (833,849) |
| Defined benefit pension liability | - | (2,340,000) | - | (2,340,000) |
| Total net assets | 253,065 | (2,320,000) | 19,882,695 | 17,815,760 |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

21 Commitments under operating leases

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

| | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Amounts due within one year | 30,620 | 24,578 |
| Amounts due between one and five years | 67,499 | 36,530 |
| | <u>98,119</u> | <u>61,108</u> |

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

| | 2018 £ | 2017 £ |
|--|------------------|------------------|
| Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities) | (1,438,591) | 8,293,553 |
| Adjusted for: | | |
| Net surplus on conversion to academy | - | (9,678,190) |
| Capital grants from DfE/ESFA and other capital income | (51,481) | (50,278) |
| Interest receivable | (200) | (90) |
| Defined benefit pension scheme cost less contributions payable | 310,000 | 278,000 |
| Defined benefit pension scheme finance cost | 54,000 | 55,000 |
| Depreciation of tangible fixed assets | 546,963 | 439,965 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (2,833) | 209,918 |
| (Decrease)/increase in creditors | (33,135) | 180,243 |
| Net cash used in operating activities | <u>(615,277)</u> | <u>(271,879)</u> |

23 Members' liability

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

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

24 Pension and similar obligations

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

Contributions amounting to £192,171 (2017: £113,959) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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 16.48% (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 the TPS in the period amounted to £1,093,060 (2017: £881,302).

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

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

24 Pension and similar obligations (Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 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.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

| Total contributions made | 2018 | 2017 |
|---------------------------------|-------------|-------------|
| | £ | £ |
| Employer's contributions | 359,000 | 207,000 |
| Employees' contributions | 141,000 | 87,000 |
| Total contributions | 500,000 | 294,000 |

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

| | 2018 | 2017 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.0 | 3.0 |
| Rate of increase for pensions in payment/inflation | 2.0 | 2.0 |
| Discount rate for scheme liabilities | 2.8 | 2.5 |
| Inflation assumption (CPI) | 2.0 | 2.0 |

The assumed life expectations on retirement age 65 are:

| | 2018 | 2017 |
|----------------------|--------------|--------------|
| | Years | Years |
| Retiring today | | |
| - Males | 22.9 | 22.8 |
| - Females | 25.0 | 24.9 |
| Retiring in 20 years | | |
| - Males | 25.1 | 25.0 |
| - Females | 27.3 | 27.2 |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

24 Pension and similar obligations (Continued)

| The Trust's share of the assets in the scheme | 2018 Fair value £ | 2017 Fair value £ |
|---|-------------------------|-------------------------|
| Equities | 5,099,000 | 4,942,000 |
| Corporate bonds | - | 6,000 |
| Cash | 1,257,000 | 800,000 |
| Property | 538,000 | 400,000 |
| Other assets | 91,000 | 100,000 |
| Total fair value of assets | 6,985,000 | 6,248,000 |

The actual return on scheme assets was £351,000 (2017: £582,000).

| Amount recognised in the Statement of Financial Activities | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Current service cost | 669,000 | 485,000 |
| Net interest cost | 54,000 | 55,000 |
| Total operating charge | 723,000 | 540,000 |

| Changes in the present value of defined benefit obligations | 2018 £ |
|---|-----------|
| At 1 September 2017 | 8,588,000 |
| Current service cost | 669,000 |
| Interest cost | 215,000 |
| Employee contributions | 141,000 |
| Actuarial gain | (617,000) |
| Benefits paid | (114,000) |
| At 31 August 2018 | 8,882,000 |

NUNTHORPE MULTI-ACADEMY TRUST LIMITED

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

24 Pension and similar obligations (Continued)

Changes in the fair value of the Trust's share of scheme assets

| | 2018 £ |
|---|------------------|
| At 1 September 2017 | 6,248,000 |
| Interest income | 161,000 |
| Return on plan assets (excluding net interest on the net defined pension liability) | 190,000 |
| Employer contributions | 359,000 |
| Employee contributions | 141,000 |
| Benefits paid | (114,000) |
| At 31 August 2018 | <u>6,985,000</u> |

25 Related party transactions

Owing to the nature of the Trust'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.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 11.

26 Agency arrangements

The Academy distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the year the Academy received £11,744 and disbursed £8,890 from the fund. An amount of £2,854 is included in other creditors relating to undistributed funds that is repayable to ESFA.

| 27 Teaching School trading account | 2018 | | 2017 | |
|---|--------|----------|--------|----------|
| | £ | £ | £ | £ |
| Direct income | | | | |
| Grants | | 40,000 | | 40,000 |
| Direct costs | | | | |
| Other direct costs | 40,000 | | 40,000 | |
| Total expenditure | | (40,000) | | (40,000) |
| Surplus/(deficit) from all sources | | - | | - |
| Teaching School balances at 1 September 2017 | | - | | - |
| Teaching School balances at 31 August 2018 | | - | | - |

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 June 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by Nunthorpe Multi-Academy Trust Limited during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, other than the use of an unauthorised overdraft facility on three separate occasions, with a maximum value of £20,198 without prior approval from ESFA, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of Nunthorpe Multi-Academy Trust Limited 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 Limited's accounting officer and trustees

The accounting officer is responsible, under the requirements of Nunthorpe Multi-Academy Trust Limited's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Nunthorpe Multi-Academy Trust Limited 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 2017 to 2018.

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 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher 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 2017 to 2018.

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.

Use of our report

This report is made solely to Nunthorpe Multi-Academy Trust Limited and the ESFA in accordance with the terms of our engagement letter dated 20 June 2017. Our work has been undertaken so that we might state to the Nunthorpe Multi-Academy Trust Limited 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 Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Chartered accountants
1 St. James' Gate
Newcastle upon Tyne
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Dated: *21 Dec 2018*