

**THE NATIONAL CHURCH OF ENGLAND ACADEMY  
TRUST  
(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 August 2015**

Company Registration No. 07708713 (England and Wales)

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2015

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**Members**

J Rolph  
MR Hosking  
Rev Canon K Herrod  
K A Mitford  
Rt Rev A Porter Bishop of Sherwood  
N Spraggins

**Trustees**

K A Mitford\* (Chair)  
C B Pickering (Executive Principal & Accounting Officer)  
S W Jones (Principal appointed 1 September 2014)  
H L Baker (Staff Trustee)  
C M Ball (appointed 5 November 2014)  
N J Bradbury  
K E T Cowley  
J K Eastwood\*  
Dr L V Gordon  
M J Hall (Staff Trustee)  
Rev Canon K Herrod  
M R Hosking  
N A Husbands (Staff Trustee resigned 6 October 2014)  
R M Hyde (resigned 26 October 2014)  
A Johnson \*  
A D Newton  
C A Parker  
W Pearson (Responsible Officer)  
S M Robbins  
S A Tilford  
C Dean (appointed 16 July 2015)  
Dr L Nicolls (appointed 12 January 2015)  
J Oldfield (appointed 16 November 2014)  
A Thornton (Staff Trustee appointed 7 January 2015)  
\*Members of the Resources Committee

**Company Secretary**

A Elway

**Senior Management Team:**

Principal  
Deputy Principal  
Deputy Principal  
Director of Finance & Corporate Services

S W Jones  
D Martin  
J Heath  
J Fearon

**Principal and Registered Office**

Annesley Road  
Hucknall  
Nottingham, NG15 7DB

**Company Registration Number**

07708713 (England and Wales)

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**  
**REFERENCE AND ADMINISTRATIVE DETAILS (*continued*)**

**YEAR ENDED 31 AUGUST 2015**

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<b>Independent Auditor</b>	RSM UK Audit LLP Suite A, 7th Floor City Gate East Toll House Hill Nottinghamshire, NG1 5FS
<b>Bankers</b>	Lloyds Bank 37 Castlegate Newark, NG24 1BD
<b>Solicitors</b>	Flint Bishops St Michaels Court St Michaels Lane Derby, DE1 3 HQ

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## TRUSTEES' REPORT

### YEAR ENDED 31 AUGUST 2015

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The Trustees present their annual report together with the financial statement and auditors' report of the charitable company for the year ended 31 August 2015.

The Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Hucknall and surrounding areas in Nottinghamshire. It has a pupil capacity of 1,166 and had a roll of 1,170 in the school census in October 2015.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Academy Trust is a company limited by guarantee (registration number 07708713) and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of The National Church of England Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The National Church of England Academy Trust ("NCEAT").

Details of the directors and trustees who served throughout the period 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

Members and governors liability is covered by a policy provided by Hiscox Insurance Company with an indemnity limit of £1,000,000, as disclosed in note 10.

##### **Method of recruitment and appointment of election of trustees**

The Academy seeks to recruit Trustees / Governors across a broad spectrum so that it represents the community it resides in and as such has divided its membership accordingly so that there are representatives from the following areas.

The Diocese of Nottingham & Southwell - The diocese has the right to nominate 12 Governors.

Staff Governors – The constitution of the Academy states that the Governing Body will have 3 staff governors who will be elected by staff ballot to serve a term of 4 years.

Parent Governors – The constitution equally makes provision for 3 parental representatives, these are again elected by a ballot of parents.

Other Governors – The Governing Body (The Trustees) recognises that it now requires a wider skills mix to ensure that it has the expertise to deal with the increased demands on it following Academy conversion and has therefore looked to recruit external Governors with differing skills. These Governors are appointed to serve for terms of 4 years.

The Governing Body reviews the skills mix that it currently has and will therefore look to recruit external governors with specific skills where shortages are identified.



# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## TRUSTEES' REPORT (*continued*)

YEAR ENDED 31 AUGUST 2015

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### STRUCTURE, GOVERNANCE AND MANAGEMENT (*continued*)

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

The Governing Body takes the training and development of its members very seriously and this is demonstrated by the following:

All new Governors are given a detailed induction, this is supplemented by additional training from DALP (see below) and the Trust's solicitors:

Prior to each Academy Board meeting the Governors receive training and updating on a wide variety of topics which are related to Academies and their roles;

The Academy also maintains a training and development budget which it uses to provide additional training and development for its Governors.

#### Organisational structure

The Academy has a well-defined organisational structure which it uses to ensure that decisions are made and approved at the appropriate level.

#### Connected organisations including related party relationships

Whilst the Academy is a stand-alone Academy responsible for its own affairs, it has entered into a partnership arrangement with the Diverse Academies Trust (DAT) with whom it has had a long standing collaboration agreement since 2007. The Trust shares an Executive Principal and Accounting Officer, Academy Improvement Support Manager, Company Secretariat and Director of Finance and Corporate Services with DAT as it seeks to make on-going improvements to the efficiencies of its operations across both Academic and Support functions.

This partnership is formulated through the Diverse Academies Learning Partnership (DALP) whose activities are led by the Executive Principal and formally monitored by the DALP Board which is made up of representatives from both Trusts.

The partnership has had significant success in promoting closer working arrangements between staff of both Trusts, including significant collaboration across both Academic and Support areas in developing best practice. This has contributed significantly to school improvement and the raising of standards in academies across both trusts.

#### **Risk management**

The charity trustees have assessed the major risks to which the Academy Trust is exposed, and are satisfied that systems and procedures are in place to mitigate the exposure to major risks. The Governors are aware of the significant risks facing the Academy since it achieved Academy status; these surround in particular the finances of the Academy, the quality of its buildings and the need to enhance the facilities, as well as the need to continually increase the quality of the teaching and learning it provides for its students. Discussions surrounding these key risks are undertaken with a variety of forums including full Governing Body meetings, appropriate sub-committee meetings and management team meetings.

The Academy has looked to make on-going improvements to its overall systems of internal control through regular reviews by the Academy's responsible officer and its auditors. The outcomes of these reviews have been addressed by the Academy to ensure that on-going improvements are achieved.

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## TRUSTEES' REPORT (*continued*)

YEAR ENDED 31 AUGUST 2015

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### OBJECTIVES AND ACTIVITIES

#### Objects and aims

The Trust's primary objective is the delivery of high quality teaching and learning to every child that attends the Academy within a Christian environment. This is articulated through the objective of the Academy being rated as "Good" or better. The 2014 OFSTED grade was 'Good', additionally the Academy was graded outstanding in the 2015 Section 156 inspection. The Trust is committed to achieving this through the dissemination of best practice wherever that might be found within the Trust and wider DALP partnership.

This key objective is supported by the undertaking that the Trust's Corporate Services will also seek to be rated as "Good" or better so that it can provide the support necessary to achieve the key objective.

#### Objectives, strategies and activities

As a member of the Diverse Academies Learning Partnership and in line with the academies within the Diverse Academies Trust the academy works within the DALP strategic framework. This framework provided by the executive principal, sets the key objectives for DALP for the forthcoming three years. This is revised annually and informs the annual operating plan to meet the milestones in the overall three year plan.

This overall strategy and annual operating plan are agreed by both the Trust and DALP boards. The two boards then monitor and evaluate progress against the plan as the year progresses.

The National Church of England Academy, in line with the other academies, sets its own individual priorities within this overall framework which is agreed and monitored by its board acting as the academy board of governors.

#### Public benefit

In settling our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. In line with the Trust's charitable objectives there is a wide use of the schools facilities by the local community.

### STRATEGIC REPORT

#### **Achievements and performance**

During the year 2014 -15 the Academy was re inspected by OFSTED, the October 2014 report graded the Academy as Good with Outstanding Leadership and Management. The report recognised progress the Academy has and continues to make. This has been further supported by a Section 156 inspection which graded the Academy Outstanding. The Governors and Leaders of the academy are pleased that the work of its staff and pupil has been recognised.

NCEAT continues to see strong demands for places at the Academy, being oversubscribed for admissions into year 7. The sixth form also continues to show increased recruitment and a strong retention from year 11 to 12.

KS4 – All key GCSE measures are significantly above the averages for schools in England, 67% of Year 11's gained 5 or more GCSE passes at A\* to C. Although slightly down on the prior year this was ahead of target reflecting the profile of children on entry into the Academy.

KS5 – 100% of Year 12 pupils achieved passes, with 73.5% of passes at A\* to C.



# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## TRUSTEES' REPORT (*continued*)

YEAR ENDED 31 AUGUST 2015

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### STRATEGIC REPORT (*continued*)

#### Financial review

The Academy continues to have a healthy financial performance, recording an in year operating surplus of £173,000, before the impacts of pension charges. The Academy is planning to spend some of its reserves in 2015/16 to support the development of its education. These reserves are identified below:

Unrestricted reserves of £550,000 – The Academy can use these reserves for a variety of initiatives that it sees as appropriate to furthering its primary aims and objectives, namely to continue improving both the quality of its Teaching & Learning across the Trust and improving the quality and expertise of its support services. The fund arises in the main from the inclusion of the monies received from the Local Authority on Conversion, income from lettings and the inclusion of School fund balances within the main Academy balances. This is in line with the requirements of the Charities Statement of Recommended Practices (SORP).

Restricted general reserves of £476,000 – The Academy must use these reserves for the purpose they are intended for. In the main these reserves are intended for the delivery of education.

The Trustees have built up the level of reserves that will allow the Academy to mitigate any potential adverse funding changes in the coming years as well as enabling investment in an ageing school site.

The Trust also hold a number of unexpendable reserves, which make up the balance of the total funds of £8,292,000. These other funds are :

Fixed asset fund of £8,998,000 - The fixed asset fund is reduced annually by the value of depreciation on assets supported by the fund. This fund is made up of the following:

- Assets transferred on conversion – upon conversion to Academy status the Trust was gifted the buildings it had operated in whilst a local authority maintained school on a long lease of 125 years and following an independent valuation has included these buildings at a valuation of £10,372,000. These buildings are being depreciated equally over 25 years in line with the Trust's financial policies and discussions with the Trusts' financial advisors.
- Assets funded by grants or transfer of funds from the Academy's revenue funds.
- Grants for projects where the grant has been received ahead of expenditure, the fund will be used to finance the future capital spend.

The Trust received a formula derived allocation of funding to support the on-going development of its resource. These in the main were set against the purchase of ICT infrastructure items.

These are charges in respect of the use of the assets of the Academy with the major charge being against the buildings and a small charge for equipment. The building is being depreciated over 25 years which is reflective of the age and condition of the building.

Pension reserve of £1,732,000 deficit – This reserve represents the pension liability identified through the actuaries calculation of FRS17 liability. The liability increased during the year by £169,000.

This deficit is measured in terms of the value of the Nottinghamshire Local Government Pension Scheme as at 31 August 2015 and is not a liability that the Academy anticipates settling in the near future. The Academy is currently addressing its share of the deficit through increased contributions which are expected to reduce the deficit over a 25 year period.

The scheme is due for its next tri-annual revaluation in March 2014 at which the current rate of contributions may change. This review is still underway.

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## TRUSTEES' REPORT (*continued*)

YEAR ENDED 31 AUGUST 2015

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### STRATEGIC REPORT (*continued*)

Buildings - The Trust is very aware that its buildings are in need of constant attention requiring considerable resources into maintenance and where possible enhancing the fabric of the buildings. The lack of facilities for Post 16 students is a concern for the Academy and one it wishes to address as a priority. The academy has now addressed all critical maintenance items. It has done this through the following:

- On-going maintenance programmes designed to address key strategic issues such as boilers, windows and roofs;
- Active review of all available grants.
  - The Trust was successful in securing over £900,000 in funding from the Academies Capital Maintenance Funds. This project was substantially completed in 2014/15.
  - The Trust has also secured a grant which meets part of the cost of a new boiler, the balance will be funded via a loan from the EFA. The loan will be repaid from the savings made from lower gas charges due to the increased efficiency of the new boiler.

From 1/4/2016 NCEAT has agreed to join with Diverse Academies Trust in claiming a Multi Academy Trust School Condition Fund Grant funding . This will give greater local control over the priorities to be addressed.

#### Financial and risk management objectives and policies

The Trust has the following financial uncertainties facing it over the coming 12-24 months:

- Real term cuts in education funding
- Availability of capital funding;
- Changes in pension funding assumptions;
- Changes to National Insurance.

#### Reserves policy

The Trust seeks to maintain approximately a minimum of the equivalent of 30 days turnover in reserves, currently the reserves represent 46 days turnover. The Trust holds reserves for the following reasons;

Strategic reserves – funds held as a buffer to allow the Trust to meet year to year changes in pupil numbers without the need to make short term adjustments to staffing and also to meet the potential for on-going restructuring if reduced funding or student numbers dictate.

Capital reserves –to support the need to constantly invest in the infrastructure of the Trust to ensure that the quality of the environment is continually enhanced.

#### Investment policy

The Academy will look to invest any surplus funds it has in short term deposits which whilst not generating substantial returns do ensure that the Trust can gain easy access to its funds and minimise its exposure to any losses.

#### **Plans for future years**

The Academy's plans for the coming 12-24 months involve the following:

- On-going emphasis on increasing standards of achievement to support the journey to being recognised as an Outstanding Academy.
- Continual review of all available grant funding available so that the Academy can continue its on-going development of its infrastructure to support on-going curriculum developments.
- Making efficiency savings to offset additional pension, national insurance and inflationary cost rises.



# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2015

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### STRATEGIC REPORT *(continued)*

#### Principal risks and uncertainties

The principal financial risk facing the Academy over the next 12-24 months is the proposed change to the funding formula at pre 16 along with changes to the demographics with projected falling rolls in the Academies catchment area over the next few years, followed by significant growth. The Academy Trust is looking to develop its forecasting expertise to highlight the key financial issues. It will then develop an approach to initially address any financial shortfall then implement strategies to deal with this including the formulation of targeted marketing aimed at increasing pupil numbers.

The other significant risks facing the Academy over the next 12-24 months are as follows:

- The need to improve the quality of the building stock that the Academy operates from within, with a view to not only improving the Health and Safety of its surroundings but the overall quality of the buildings and the resources contained within them.
- Provision for post 16 Students is not satisfactory given growth in the last two years, facilities, in areas such as performing arts also need investment.

#### GOING CONCERN

After making appropriate enquiries, the governing body 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 can be found in the Statement of Accounting Policies.

#### AUDITORS

A resolution to reappoint RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) as auditor for the ensuing year will be proposed at the forthcoming Annual General Meeting.

#### Statement as to disclose of information to auditors

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

The Trustees Annual 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 8 December 2015 and signed on its behalf by:



**K A Mitford**  
Chair

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2015

### Scope of responsibility

Trustees acknowledge their overall responsibility for ensuring that The National Church of England Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body 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 The National Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of Trustees' responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees were as follows:

Governor	Meetings attended	Out of a possible
K A Mitford* (Chair)	3	3
C B Pickering (Chief executive officer)	3	3
S W Jones (Principal) (appointed 1 September 2014)	3	3
H L Baker (Staff Trustee)	3	3
C M Ball (appointed 5 November 2014)	3	3
N J Bradbury	1	3
K E T Cowley	1	3
J K Eastwood*	3	3
Dr L V Gordon	2	3
M J Hall (Staff Trustee)	1	3
Rev. Canon K Herrod	1	3
M R Hosking	2	3
N A Husbands (Staff Trustee) (resigned 6 October 2014)	-	-
R M Hyde (resigned 26 October 2014)	-	-
A Johnson*	1	3
A D Newton	2	3
C A Parker	1	3
W Pearson (Responsible Officer)	2	3
S M Robbins	2	3
S A Tilford	3	3
C Dean (appointed 16 July 2015)	1	1
Dr L Nicolls (appointed 12 January 2015)	1	2
J Oldfield (appointed 16 November 2014)	1	3
A Thornton (Staff Trustee)(appointed 7 January 2014)	1	2

\* Members of the Resources Committee (see below)

### Governance Reviews

The Trust carries out an annual review of its Governance, the latest review took place in October 2015, there were no recommendations for changes to the structure of the governing body or format of meetings. The Governing body is applying to gain the Governor Mark Award.



# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## GOVERNANCE STATEMENT (*continued*)

YEAR ENDED 31 AUGUST 2015

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The Resources Committee is a sub-committee of the main governing body. Its purpose is to scrutinise the use of resources within the Academy including Finance, Staffing Premises & Health & Safety.

The Trust has an Audit Committee made up of representatives from Academies within the Diverse Academies Learning Partnership, this committee monitors internal control recommendations and the work of the responsible officer (W Pearson). The members are:

JK Eastwood  
M Quigley ( chair)  
O Serati  
R Marshal  
M Mays

### **Review of Value for Money**

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

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

- Working with the leadership team to review the deployment of educational staff, the academy uses modelling tools which allow it's allocations by year group to be compared to best practice across the 11 to 19 sector.
  - The Academy has been able to prioritise resources to priorities and has seen good outcomes in both exam results and more importantly in the levels of progress made by pupils.
  - The Academy Improvement Plan has identified key of development and budgetary provision has been made to enable the Senior Leadership Team to carry out these actions.
  - Through the Diverse Academies Learning Partnership (DALP) the trust has taken part in collaborative work in the development of curriculum, CPD and leadership. The trust has made significant contributions to collaborative work and received support from the other partners in delivering its provision to achieve enhanced pupil outcomes. The Trust believes this collaborative working is an important aspect of the journey to achieve an " Outstanding " OFSTED rating and best practice within education.
  - The DALP partnership has also provided specialist input in Maths and English.
- Sharing the Chief Exec / Accounting Officer and Chief Financial Officer roles across the across the DALP partnership which lowers the cost for the Trust.
- The Trust has undertaken a review of its support services during the year and put in place revised terms and conditions for teaching support staff and reduced the number of other support staff employed.
- Undertaking joint procurement with DALP to lower the cost of cleaning and catering.
- Sharing HR, Careers and Educational Welfare posts with DALP lowers the cost for the Trust

In the context of Educational funding reducing in real terms over the next 3 years the Trust is actively looking for further efficiencies.

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2015

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been updated and enhanced in The National Church of England Academy throughout the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been updated throughout the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is subject to regular review by the governing body.

### **The risk and control framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administration 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 governing body;
- 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 Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor at this stage. However, the Trustees have appointed Wendy Pearson (a Trustee) as Responsible Officer ('RO') to discharge the RO function. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

### **Review of effectiveness**

As accounting officers, the 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**GOVERNANCE STATEMENT (*continued*)**

**YEAR ENDED 31 AUGUST 2015**

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

Approved by order of the members of the Board of Trustees on 8 December 2015 and signed on its behalf by:



**K A Mitford**  
Chair



**C B Pickering**  
Accounting Officer



**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**YEAR ENDED 31 AUGUST 2015**

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As accounting officer of The National Church of England Academy, I have considered my responsibility to notify the Academy Board of Trustees (governing body) and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook.

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

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



**C B Pickering**  
**Accounting Officer**

**8 December 2015**

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2015

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The Trustees who are also the directors of the Charitable Company for the purposes of company law, are responsible for preparing the Trustees' Report (including Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 statement 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;
- 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 of both propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 8 December 2015 signed on its behalf by:



**K A Mitford**  
Chair

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT

### FOR THE YEAR ENDED 31 AUGUST 2015

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We have audited the financial statements of The National Church of England Academy Trust for the period ended 31 August 2015 on pages 17 to 36. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who act as trustees for the charitable activities of the charitable company, and 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.

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

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

#### **Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Trustees' Report and incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT *(continued)*

### FOR THE YEAR ENDED 31 AUGUST 2015

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

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

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Philip Coleman (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor  
Chartered Accountants  
Suite A, 7th Floor  
City Gate East  
Toll House Hill  
Nottingham  
Nottinghamshire  
NG1 5FS

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# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

(including Income and Expenditure Account and Statement of Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds £'000	Restricted general funds £'000	Restricted pension reserve £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Incoming resources</b>							
<i>Incoming resources from generated funds:</i>							
Voluntary income	2	98	-	-	668	766	379
Activities for generating funds	3	91	20	-	-	111	123
Investment income		1	-	-	-	1	2
<i>Incoming resources from charitable activities:</i>							
Academy Trust's educational operations	4	-	6,203	-	-	6,203	6,230
<b>Total incoming resources</b>		<u>190</u>	<u>6,223</u>	<u>-</u>	<u>668</u>	<u>7,081</u>	<u>6,734</u>
<b>Resources expended</b>							
<i>Cost of generating funds:</i>							
Cost of generating voluntary income	5	90	-	-	-	90	79
Fundraising trading	5	-	-	-	-	-	7
<i>Charitable activities:</i>							
Academy Trust's educational operations	6	-	6,226	103	1,277	7,606	6,634
Governance costs	7	-	15	-	-	15	12
<b>Total resources expended</b>	5	<u>90</u>	<u>6,241</u>	<u>103</u>	<u>1,277</u>	<u>7,711</u>	<u>6,732</u>
<b>Net incoming/(outgoing) resources before transfers</b>		100	(18)	(103)	(609)	(630)	2
Gross transfer between funds	15	<u>124</u>	<u>(33)</u>	<u>-</u>	<u>(91)</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) for the year</b>		224	(51)	(103)	(700)	(630)	2
<i>Other recognised gains and losses:</i>							
Actuarial losses on defined benefit pension scheme	24	<u>-</u>	<u>-</u>	<u>(66)</u>	<u>-</u>	<u>(66)</u>	<u>(144)</u>
<b>Net movement in funds</b>		224	(51)	(169)	(700)	(696)	(142)
<b>Reconciliation of funds</b>							
Total funds brought forward		326	527	(1,563)	9,698	8,988	9,130
<b>Total funds carried forward</b>	15	<u>550</u>	<u>476</u>	<u>(1,732)</u>	<u>8,998</u>	<u>8,292</u>	<u>8,988</u>

All of the Academy Trust's activities derive from continuing operations during the above two financial years.

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**BALANCE SHEET AS AT 31 AUGUST 2015**

**COMPANY NUMBER: 07708713**

	<b>Notes</b>	<b>2015 £'000</b>	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2014 £'000</b>
<b>Fixed assets</b>					
Tangible assets	11		9,098		9,546
<b>Current assets</b>					
Debtors	12	82		223	
Cash at bank and in hand		<u>1,250</u>		<u>1,310</u>	
<b>Creditors:</b> amounts falling due within one year	13	<u>1,332</u>		<u>1,533</u>	
		<u>(292)</u>		<u>(394)</u>	
<b>Net current assets</b>			<u>1,040</u>		<u>1,139</u>
<b>Total assets less current liabilities</b>					
<b>Creditors:</b> amounts falling due within more than a year	14		10,138		10,685
			<u>(114)</u>		<u>(134)</u>
<b>Net assets excluding pension liability</b>			<u>10,024</u>		<u>10,551</u>
Pension scheme liability	24		<u>(1,732)</u>		<u>(1,563)</u>
<b>Net assets including pension liability</b>			<u><u>8,292</u></u>		<u><u>8,988</u></u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	8,998		9,698	
General fund	15	476		527	
Restricted funds excluding pension reserve		<u>9,474</u>		<u>10,225</u>	
Pension reserve	15	<u>(1,732)</u>		<u>(1,563)</u>	
<b>Total restricted funds</b>			7,742		8,662
<b>Total unrestricted funds</b>	15		550		326
<b>Total funds</b>	15		<u><u>8,292</u></u>		<u><u>8,988</u></u>

The financial statements on pages 17 to 36 were approved by the Trustees and authorised for issue on 8 December 2015 and are signed on their behalf by:

*K A Mitford.*

**K A Mitford**  
Chair

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

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	Notes	2015 £'000	2014 £'000
<b>Net cash (outflow)/inflow from operating activities</b>	19	(45)	228
Returns on investments and servicing of finance	20	1	2
Capital expenditure	21	-	141
Financing – loan repayment	22	(16)	-
<b>(Decrease)/increase in cash in the year</b>	22	<u>(60)</u>	<u>371</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September		1,310	939
<b>Net funds at 31 August</b>	22	<u>1,250</u>	<u>1,310</u>



# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 1. Statement of accounting policies

##### **Basis of preparation**

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

##### **Going concern**

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

##### **Incoming resources**

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

##### **Grants receivable**

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

##### **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable where there is certainty of receipt.

##### **Donations**

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

##### **Other income**

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

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2015

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### 1. Statement of accounting policies (*continued*)

#### **Donated services and gifts in kind**

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

#### **Interest receivable**

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

#### **Resources expended**

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

*Costs of generating funds:* These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

*Charitable activities:* These are costs incurred on the Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

#### **Fund accounting**

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

Restricted general asset funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

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



# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 1. Statement of accounting policies (*continued*)

##### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to the restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet with this amount being reduced over the useful economic life of the related asset by charging depreciation of the relevant asset directly to the restricted fixed asset fund.

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

Long leasehold buildings	10 - 25 years
Furniture and equipment	5 - 10 years
Computer equipment	3 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.

##### **Taxation**

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

##### **Leased assets**

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

##### **Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS'), the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), (until April 2016) and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 1. Statement of accounting policies (continued)

##### Pensions benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

##### Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

#### 2. Voluntary income

	Unrestricted funds £'000	Restricted fixed asset funds £0'000	Total 2015 £'000	Total 2014 £'000
Dfe/EfA capital grants	-	668	668	295
Other donations	98	-	98	84
	<u>98</u>	<u>668</u>	<u>766</u>	<u>379</u>

#### 3. Activities for generating funds

	Unrestricted funds £'000	Restricted general funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	39	-	39	44
Other income	52	20	72	79
	<u>91</u>	<u>20</u>	<u>111</u>	<u>123</u>

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2015**

**4. Funding for Academy's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
<b>DFE/EFA grants</b>				
General Annual Grant (GAG)	-	5,572	5,572	5,941
Other DFE/EFA grants	-	266	266	13
	-	5,838	5,838	5,954
<b>Other Government grants</b>				
Local Authority grants	-	299	299	195
Special education projects	-	66	66	81
<b>Total</b>	-	6,203	6,203	6,230

**5. Resources expended**

	Staff Costs £'000	Non Pay Expenditure Premises £'000	Other costs £'000	Total 2015 £'000	Total 2014 £'000
Costs of generating voluntary income	-	-	90	90	79
Fundraising trading	-	-	-	-	7
<i>Academy's educational operations:</i>					
Direct costs	3,753	-	503	4,256	4,238
Allocated support costs	920	1,806	624	3,350	2,396
	4,673	1,806	1,127	7,606	6,638
Governance costs	-	-	15	15	12
	4,673	1,806	1,232	7,711	6,732

**Net incoming/(outgoing) resources for the year include:**

	2015 £'000	2014 £'000
Fees payable to RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) and its associates for:		
- audit	13	10
- other services	2	2
Operating lease - other	28	28



**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2015**

**6. Charitable activities – Academy’s educational operations**

	<b>2015</b>	<b>2014</b>
	<b>£’000</b>	<b>£’000</b>
<u>Direct costs:</u>		
Teaching and educational support staff costs	3,753	3,719
Educational supplies	381	371
Examination fees	96	103
Staff development	26	31
Educational consultancy	-	2
Other direct costs	-	12
	<b>4,256</b>	<b>4,238</b>
<u>Allocated support costs:</u>		
Support staff costs	920	811
Depreciation	481	467
Net costs recharged from Diverse Academies Trust	181	114
Recruitment and support	3	14
Maintenance of premises and equipment	1,092	211
Heat, light and water	121	127
Cleaning	129	127
Rent and rates	16	17
Insurance	62	66
Security and transport	13	14
Catering	60	51
FRS17 pension interest and charges	34	49
IT related costs	98	131
Stationery and reprographics	33	20
Furniture	10	6
Legal and professional fees	52	57
Other support costs	45	114
	<b>3,350</b>	<b>2,396</b>
<b>Total</b>	<b>7,606</b>	<b>6,634</b>

**7. Governance costs**

	<b>2015</b>	<b>2014</b>
	<b>£’000</b>	<b>£’000</b>
<u>Auditor’s remuneration:</u>		
- Audit of financial statements	13	10
- Other services	2	2
	<b>15</b>	<b>12</b>
	<b>15</b>	<b>12</b>

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2015**

**8. Staff numbers and costs**

**Staff costs**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs during the year were:		
Wages and salaries	3,634	3,591
Social security costs	270	272
Pension costs	585	498
Total staff costs	4,489	4,361
Supply teacher costs	184	169
Total	4,673	4,530

**Staff numbers**

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
<b>Educational operations</b>		
Teachers	67	70
Administration and support	88	84
Management	8	7
	163	161

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

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
<b>Educational operations</b>		
Teachers	59	58
Administration and support	43	42
Management	8	7
	110	107

**Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	1	3
£70,001 - £80,000	1	1
	1	1

The above employees participated in the Teachers' Pension Scheme which is a defined benefit scheme.

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 9. Trustees' remuneration and expenses

Principal and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees.

S W Jones, the Principal, received remuneration of £77,946 in 2015 (2014: £Nil) and is accruing retirement benefits under the Teachers Pension Scheme. The contributions paid in the year amounted to £10,990 (2014: £Nil).

M J Hall, the staff trustee, received remuneration of £49,328 in 2015 (2014: £46,286) and is accruing retirement benefits under the Teachers Pension Scheme. The contributions paid in the year amounted to £6,864 (2014: £6,753).

H L Baker, the staff trustee, received remuneration of £11,475 in 2015 (2014: £11,779) and is accruing retirement benefits under the Local Government Pension Scheme. The contributions paid in the year amounted to £2,100 (2014: £2,154).

A Thornton, the staff trustee, received remuneration of £25,136 in 2015 (2014: £Nil) and is accruing retirement benefits under the Teachers Pension Scheme. The contributions paid in the year amounted to £3,496 (2014: £Nil).

N A Husbands the staff trustee, received remuneration of £2,841 until he resigned as a trustee on 6 October 2014 (2014: £33,711) and was accruing benefits under the Teachers Pension Scheme. The contributions paid in the year amounted to £401 (2014: £4,751).

During the year to 31 August 2015, no travel and subsistence were reimbursed to Trustees (2014: £nil).

C B Pickering, Executive Principal and Accounting Officer, is employed by Diverse Academy Trust. His remuneration, which forms part of the management recharge to the Academy Trust, is disclosed in the financial statements of Diverse Academy Trust. Other related party transactions involving the Trustees are set out in note 25.

#### 10. Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,440 (2014: £1,440).

The cost of this insurance is included in the total insurance cost.



**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2015**

**11. Tangible fixed assets**

	Leasehold land & buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total 2015 £'000
<b>Cost</b>				
At 1 September 2014	10,710	146	67	10,923
Additions	22	3	8	33
At 31 August 2015	10,732	149	75	10,956
<b>Depreciation</b>				
At 1 September 2014	1,328	2	47	1,377
Charged in year	449	18	14	481
At 31 August 2015	1,777	20	61	1,858
<b>Net book values</b>				
At 31 August 2015	8,955	129	14	9,098
At 31 August 2014	9,382	144	20	9,546

**12. Debtors**

	2015 £'000	2014 £'000
Trade debtors	7	8
Other debtors	57	215
Prepayments	18	-
	82	223

All amounts shown within debtors fall due for payment within one year.

**13. Creditors: amounts falling during within one year**

	2015 £'000	2014 £'000
Trade creditors	84	144
Other tax and social security	82	83
Other creditors	26	20
Accruals and deferred income	100	147
	292	394
<b>Deferred income:</b>		<b>£'000</b>
Deferred income at 1 September 2014		73
Released in the year		(73)
Resources deferred in the year		69
Deferred income at 31 August 2015		69

At the balance sheet date the Academy Trust was holding funds received in advance relating to future school trips and other specific grant funding received in advance.

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2015**

**14. Creditors: amounts falling due after more than one year**

	2015 £'000	2014 £'000
Other loan	114	134

Included in the other loan is an amount being due after more than 5 years of £31,097 (2014: £51,829).

**15. Funds**

	At 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2015 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	527	5,572	(5,590)	(33)	476
Other DfE/EFA grants	-	266	(266)	-	-
Other government grants	-	385	(385)	-	-
Pension reserve	(1,563)	-	(103)	(66)	(1,732)
	(1,036)	6,223	(6,344)	(99)	(1,256)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	602	668	(903)	(124)	243
Capital expenditure from GAG	28	-	3	33	64
Assets transferred on conversion	9,068	-	(377)	-	8,691
	9,698	668	(1,277)	(91)	8,998
<b>Total restricted funds</b>	8,662	6,891	(7,621)	(190)	7,742
<b>Total unrestricted funds</b>	326	190	(90)	124	550
<b>Total funds</b>	8,988	7,081	(7,711)	(66)	8,292

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

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

*Restricted general funds*

General Annual Grant (GAG), other DfE/EFA grants and local authority grants are to be applied for the primary purpose of the Academy Trust in line with the master funding agreement and other specific funding letters.

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2015**

**15. Funds (continued)**

Restricted fixed asset funds

The restricted fixed asset funds relate predominantly to the assets acquired on conversion to an Academy Trust, being the property.

Unrestricted funds

Unrestricted funds represent other incoming resources to the Trust applied for the general purposes of the Trust at the discretion of the Trustees.

**16. Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	9,098	9,098
Current assets	550	758	24	1,332
Current liabilities	-	(282)	(10)	(292)
Long term liabilities	-	-	(114)	(114)
Pension scheme liability	-	(1,732)	-	(1,732)
	550	(1,256)	8,998	8,292

**17. Capital commitments**

	2015 £'000	2014 £'000
Contracted for, but not provided in the financial statements	-	250

**18. Financial commitments**

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

	2015 £'000	2014 £'000
<u>Other</u>		
Expiring within one year	4	-
Expiring within two and five years	14	27
	18	27

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2015**

**19. Reconciliation of net (expenditure)/income to net cash (outflow)/inflow from operating activities**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Net (expenditure)/income for the year	(630)	2
Depreciation (note 11)	481	467
Capital grants from DfE and other capital income	(668)	(295)
Maintenance and repairs funded by capital grants	635	-
Interest receivable	(1)	(2)
FRS 17 pension cost less contributions payable (note 24)	69	82
FRS pension finance income (note 24)	34	49
Decrease/(Increase) in debtors	141	(79)
(Decrease)/increase in creditors	(106)	4
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(45)</u>	<u>228</u>

**20. Returns on investments and servicing of finance**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Interest received	<u>1</u>	<u>2</u>
<b>Net cash inflow from returns on investment and servicing of finance</b>	<u>1</u>	<u>2</u>

**21. Capital expenditure and financial investment**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Purchase of tangible fixed assets	(33)	(154)
Maintenance and repairs funded by capital grants	(635)	-
Capital grants from DfE/EFA	<u>668</u>	<u>295</u>
<b>Net cash inflow from capital expenditure and financial investment</b>	<u>-</u>	<u>141</u>

**22. Analysis of changes in net funds**

	<b>At 1</b>	<b>Cash</b>	<b>At 31</b>
	<b>September</b>	<b>flows</b>	<b>August</b>
	<b>2014</b>	<b>2015</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash in hand and at bank	<u>1,310</u>	<u>(60)</u>	<u>1,250</u>
Debt due within one year	(20)	(4)	(24)
Debt due after one year	<u>(134)</u>	<u>20</u>	<u>(114)</u>
Net funds	<u>1,156</u>	<u>(44)</u>	<u>1,112</u>

**23. Members' Liabilities**

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



# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 24. Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Nottinghamshire County Council. Both are defined-benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### **Teachers' Pension Scheme**

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

#### Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million.
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £354,000 (2014: £265,000).

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 24. Pension and similar obligations *(continued)*

Under the definitions set out in Financial reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy Trust on terms of anticipated rates.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £216,000 (2014: £202,000) of which employer's contributions totalled £162,000 (2014: £151,000) and employees' contributions totalled £54,000 (2014: £51,000). The agreed contribution rates for future years are, on average 18.3% for employers and 5.5%-12.5% for employees.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
Rate of increase in salaries	4.5%	4.5%
Rate of increase for pensions in payment / inflation	2.7%	2.7%
Discount rate for scheme liabilities	4.0%	4.0%

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

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<i>Retiring today</i>		
Males	22.1	22.0
Females	25.2	25.1
<i>Retiring in 20 years</i>		
Males	24.2	24.1
Females	27.6	27.4

**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2015**

**24. Pension and similar obligations *(continued)***

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

	<b>Expected return at 31 August 2015</b>	<b>Fair value at 31 August 2015 £'000</b>	<b>Expected return at 31 August 2014</b>	<b>Fair value at 31 August 2014 £'000</b>
Equities	3.7%	1,298	6.5%	1,144
Bonds	3.7%	176	3.6%	200
Property	3.7%	229	5.5%	179
Cash	3.7%	63	2.9%	67
Other	3.7%	59	n/a	n/a
<b>Total market value of assets</b>		<u>1,825</u>		<u>1,590</u>
Present value of scheme liabilities				
- Funded		(3,557)		(3,153)
<b>Deficit in the scheme</b>		<u><u>(1,732)</u></u>		<u><u>(1,563)</u></u>

The actual return on scheme assets was £31,000 (2014: £145,000).

**Amounts recognised in the statement of financial activities**

	<b>2015 £'000</b>	<b>2014 £'000</b>
Current service cost (net of employee contributions)	231	233
<b>Total operating charge</b>	<u>231</u>	<u>233</u>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	98	79
Interest on pension liabilities	(132)	(128)
<b>Pension finance costs</b>	<u>(34)</u>	<u>(49)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £502,000 loss (2014: £436,000 loss).



**THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

**24. Pension and similar obligations (*continued*)**

Movements in the present value of defined benefit obligations were as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
At 1 September	3,153	2,595
Current service cost	231	233
Employee contributions	54	51
Actuarial (gains)/loss	(1)	169
Benefits paid	(12)	(23)
Interest cost	132	128
<b>At 31 August</b>	<u><u>3,557</u></u>	<u><u>3,153</u></u>

Movements in the fair value of Academy's share of scheme assets:

At 1 September	1,590	1,307
Expected return on assets	98	79
Actuarial (loss)/gain	(67)	25
Employer contributions	162	151
Employee contributions	54	51
Benefits paid	(12)	(23)
<b>At 31 August</b>	<u><u>1,825</u></u>	<u><u>1,590</u></u>

The estimated value of employer contributions for the year ended 31 August 2016 is £164,000.

The four year history of experience adjustments is as follows:

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of defined benefit obligations	(3,557)	(3,153)	(2,595)	(2,128)
Fair value share of scheme assets	1,825	1,590	1,307	193
<b>Deficit in the scheme</b>	<u><u>(1,732)</u></u>	<u><u>(1,563)</u></u>	<u><u>(1,288)</u></u>	<u><u>(1,135)</u></u>
Experience adjustments on share of scheme assets				
Amount £'000	<u><u>(67)</u></u>	<u><u>25</u></u>	<u><u>96</u></u>	<u><u>14</u></u>
Experience adjustments on scheme liabilities				
Amount £'000	<u><u>-</u></u>	<u><u>60</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

# THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### **25. Related party transactions**

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

During the year the Academy received managements charges in respect of administrative and teaching assistance from Diverse Academies Trust totalling £218,155 (2014: £142,205) and in return provided similar assistance with a management charge totalling £32,677 (2014: £Nil). At 31 August 2015 a balance of £2,400 (2014: £1,391) was due from Diverse Academies Trust and £Nil (2014: £78,462) was owed to Diverse Academies Trust.

The parties are related by virtue of a common executive directorship.

Also during the year the Academy received services from Southwell and Nottingham Diocese Board of Finance amounting to £7,000 (2014: £nil), a charity in which Rev Canon K Herrod is a trustee. No balance was outstanding at either year end.

#### **26. Agency arrangements**

The Academy Trust administers the disbursement of the new discretionary support for learners 16-19 Bursary Funds, on behalf of the EFA. In the year it received £14,005 (2014: £15,880) and disbursed £13,569 (2014: £15,290). The Academy Trust retained a beneficial interest in individual transactions such that £436 (2014: £590) has been recognised in income and expenditure in the statement of financial activities.

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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In accordance with the terms of our engagement letter dated 1 April 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The National Church of England Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The National Church of England Academy Trust and the EFA in accordance with the terms of our engagement letter dated 1 April 2014. Our work has been undertaken so that we might state to The National Church of England Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The National Church of England Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

## **Respective responsibilities of The National Church of England Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The National Church of England Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

## **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO THE NATIONAL CHURCH OF ENGLAND ACADEMY TRUST  
AND THE EDUCATION FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Conclusion**

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

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