

Company Registration No. 07627961 (England and Wales)



NONSUCH AND WALLINGTON EDUCATION TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

NONSUCH AND WALLINGTON EDUCATION TRUST

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NONSUCH AND WALLINGTON EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	A. Hyams-Parish (Chair of Trustees) P. Taylor S. Rahman A. Clark N. Pepper S. Gillett (Appointed 01 September 2016) J. Burton (Executive Headteacher / Chief Executive Officer(CEO))
Members	A. Hyams-Parish H. Aumeer C. Goostrey D. Evans (Independent Member)
Executive Team	J. Burton (Executive Headteacher / CEO) H. Latham (Director of Finance & Operations) <u>Nonsuch High School for Girls</u> A. Cavilla (Headteacher NHSG) (Appointed 1 September 2016) <u>Wallington High School for Girls</u> R. Booth (Headteacher WHSG) (Appointed 1 September 2016)
Company registration number	07627961 (England and Wales)
Registered office	Ewell Road Cheam Surrey, SM3 8AB, United Kingdom
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent, BR6 8QE
Bankers	Lloyds Bank plc High Street Sutton Branch PO Box 1000 BX1 1LT
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

NONSUCH AND WALLINGTON EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

Introduction & Context

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

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2016/17 issued by the Education and Skills Funding Agency (ESFA).

With effect from 1 September 2015, Nonsuch High School for Girls formed a multi-academy trust (MAT) with Wallington High School for Girls, called the Nonsuch and Wallington Education Trust (NWET).

The principal activity of NWET is to provide a broad and balanced education to girls between the ages of 11 to 19 at the academies within the Trust. Funding is obtained from the Department for Education (DfE) through the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. For the year 2016-17, the Trust had a pupil capacity of 2,810, of which 800 were 6th form places. In October 2016, the number on roll was 2,751 (as set out in the table below).

	2016 - 17	
	*Planned Admission No.	October 2016 Student Census
<u>Nonsuch</u>		
Years 7-11	960	959
Years 12-13	<u>400</u>	<u>355</u>
Total	1,360	1,314
<u>Wallington</u>		
Years 7-11	1,050	1,048
Years 12-13	<u>400</u>	<u>389</u>
Total	1,450	1,437
<u>NWET</u>	2,810	2,751

**The official Planned Admission Number (PAN) relates to Years 7-11 only. However, both schools refer to an indicative planned admission number for Years 12 & 13 of 400 per school.*

Due to the on-going expansion of student numbers at Nonsuch, the PAN will rise by a further 90 students (compared to 2016-17) to 2,900 by 2019-20 (split between Years 7-11 at 2,100 and Years 12-13 at 800).

Structure, Governance and Management

The company was incorporated on 10 May 2011. The predecessor maintained school converted to academy status on 1 June 2011. It operated Nonsuch High School for Girls ("The School") as a single academy trust until 31 August 2015. On 1 September 2015, it converted to MAT status as described above when Wallington High School combined with Nonsuch High School to form NWET.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and to date are set out in the Reference and Administrative Details section on page 1 of the accounts.

Constitution and members liability

The company is limited by guarantee with no share capital (registration no. 07627961) and is an exempt charity. The Charitable Company's memorandum and Articles of Association are its primary governing documents.

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Each member of the company undertakes to contribute to the assets of the company. In the event of the company being wound up while they are a member, or within one year after they cease to be a member, the liability of the members is limited to £10 each for the debts and liabilities contracted before they ceased to be a member.

The Trustees act as the directors of the company for the purposes of company law.

Trustees' Indemnities

The Company has not given any indemnities to any third parties on behalf of any of the Trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the Articles of Association, the Trust shall have the following Trustees appointed as follows:

- Up to 3 Trustees from the members of the local governing body of Nonsuch High School for Girls
- Up to 3 Trustees from the members of the local governing body of Wallington High School for Girls
- The Executive Headteacher/CEO appointed as an ex-officio Trustee (provided that the incumbent agrees to act)
- In the event that either there are no LGB's established, or where there is no provision on the LGB's for at least 2 Parent Local Governors, then the Trust Board shall have a minimum of 2 Parent Trustees
- There may also be Co-opted Trustees appointed by the Trustees

Details of the exact mechanisms by which Trustees may be recruited and appointed are set out in detail in the Articles of Association, which are published on the Trust websites.

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

The training and induction provided for new trustees and governors depends on their prior and existing experience. Where necessary, induction provides training in charity and educational legal and financial matters. All trustees and governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as trustees and/or governors. The Trust also purchases appropriate training from the local authority to support trustees and governors in their roles, as well as subscribing to the National Governors Association for up to date information and online training resources.

Organisational structure

NWET has two levels of governance. Firstly, NWET has up to five Members, some of whom may also be Trustees of the Trust Board (or governors of one of the local governing bodies) and one member who is independent. Members have an overview of the governance arrangements of the Trust.

The second level of governance is the NWET Trust Board. This is ultimately responsible and accountable for each academy in the Trust and decides the strategic direction of the Trust. The Trust Board is supported by committees and local governing bodies (LGBs) with delegated authority, as set out in the NWET Scheme of Delegation, and comprising members from both the Trust Board and the academy LGB's.

The Trust committees are:

- NWET Curriculum Committee
- NWET Finance Committee
- NWET HR Committee
- NWET Admissions Committee
- Nonsuch Local Governing Body
- Wallington Local Governing Body.

The Trust Board will set an annual Trust Development Plan, as well as annual key performance indicators (KPIs), to allow the strategic vision of the Trust to be monitored and reviewed. Each LGB determines its school's direction and sets its own Annual Development Plan in line with the Trust's strategic vision. The NWET Scheme of Delegation

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provides delineation between the Trust Board and the LGBs. With the exception of at the Executive Headteacher/CEO (who is an ex-officio Trustee), the Trustees do not sit on the LGBs to ensure that decision making remains independent.

The funding for schools within the Trust is allocated on an individual academy basis. Funding is governed through a master funding agreement between the Secretary of State for Education and the Trust, and by supplemental agreements between the Secretary of State and each academy.

Arrangements for setting pay and remuneration of key management personnel

The Executive Team (as described in Reference & Administrative Details) are the key management personnel of the trust. For each member of the Executive Team, pay is determined by the Trust Board (through delegated authority to the Trust HR Committee) having regard to performance against objectives set the previous year.

The Trustees are also senior management, although they receive no pay or other remuneration in respect of their role as trustees. One Trustee (ex-officio) receives remuneration as the Executive Headteacher / CEO and pay is determined by the Trust Board (as stated above). Further details of any remuneration and/or expenses paid to Trustees are set out within the notes to the accounts.

Related Parties and other Connected Charities and Organisations

The company has two connected organisations:

Nonsuch High School Charitable Trust (separate legal entity, charity number 11376656)

Nonsuch High School Charitable Trust was formed to advance for the public benefit the education of students of Nonsuch High School for Girls by supplementing the educational provision and facilities for teaching and learning of all subjects and the provision of recreational and other charitable support and facilities at the School, where the funds made available by the government for this purpose are insufficient to meet the cost of the same.

Nonsuch Business Enterprises Limited (wholly owned subsidiary, company number 0352077)

Nonsuch Business Enterprises Limited was formed to manage the hire of school facilities and the sale of uniform for Nonsuch High School for Girls and to carry on any other trade or business which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the business of the company.

Objectives and Activities

Objects and Aims

The principal object in the Articles of Association is to advance for the public benefit education in the UK. This is delivered by the operation of the two academies offering a broad and balanced curriculum to students between the ages of 11 and 19 years.

The second object in the Articles of Association is to promote for the benefit of the inhabitants of Cheam, Sutton and the surrounding area the provision of facilities for recreation or other leisure time occupation.

Public benefit

The Trust aims to advance for the public benefit education in the United Kingdom. In setting the objectives of the Trust and planning the associated activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of both the schools. The policy of the Trust is to support recruitment and retention of students and

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employees with disabilities. The Trust does this by adapting the physical environment, by making support resources available and through training and career development.

Strategic Report

The Trust Development Plan, established in Spring 2016 for the period to December 2017, focussed on:

1. Quality of teaching & learning
2. Student confidence, enrichment & onward destinations
3. Human Resource (HR) management
4. Maximising revenues and reducing costs

The 2016-17 Development Plan was routinely monitored by the Trust Board throughout the period. The Executive Headteacher / CEO Report to the Trust Board in August 2017 summarised the achievements against the Plan, and it was agreed that these objectives had been met to the satisfaction of the Trustees.

At the same Trust Board meeting, the Trust Development Plan was reviewed and a new Strategic Plan 2017-20 was approved in August 2017. This is described in a later section (Plans For Future Periods).

The following sections describe the Trust's performance against the Development Plan targets for the period Spring 2016-August 2017.

1. Quality of Teaching & Learning

Ofsted Inspections

Nonsuch High School for Girls was last inspected in January 2017 and continues to be designated as 'good'.

Wallington High School for Girls received an Ofsted inspection in January 2016, and was also designated 'good'.

In both cases, detailed feedback was obtained and incorporated in the school's Annual Development Plan.

Achievements and Performance

In terms of the quality of teaching and learning, the second year of operation for the Trust ended with a strong set of exam outcomes. Both schools performed very well at both GCSE and A level across both attainment and progress measures.

In terms of the national picture, and the position as an all girls multi-academy trust, both schools were placed amongst the top schools nationally at both GCSE and A Level. The results provide a sound platform on which to build the Trust.

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The tables below summarise academic achievement and exam performance at the schools across the Trust.

GCSE	12/13	13/14	14/15	15/16	16/17
% A*/A grades					
Nonsuch	78%	85%	81%	83%	86%
Wallington	83%	81%	78%	82%	74%
% A* - C / (9-7) in English/Maths					(9-7)
Nonsuch	100%	100%	99%	100%	100%
Wallington	100%	98%	100%	100%	98%
% achieving E Bacc					
Nonsuch	96%	90%	97%	99%	99%
Wallington	89%	93%	94%	96%	93%
RaiseOnline					
Nonsuch	1037	1036	1049	-	-
Wallington	1037	1039	1044	-	-
Progress 8					
Nonsuch			0.86	0.73	1.16
Wallington			0.73	0.69	1.04
GCSE ALPS					
Nonsuch				1	2
Wallington				2	2

AS	12/13	13/14	14/15	15/16	16/17
% A grades					
Nonsuch	39%	46%	47%	45%	55%*
Wallington	42%	41%	46%	52%	54%*
AS ALPS					
Nonsuch	5	2	3	4	5*
Wallington	2	3	2	3	n/a

*Legacy subjects – Gov & Politics, Critical Thinking, Maths, Further Maths, Product Design & Textiles

A2 (A Level)	12/13	13/14	14/15	15/16	16/17
% A* grades					
Nonsuch	11%	24%	22%	20%	19%
Wallington	19%	16%	13%	17%	23%
% A*/A grades					
Nonsuch	48 %	61%	53%	55%	56%
Wallington	55%	51%	47%	56%	58%
L3VA					
Nonsuch	-0.18	+0.05	-0.03	-0.05 est	-0.05 est
Wallington	-0.02	-0.09	-0.14	+0.01 est	+0.18 est
A2 ALPS					
Nonsuch	6	3	5	5	5
Wallington	6	5	5	3	2

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2. Student Confidence, Enrichment & Onward destinations

Onward Destinations

An all important measure is where students move to in terms of onward university destinations.

The majority of students at both schools achieved their first choice of university, with around half (46%-55%) being at Russell Group institutions. In addition, 17 girls across the Trust secured Oxbridge places in 2015-16.

Destinations			14/15	15/16	16/17
1st Choice University					
Nonsuch			70%	65%	66%
Wallington			73%	74%	76%
Oxbridge					
Nonsuch			12%	8% (13)	7% (10)
Wallington			6%	2% (4)	7% (13)
Russell Group Universities					
Nonsuch			64%	55%	52%
Wallington			45%	46%	53%

Student Confidence & Enrichment: Extra Curricular

In terms of student confidence and enrichment, the schools in the Trust continued to provide excellent opportunities to develop students' skills, above and beyond their academic studies, and to prepare them for life beyond school.

The schools have continued to expand extra-curricular and enrichment opportunities for all students. At Wallington, a key element of this is that on dedicated days throughout the year the school timetable is collapsed and students experience a wide range of activities designed to challenge them and introduce them to new experiences. At Nonsuch, a wide variety of trips and visits are arranged throughout the year.

Sport continued to play a major part in the life of both schools and we had successes at borough, county and national level

Music and Drama remain strong and this year saw outstanding performances of 'The 39 Steps' at Wallington and 'Blue Stockings' at Nonsuch. Alongside this, we have organised regular opportunities for students to showcase their talents through concerts and recitals.

Careers provision is superb and supports students' aspirations by providing speakers from a variety of disciplines and institutions. The joint Higher Education University Taster Event saw over 30 visiting lecturers and around 500 students benefitting from the experience.

2016-17 has also seen our wider extra curricular continue to flourish in school life. Both the Duke of Edinburgh scheme and the Combined Cadet Force (CCF) have proved popular with students.

Many other departments also provide excellent opportunities for students through national and international competitions in Maths, Science, MFL and DT, through to student Art pieces being displayed at London galleries and a range of theatre trips hosted by the English departments. Alongside this we have provided opportunities both inside and outside of school for students to develop their debating skills and we have been successful in a number of local competitions. There are many opportunities for trips, both home and abroad.

3. Human Resources Management

Throughout 2016-17, the recruitment and retention of teaching and support staff remained a focus. In common with other multi-academy trusts, the recruitment of teaching staff, particularly in shortage subjects, is an issue. However, both schools remained fully staffed throughout the period.

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Following employee consultation, changes were implemented to support staff structures in both school and through the consolidation of shared support functions. These changes, including the loss of six posts, were implemented during the summer of 2017.

4. Maximising Revenues & Reducing Costs

Key financial performance indicators

At the start of the financial year, the Trustees set the consolidated Trust budget, taking into account the anticipated income and expenditure of each school (including a share of Trust costs) and with reference to reserves readily available to spend (excluding fixed asset reserve and the pension reserve). During the course of 2016-17, the Trust has taken pro-active steps to maximise revenues and reduce costs.

The Trust shares the costs of centralised functions (such as the Executive Headteacher/CEO, Director of Finance & Operations, audit services, etc) in proportion to the main government funded element of school revenues (General Annual Grant – GAG) and these costs are embedded in the school level budgets. For 2016-17 the split was Nonsuch 48% and Wallington 52% (the split in 2015/16 was Nonsuch 47% and Wallington 53%).

Approximately 90% of the Trust's income in 2016-17 was government funded through the General Annual Grant, with the remaining funds coming from capital grants, parental donations, trips & visits, and other sources generated throughout the year.

The Trustees aim to budget staffing costs within 80-85% of annual school income (excluding capital grants, trips & visits and parental donations). For 2016-17, the actual figure was 82%.

When determining the budget for each school, a key figure that the Trustees consider is the net surplus or deficit. For 2016-17, it was planned that expenditure would be in line with income and the budget for each school was set at a broadly balanced budget.

At both schools, some capital expenditure was also planned and in some instances funding was drawn from reserves brought forward from previous years.

Performance against budget is closely monitored by the Director of Finance & Operations and the Trust Finance Committee, which meets four times per year and receives quarterly management reports. The annual budget is reviewed throughout the year, and forecasts for the anticipated outturn at year end are closely monitored.

2016-17	Nonsuch	Wallington	Average NWET
Total costs per student	£4,860	£4,758	£4,809
Leadership & teaching costs per student	£3,138	£3,121	£3,130
Support staff costs per student	£840	£767	£804
Student to teacher ratio	17.3	17.7	17.5
Total staff costs as % of income	82%	82%	82%
% families contributing to School Fund	41%	49%	45%

Financial Review

As a multi-academy trust, the Trust receives its income from a number of different sources. The majority of the Trust's income comes from central government via the Education and Skills Funding Agency (ESFA) which provides a grant, based largely on student numbers, to cover staffing and other general running costs (General Annual Grant - GAG).

The ESFA also provides the Trust with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils and Capital Improvement Funds which must be used for specified capital projects). These appear in the accounts as DfE/ESFA grants.

Where the Trust receives grant or other funding from the Local Authority (such as where the Trust undertakes responsibilities on the LA's behalf in respect of students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds".

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Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from bank interest on account balances or from others who are charged for their use of school facilities). Such other income may be restricted or unrestricted, depending on whether it comes to the Trust with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

The Trust holds funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Trustees ("Unrestricted Funds") and those which are subject to condition or restriction ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, the Trust cannot spend this value. In common with all academies and Local Authorities, the Trust's share of the Local Government Pension Scheme (LGPS) deficit must also be reflected in the accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. The Trust meets its obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries

The following balances held were held at 31 August;

Fund	Category	2017 £'000	2016 £'000
GAG	Restricted General Funds	744	724
Other Grant Funds	Restricted General Funds	23	29
Other Income	Restricted General Funds	<u>109</u>	<u>157</u>
Sub-total General Restricted Funds		876	910
Unspent Capital Grants	Restricted Fixed Asset Fund	29	219
Other Income	Unrestricted General Fund	<u>706</u>	<u>927</u>
Sub-Total Spendable Funds		1,611	2,056
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	43,284	43,259
Share of LGPS Deficit	Restricted Pension Reserve	<u>(4,588)</u>	<u>(5,251)</u>
Total All Funds		<u>40,307</u>	<u>40,064</u>

Reserves policy

The Trustees keep spendable reserves under constant review to ensure that they have sufficient income to run the schools on an efficient basis without affecting the quality of teaching and learning. There is a reserves policy of £400k across the Trust. The Trustees set the reserve level based on a 3 Year Forecast that ensures the Trust can continue to operate whilst ensuring that it has sufficient cash reserves.

The Trust had un-restricted general reserves of £706k at 31 August 2017 (2016: £927k) and restricted general reserves of £876k (2016: £910k). Total spendable funds were £1,611k (2016: £2,056k) including the unspent capital grants.

	At 31 August 2017			At 31 August 2016		
	Unrestricted Reserves	Restricted Reserves	Total Reserves	Unrestricted Reserves	Restricted Reserves	Total Reserves
Nonsuch High School for Girls	245k	79k	324k	140k	115k	255k
Wallington High School for Girls	461k	797k	1,258k	787k	795k	1,582k
NWET Restricted & Unrestricted General Funds	706k	876k	1,582k	927k	910k	£1,837k

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In the case of Wallington High School for Girls, the reserves are earmarked for the completion of the new Library & Study Centre (completed early 2017-18), the creation of Science laboratories (Summer 2018), refurbishment of Drama facilities (October 2017) and for various condition-related maintenance issues affecting the school.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted. The Trustees have reviewed their investment and banking arrangements during the course of the year and have arranged for a deposit account to be opened at Barclays Bank.

Going concern

In common with other government funded multi-academy trusts (MATs), the new National Funding Formula will be introduced in 2020-21. This will increase funding per pupil to both Nonsuch and Wallington schools, and will ease funding pressures, notwithstanding the increases in nationally agreed pay scales, pension contributions, National Insurance contributions and the Apprenticeship Levy.

In the intervening two years (2018-2019 and 2019-2020) the funding will be overseen by the Sutton Schools Forum, and the schools will receive less than their allocation according to the ESFA calculations. However, subject to the decision of the Schools Forum, this is expected to be in line with the Trust's current 3 Year Forecast.

As previously reported, and again in common with other government funded MATs, the Trustees note the unfunded Local Government Pension Scheme (LGPS) pension deficit. In the case of the LGPS deficit, Parliament has agreed to a guarantee that, in the event of academy closure, outstanding scheme liabilities would be met by the Department for Education. The academies are currently making employer contributions based on the latest triennial actuarial assessment. Having regard to these factors, the Trustees do not believe any further action is required at this time.

The Trustees have initiated actions to (a) increase income, including the on-going expansion of student numbers, and (b) reduce costs and optimise value for money. It is expected that the on-going development of the MAT will enhance value for money savings and enable the school's to meet the financial challenges ahead. On this basis, the Trustees therefore have a reasonable expectation that, at 31 August 2017, NWET had 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 (Note 1 to the Financial Statements).

Principal Risks and Uncertainties

Over the course of the year, the Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to:

- Safeguarding
- Education delivery & standards
- Student numbers
- Health & safety
- Critical incidents
- Staff recruitment & retention
- Financial stability
- Capability of Trust Board & LGBs
- Government policy changes
- NWET formation & future growth

The Trustees have implemented a procedure to identify and assess the risks to the Trust, have developed controls to mitigate those risks, and review the risk register at each meeting. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement (relating to internal control).

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The risk management procedure has been codified, a risk register implemented by the Executive Headteacher / CEO and the Director of Finance & Operations, and the process is actively overseen by the Trustees.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice. Trustees keep spendable reserves (i.e. liquidity and cashflow) under review to ensure that they have sufficient income to run the academy on an efficient basis without affecting the quality of teaching and learning

Plans for Future Periods

NWET exists as an all-girls Trust that to delivers a first class education to young women ensuring that they realise their full potential and are well prepared for their future. Our strategic aims 2017-2020 are:

1. Achieve an Ofsted "outstanding" grade for both Nonsuch and Wallington at the next inspection.
2. Grow to a five school Trust within the London/South East area by December 2020.
3. Maintain the financial stability of the Trust as it expands.
4. Ensure the proportion of disadvantaged students within each school in the Trust reflects the local community they serve.
5. Develop a cross Trust programme for supporting and educating both staff and students in positive mental well-being.

This Trust Strategic Plan 2017-20 was approved in August 2017, and is actively monitored by the Trust Board.

Other Matters

Funds Held as Custodian Trustee on Behalf of Others

No funds were held as Custodian Trustee.

Auditor

In so far as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 12 December 2017 and signed on the Board's behalf by:

.....
A. Hyams-Parish
Chair of Trustees

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GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of Responsibility

The Trustees are responsible for ensuring that high standards of corporate governance are maintained. The role is a strategic one with three key functions:

- Overseeing the financial performance of the Trust and making sure its money is well spent.
- Holding the Executive Headteacher/CEO to account for the educational performance of the schools and their pupils, and
- Ensuring clarity of vision, ethos and strategic direction.

As Trustees, we acknowledge we have overall responsibility for ensuring that the Nonsuch & Wallington Education Trust (NWET) 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.

During 2016-17, the Executive Headteacher/CEO, J. Burton, acted as an ex-officio Trustee and a full time executive of the MAT. The Executive Headteacher/CEO was responsible for the internal organisation, management and control of the academies; the implementation of all policies approved by the Trustees and for the direction of teaching and the curriculum across the schools.

Further, the Trustees have delegated day-to-day responsibility to the Executive Headteacher/CEO, as Accounting Officer, to ensure that the 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 Nonsuch & Wallington Education Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the 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 Trust Board has formally met 5 times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Trust Board 2016-17	Meetings attended	Out of possible
A Hyams-Parish (Chair)	5	5
P Taylor	3	5
S Rahman	3	5
N. Pepper	5	5
A. Clark	5	5
S. Gillett	5	5
J. Burton (Executive Headteacher/CEO)	5	5
H. Latham (DFO) (in attendance)	5	5

The Trust Board plans to complete a self-evaluation during the course of 2017-18, building on the work done by the predecessor governing bodies and the Department for Education's Competency Framework for Governance (published January 2017).

The NWET Finance Committee is a committee of the Trust Board. Its purpose is to assist and support the Trust Board, ensuring sound oversight is exercised over the management of the Trust's finances and resources. It comprises two Trustees, the Accounting Officer, and two representatives from each of the LGB's.

Attendance at meetings in the year was as follows (overleaf):

NONSUCH AND WALLINGTON EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

<u>Trust Finance Committee 2016-17</u>	<u>Meetings attended</u>	<u>Out of possible</u>
S. Rahman (Chair)	3	4
A. Akram (Vice Chair) (resigned 13 November 2017)	4	4
N. Pepper	4	4
A. Cooke	3	4
V. Ramakrishnan (resigned 10 July 2017)	3	3
J. Thind	4	4
J. Burton (Executive Head/Accounting Officer)	4	4
H. Latham (DFO) (in attendance)	4	4

Review of Value for Money

As the Trust's Accounting Officer, the Executive Headteacher/CEO 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.

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 Trust Board 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 through:

1. Increased efficiency

- The Trust has continued to identify ways to maintain the strength of the educational offer to students, whilst taking difficult decisions to avoid running courses uneconomically. A key decision taken during 2016-17 involves the sixth form curriculum changing so that most students study 3 A Levels with effect from September 2018. Other examples include: deciding to maximise classes where possible in Years 12 & 13; using a 'straw polling' exercise for Year 9 options to optimise class sizes; and recruiting external students to A Level courses to improve efficiency.
- The Trust has continued to consider the provision of teaching staff in the context of the Trust's expanding roll and the current curriculum offer. It considers efficiency & effectiveness in all its recruitment decisions, balancing the educational needs of the students and a relatively experienced staff base.

2. Better purchasing

- All purchases over £5,000 are subject to '3 quotes' to ensure best value is achieved in purchasing. Where possible, across the Trust schools, we are looking at buying together.
- The HR contract, legal retainer contract, health & safety contract, financial software and auditor services have been procured centrally and at lower overall costs to the individual schools.
- The approach to advertising job vacancies has been altered to optimise spending on advertising through agencies such as TES (formerly Times Education Supplement). The aim is to attract the best candidates, whilst reducing the overall spend.
- The Trust has benchmarked energy costs against Sutton schools, considered short and medium term deals using comparative data from Zenergi, and procured 1 and 2 year co-terminous contracts for electricity with new suppliers.
- The Trust has opted to continue to procure insurance via the London Borough of Sutton, generating savings against the previous years insurance premium, and having evaluated the government's Risk Protection Arrangement as an alternative.
- INSET costs across the Trust are being reduced through shared training & development activities, including the NWET Staff Conference in February 2017 that was organised and delivered by in-house staff.
- The Trust has stopped contracts that are no longer required (for example, memberships of educational forums, IT licences), run print-photocopy contracts beyond their planned lifecycle (to maximise costs avoided) and procured a more cost effective broadband suppliers.
- Where possible, the schools in the Trust have consolidated and simplified their systems, focussing on simplifying communication systems, student reporting and making more use of texting and emails.

NONSUCH AND WALLINGTON EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

3. Extra sources of income

- Both schools actively support local sport and community groups by hiring out school facilities during the weekend and evening. The income is used to maintain the facilities and improve the resources for our students and hirers.
- Negotiations are on-going to secure a letting of a telecommunications mast at Nonsuch. ESFA approval has been obtained.
- Both schools are also supported by voluntary donations from parents.

In future years, it is anticipated that the formation of the multi-academy trust will generate additional cost savings and improvements in value for money, as the resources of both schools are leveraged in the Nonsuch & Wallington Education Trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Nonsuch and Wallington Education Trust for the period 1 September 2016 to 31 August 2017, and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trust Board 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 Trust Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board

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, 3 Year Plan and quarterly financial management reports which are reviewed by the NWET Finance Committee;
- regular reviews by the NWET Finance 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;
- consideration of the contingency reserve.

The Trust Board has considered the need for a specific internal audit function, and decided not to appoint an internal auditor. The Trustees have, however, appointed joint Responsible Officers (RO) across both schools, and for 2016-17 they were A. Cooke (NHSG governor) and V. Ramakrishnan (WHSG governor).

NONSUCH AND WALLINGTON EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

The role of the RO includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a regular basis, reports have been issued to the Trust Board on the operation of the systems of control and on the discharge of the Trust Boards' financial responsibilities. The Trust Board has appointed the external auditors, Baxter and Co. to assist each RO in fulfilling the agreed schedule of testing. Baxter & Co conducted termly visits to each academy during the year. Checks carried out included:

- Testing of payroll systems
- Testing of purchases system
- Testing of control account/bank reconciliations
- Testing of compliance with some of the key regularity and transparency requirements within the ESFA's Academies Financial Handbook

The Trustees are satisfied that the RO functions have been fully delivered in line with the agreed schedule of testing. No material control issues have been notified to Trustees.

Review of Effectiveness

The Accounting Officer has the 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 Officers
- the work of the External Auditor;
- the Accounting Officer Log Book;
- the financial management and governance self-assessment process;
- the work of the Director of Finance & Operations, in conjunction with the finance teams in each school, who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of any implications of the review of the system of internal control and, where appropriate, has established a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on 12 December 2017 and signed on its behalf by:

.....
A. Hyams-Parish
Chair of Trustees

.....
J. Burton
Accounting Officer

NONSUCH AND WALLINGTON EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Nonsuch And Wallington Education Trust 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 ESFA terms and conditions of funding, 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 2016.

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 2016.

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

J Burton
Accounting Officer

12 December 2017

NONSUCH AND WALLINGTON EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as the directors of Nonsuch And Wallington Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make 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 Board of Trustees on 12 December 2017 and signed on its behalf by:

A Hyams-Parish
Chair of Trustees

NONSUCH AND WALLINGTON EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NONSUCH AND WALLINGTON EDUCATION TRUST

Opinion

We have audited the Financial Statements of Nonsuch And Wallington Education Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

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 Trust 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 Trust'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.

NONSUCH AND WALLINGTON EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NONSUCH AND WALLINGTON EDUCATION TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees 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 Trust'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 charitable company, or have no realistic alternative but to do so.

NONSUCH AND WALLINGTON EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NONSUCH AND WALLINGTON EDUCATION TRUST (CONTINUED)

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.

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

for and on behalf of Baxter & Co

.....

**Chartered Certified Accountants
Statutory Auditor**

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

NONSUCH AND WALLINGTON EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NONSUCH AND WALLINGTON EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 November 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nonsuch And Wallington Education Trust during the period 1 September 2016 to 31 August 2017 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 Nonsuch And Wallington Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Nonsuch And Wallington Education Trust and 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 Nonsuch And Wallington Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Nonsuch And Wallington Education Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Nonsuch And Wallington Education Trust's funding agreement with the Secretary of State for Education dated 28 August 2015 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes 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 2016 to 2017 issued by ESFA. 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.9 of the Academies Financial Handbook 2016, issued by the ESFA.

NONSUCH AND WALLINGTON EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NONSUCH AND WALLINGTON EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated:

NONSUCH AND WALLINGTON EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from:						
Donations and capital grants	3	228	25	57	310	876
Donations - transfer from Wallington High School		-	-	-	-	21,590
Charitable activities:						
- Funding for educational operations	4	34	13,590	-	13,624	13,487
Other trading activities	5	420	-	-	420	394
Investments	6	8	-	-	8	25
Total income and endowments		<u>690</u>	<u>13,615</u>	<u>57</u>	<u>14,362</u>	<u>36,372</u>
Expenditure on:						
Raising funds	7	10	-	-	10	114
Charitable activities:						
- Educational operations	8	363	13,906	876	15,145	14,727
Total expenditure	7	<u>373</u>	<u>13,906</u>	<u>876</u>	<u>15,155</u>	<u>14,841</u>
Net income/(expenditure)		317	(291)	(819)	(793)	21,531
Transfers between funds		(538)	(116)	654	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	1,036	-	1,036	(2,013)
Net movement in funds		(221)	629	(165)	243	19,518
Reconciliation of funds						
Total funds brought forward		<u>927</u>	<u>(4,341)</u>	<u>43,478</u>	<u>40,064</u>	<u>20,546</u>
Total funds carried forward		<u>706</u>	<u>(3,712)</u>	<u>43,313</u>	<u>40,307</u>	<u>40,064</u>

The comparative figures for 2016 are analysed according to fund on the next page of these financial statements.

NONSUCH AND WALLINGTON EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Income and endowments from:					
Donations and capital grants	3	344	106	426	876
Donations - transfer from Wallington High School		580	(939)	21,949	21,590
Charitable activities:					
- Funding for educational operations	4	82	13,405	-	13,487
Other trading activities	5	394	-	-	394
Investments	6	25	-	-	25
Total income and endowments		<u>1,425</u>	<u>12,572</u>	<u>22,375</u>	<u>36,372</u>
Expenditure on:					
Raising funds	7	114	-	-	114
Charitable activities:					
- Educational operations	8	349	13,516	862	14,727
Total expenditure	7	<u>463</u>	<u>13,516</u>	<u>862</u>	<u>14,841</u>
Net income/(expenditure)		962	(944)	21,513	21,531
Transfers between funds		(303)	(13)	316	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	19	-	(2,013)	-	(2,013)
Net movement in funds		659	(2,970)	21,829	19,518
Reconciliation of funds					
Total funds brought forward		268	(1,371)	21,649	20,546
Total funds carried forward		<u>927</u>	<u>(4,341)</u>	<u>43,478</u>	<u>40,064</u>

NONSUCH AND WALLINGTON EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		43,284		43,259
Current assets					
Debtors	14	559		558	
Cash at bank and in hand		2,372		2,421	
		<u>2,931</u>		<u>2,979</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,320)		(923)	
Net current assets			1,611		2,056
Net assets excluding pension liability			44,895		45,315
Defined benefit pension liability	19		(4,588)		(5,251)
Total net assets			<u>40,307</u>		<u>40,064</u>
Funds of the Trust:					
Restricted funds	17				
- Fixed asset funds			43,313		43,478
- Restricted income funds			876		910
- Pension reserve			(4,588)		(5,251)
Total restricted funds			39,601		39,137
Unrestricted income funds	17		706		927
Total funds			<u>40,307</u>		<u>40,064</u>

The Financial Statements set out on pages 23 to 48 were approved by the Board of Trustees and authorised for issue on 12 December 2017 and are signed on its behalf by:

A Hyams-Parish
Chair of Trustees

Company Number 07627961

NONSUCH AND WALLINGTON EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	£'000	2016 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		762		245
Cash funds transferred on conversion			-		1,488
			<u>762</u>		<u>1,733</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		8		25	
Capital grants from DfE and ESFA		57		384	
Capital funding from sponsors and others		-		42	
Payments to acquire tangible fixed assets		<u>(876)</u>		<u>(1,189)</u>	
			<u>(811)</u>		<u>(738)</u>
Change in cash and cash equivalents in the reporting period					
			(49)		995
Cash and cash equivalents at 1 September 2016					
			<u>2,421</u>		<u>1,426</u>
Cash and cash equivalents at 31 August 2017					
			<u><u>2,372</u></u>		<u><u>2,421</u></u>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The Financial Statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Nonsuch And Wallington Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The 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.

1.3 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 receivable

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

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

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.

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

1.4 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 (such as external hirers).

Charitable activities

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

Governance costs

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

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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 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. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold land is not depreciated.

Freehold buildings	50 years straight line
Astro, tennis courts & storage	20 years straight line
ICT & computer equipment	3 years straight line
Fixtures, fittings & equipment	7 years straight line
Motor vehicles	5 years straight line

Fixed Asset Transfer from Predecessor Schools

Where fixed assets were transferred to the charitable company from predecessor schools, these have been included at a value determined in accordance with the policy described below:

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is included at a valuation that assumes continuation of existing use.

Buildings

In accordance with the requirements of FRS 102, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set).

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.

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

1.6 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.

1.7 Leasing and hire purchase commitments

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

1.8 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 Pensions benefits

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

Teachers' Pension Scheme

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 unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 Education and Skills Funding Agency/Department for Education.

1.12 Agency arrangements

Where the Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 25.

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	57	57	384
Voluntary fund income and donations	228	25	253	450
Capital donations	-	-	-	42
	<u>228</u>	<u>82</u>	<u>310</u>	<u>876</u>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	12,727	12,727	12,411
Other DfE / ESFA grants	-	135	135	138
	<u>-</u>	<u>12,862</u>	<u>12,862</u>	<u>12,549</u>
Other government grants				
Local authority grants	-	119	119	126
Other funds				
School trips and activities	24	481	505	532
Other incoming resources	10	128	138	280
	<u>34</u>	<u>609</u>	<u>643</u>	<u>812</u>
Total funding	<u>34</u>	<u>13,590</u>	<u>13,624</u>	<u>13,487</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	100	-	100	96
Catering income	320	-	320	298
	<u>420</u>	<u>-</u>	<u>420</u>	<u>394</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	8	-	8	25
	<u>8</u>	<u>-</u>	<u>8</u>	<u>25</u>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £'000	Premises & occupancy costs £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds *	10	-	-	10	114
Trust's educational operations					
- Direct costs	9,531	678	1,171	11,380	11,345
- Allocated support costs	1,474	1,223	1,068	3,765	3,382
	<u>11,015</u>	<u>1,901</u>	<u>2,239</u>	<u>15,155</u>	<u>14,841</u>

* The expenditure on raising funds in 2016/17 of £10k is the cost of salaries to support external hirers of the school premises.

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Fees payable to auditor for:		
- Audit	16	16
- Other services	21	23
Operating lease rentals	16	16
Depreciation of tangible fixed assets	851	862
Net interest on defined benefit pension liability	111	113
	<u>1,015</u>	<u>1,029</u>

Included within expenditure are the following transactions:

	2017 £
Gifts made by the trust - total	647
Unrecoverable debts - total	<u>2,728</u>

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts and unrecoverable debts above are made in £'s. The unrecoverable debts comprise £2,300 on two trips at Nonsuch and miscellaneous items.

Central services

The Trust shares the actual costs of centralised functions and services (such as the Executive Headteacher / CEO, Director of Finance & Operations, audit services, financial software, etc) in proportion to the main government funded element of school revenues (General Annual Grant – GAG). For 2016-17, the proportion was Nonsuch 48% and Wallington 52%. However, there are no central charges ('top slicing'). In most cases, suppliers invoice each academy individually.

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	10	11,370	11,380	11,345
Support costs - educational operations	353	3,412	3,765	3,382
	<u>363</u>	<u>14,782</u>	<u>15,145</u>	<u>14,727</u>

	Total 2017 £'000	Total 2016 £'000
Analysis of support costs		
Support staff costs	1,474	1,286
Depreciation and amortisation	173	172
Technology costs	164	78
Premises and occupancy costs	1,050	920
Other support costs	874	875
Governance costs	30	51
	<u>3,765</u>	<u>3,382</u>

9 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	8,353	8,306
Social security costs	797	688
Operating costs of defined benefit pension schemes	1,725	1,483
Apprenticeship levy	11	-
	<u>10,886</u>	<u>10,477</u>
Staff costs	10,886	10,477
Supply staff costs	129	71
Staff restructuring costs	-	15
	<u>11,015</u>	<u>10,563</u>
Total staff expenditure	11,015	10,563

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2016: £nil).

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

Staff numbers

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

	2017	2016
	Number	Number
Teachers	159	167
Administration and support	76	76
Management	11	11
	<u>246</u>	<u>254</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2017	2016
	Number	Number
Teachers	147	146
Administration and support	55	63
Management	11	11
	<u>213</u>	<u>220</u>

Higher paid staff

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

	2017	2016
	Number	Number
£60,000 - £70,000	4	4
£70,001 - £80,000	1	3
£80,001 - £90,000	3	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the Trust comprise the Trustees and the Executive Team as listed on page 1. The total amount of employee benefits (including employer pension contributions, excluding employer NIC) received by key management personnel for their services to the Trust was £442,334 (2016: £556,485).

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Trustees' remuneration and expenses

One Trustee has been paid remuneration and other benefits from an employment with the Trust. The Executive Headteacher/CEO only receives remuneration in respect of services she provides in undertaking the roles of Executive Headteacher/CEO under her contract of employment, and not in respect of her services as Trustee. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees.

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

J Burton (Executive Headteacher/CEO)

- Remuneration : £125,000 - £130,000 (2016: £115,000 - £120,000)
- Employer's pension contributions : £20,000 - £25,000 (2016: £15,000 - £20,000)

During the year one trustee was reimbursed expenses totalling £1,991 (2016: £705) in relation to attendance at professional training and development events by the Executive Headteacher/CEO.

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

11 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2017 was £522 (2016: £522). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Freehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2016	45,292	446	490	25	46,253
Additions	706	35	135	-	876
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2017	45,998	481	625	25	47,129
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 September 2016	2,423	381	176	14	2,994
Charge for the year	686	77	83	5	851
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2017	3,109	458	259	19	3,845
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 August 2017	42,889	23	366	6	43,284
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2016	42,869	65	314	11	43,259
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Freehold land and buildings includes land of £6,544k at Nonsuch High School for Girls and £5,146k at Wallington High School for Girls.

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13	Financial instruments	2017	2016
		£'000	£'000
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	2,514	2,698
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	(935)	(530)
		<u> </u>	<u> </u>
14	Debtors	2017	2016
		£'000	£'000
	Trade debtors	33	103
	VAT recoverable	307	102
	Other debtors	73	95
	Prepayments and accrued income	146	258
		<u> </u>	<u> </u>
		559	558
		<u> </u>	<u> </u>
15	Creditors: amounts falling due within one year	2017	2016
		£'000	£'000
	Trade creditors	479	221
	Other taxation and social security	214	209
	Other creditors	102	84
	Accruals and deferred income	525	409
		<u> </u>	<u> </u>
		1,320	923
		<u> </u>	<u> </u>
16	Deferred income	2017	2016
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	171	184
		<u> </u>	<u> </u>
	Deferred income at 1 September 2016	184	126
	Released from previous years	(184)	(126)
	Amounts deferred in the year	171	184
		<u> </u>	<u> </u>
	Deferred income at 31 August 2017	171	184
		<u> </u>	<u> </u>

Deferred income relates to income received in advance of trips and activities taking place in 2017-18 and the unspent catering balances held on behalf of pupils at the year end.

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	724	12,727	(12,660)	(47)	744
Other DfE / ESFA grants	12	-	(1)	-	11
Pupil Premium	13	135	(138)	-	10
Other government grants	4	119	(121)	-	2
Other restricted funds	157	634	(613)	(69)	109
	<u>910</u>	<u>13,615</u>	<u>(13,533)</u>	<u>(116)</u>	<u>876</u>
Funds excluding pensions					
Pension reserve	(5,251)	-	(373)	1,036	(4,588)
	<u>(4,341)</u>	<u>13,615</u>	<u>(13,906)</u>	<u>920</u>	<u>(3,712)</u>
Restricted fixed asset funds					
Transferred on conversion	36,938	-	(549)	-	36,389
DfE / ESFA capital grants	5,299	57	(195)	155	5,316
Capital expenditure from GAG and other funds	457	-	(116)	499	840
Capital donation	784	-	(16)	-	768
	<u>43,478</u>	<u>57</u>	<u>(876)</u>	<u>654</u>	<u>43,313</u>
Total restricted funds	<u>39,137</u>	<u>13,672</u>	<u>(14,782)</u>	<u>1,574</u>	<u>39,601</u>
Unrestricted funds					
General funds	927	690	(373)	(538)	706
Total funds	<u>40,064</u>	<u>14,362</u>	<u>(15,155)</u>	<u>1,036</u>	<u>40,307</u>

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

The Restricted General Funds are used to fund the general operating costs of the Trust.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

The Restricted LGPS Fund represents the Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £43,284k (2016: £43,259k) plus the unspent element of Capital funds £29k (2016: £219k). When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Trustee's, to support any of the Trust's charitable purposes.

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

Movements in funds - previous year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	1	12,411	(11,978)	290	724
Other DfE / ESFA grants	64	138	(189)	12	25
Other government grants	1	126	(358)	235	4
Other restricted funds	73	1,416	(782)	(550)	157
	<u>139</u>	<u>14,091</u>	<u>(13,307)</u>	<u>(13)</u>	<u>910</u>
Funds excluding pensions					
Pension reserve	(1,510)	(1,519)	(209)	(2,013)	(5,251)
	<u>(1,371)</u>	<u>12,572</u>	<u>(13,516)</u>	<u>(2,026)</u>	<u>(4,341)</u>
Restricted fixed asset funds					
Transferred on conversion	19,117	18,370	(549)	-	36,938
DfE / ESFA capital grants	1,693	3,774	(198)	30	5,299
Capital expenditure from GAG and other funds	39	231	(99)	286	457
Capital donation	800	-	(16)	-	784
	<u>21,649</u>	<u>22,375</u>	<u>(862)</u>	<u>316</u>	<u>43,478</u>
Total restricted funds	<u>20,278</u>	<u>34,947</u>	<u>(14,378)</u>	<u>(1,710)</u>	<u>39,137</u>
Unrestricted funds					
General funds	268	1,425	(463)	(303)	927
Total funds	<u>20,546</u>	<u>36,372</u>	<u>(14,841)</u>	<u>(2,013)</u>	<u>40,064</u>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2017 were allocated as follows:	
Nonsuch High School for Girls	324
Wallington High School for Girls	1,258
	<hr/>
Total before fixed assets fund and pension reserve	1,582
Restricted fixed asset fund	43,313
Pension reserve	(4,588)
	<hr/>
Total funds	<u>40,307</u>

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Nonsuch High School for Girls	4,463	868	682	1,143	7,156
Wallington High School for Girls	5,068	616	490	975	7,149
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>9,531</u>	<u>1,484</u>	<u>1,172</u>	<u>2,118</u>	<u>14,305</u>

Funds analysis by academy - previous year

	Total 2016 £'000
Fund balances at 31 August 2016 were allocated as follows:	
Nonsuch High School for Girls	255
Wallington High School for Girls	1,582
	<hr/>
Total before fixed assets fund and pension reserve	1,837
Restricted fixed asset fund	43,478
Pension reserve	(5,251)
	<hr/>
Total funds	<u>40,064</u>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2016
	£'000	£'000	£'000	£'000	£'000
Nonsuch High School for Girls	4,240	890	755	1,151	7,036
Wallington High School for Girls	5,030	403	628	883	6,944
	<u>9,270</u>	<u>1,293</u>	<u>1,383</u>	<u>2,034</u>	<u>13,980</u>

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total 2017
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	43,284	43,284
Current assets	706	2,196	29	2,931
Creditors falling due within one year	-	(1,320)	-	(1,320)
Defined benefit pension liability	-	(4,588)	-	(4,588)
	<u>706</u>	<u>(3,712)</u>	<u>43,313</u>	<u>40,307</u>

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total 2016
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	43,259	43,259
Current assets	927	1,833	219	2,979
Creditors falling due within one year	-	(923)	-	(923)
Defined benefit pension liability	-	(5,251)	-	(5,251)
	<u>927</u>	<u>(4,341)</u>	<u>43,478</u>	<u>40,064</u>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions 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 the London Borough of Sutton. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £85k (2016: £84k) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 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 £1,054k (2016: £1,051k).

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

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension 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 25.5% for April 2017, 26.5% for April 2018 and 27.5% for April 2019, for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £409k.

The employer's contribution rate includes additional contributions assessed by the actuaries so as to eliminate the pension fund deficit over a manageable period.

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

Total contributions made	2017	2016
	£'000	£'000
Employer's contributions	394	374
Employees' contributions	100	99
	<hr/>	<hr/>
Total contributions	494	473
	<hr/>	<hr/>

Principal actuarial assumptions	2017	2016
	%	%
Rate of increases in salaries	4.2	4.1
Rate of increase for pensions in payment	2.7	2.3
Discount rate	2.6	2.2
RPI increase	3.6	3.2
CPI increase	2.7	2.3
	<hr/>	<hr/>

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

	2017	2016
	Years	Years
Retiring today		
- Males	24.4	22.2
- Females	26.0	24.8
Retiring in 20 years		
- Males	26.7	24.1
- Females	28.3	27.0
	<hr/>	<hr/>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

Sensitivity Analysis

Scheme liabilities have been valued at £9,751k. The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to decrease by 0.1%, liabilities would be measured at £9,948k.

If the salaries rate used were to increase by 0.1%, liabilities would be measured at £9,776k.

If the life expectancy were to increase by a year, liabilities would be measured at £10,084k.

If the pension rate were to increase by 0.1%, liabilities would be measured at £9,923k.

The Trust's share of the assets in the scheme

	2017	2016
	Fair value	Fair value
	£'000	£'000
Equities	3,336	2,773
Other bonds	789	291
Gilts	615	695
Property	412	269
Other assets	11	-
	<hr/>	<hr/>
Total market value of assets	5,163	4,028
	<hr/>	<hr/>
Actual return on scheme assets - gain/(loss)	732	545
	<hr/>	<hr/>

Amounts recognised in the statement of financial activities

	2017	2016
	£'000	£'000
Current service cost	656	470
Interest income	(93)	(135)
Interest cost	204	248
	<hr/>	<hr/>
Total operating charge	767	583
	<hr/>	<hr/>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

Changes in the present value of defined benefit obligations	2017	2016
	£'000	£'000
Obligations at 1 September 2016	9,279	3,193
Obligations acquired on conversion	-	3,075
Current service cost	654	460
Interest cost	204	248
Employee contributions	100	99
Actuarial (gain)/loss	(395)	2,433
Benefits paid	(91)	(229)
	<hr/>	<hr/>
At 31 August 2017	9,751	9,279
	<hr/>	<hr/>
Changes in the fair value of the Trust's share of scheme assets	2017	2016
	£'000	£'000
Assets at 1 September 2016	4,028	1,683
Assets acquired on conversion	-	1,556
Interest income	91	125
Actuarial gain	641	420
Employer contributions	394	374
Employee contributions	100	99
Benefits paid	(91)	(229)
	<hr/>	<hr/>
At 31 August 2017	5,163	4,028
	<hr/>	<hr/>
Total pension scheme liabilities / obligations	(9,751)	(9,279)
Total pension scheme assets	5,163	4,028
	<hr/>	<hr/>
Net Defined Benefit Pension liability	(4,588)	(5,251)
	<hr/>	<hr/>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Reconciliation of net income/(expenditure) to net cash flows from operating activities	2017	2016
	£'000	£'000
Net (expenditure)/income for the reporting period	(793)	21,531
Adjusted for:		
Net surplus on conversion to academy	-	(21,590)
Capital grants from DfE/ESFA and other capital income	(57)	(426)
Investment income receivable	(8)	(25)
Defined benefit pension costs less contributions payable	262	96
Defined benefit pension net finance cost	111	113
Depreciation of tangible fixed assets	851	862
(Increase)/decrease in debtors	(1)	100
Increase/(decrease) in creditors	397	(88)
Stocks, debtors and creditors transferred on conversion	-	(328)
Net cash provided by operating activities	<u>762</u>	<u>245</u>

21 Capital commitments	2017	2016
	£'000	£'000
Expenditure contracted for but not provided in the Financial Statements	<u>110</u>	<u>238</u>

The capital commitment at 31 August 2017 represents the unspent capital balance which is earmarked for capital spending in 2017/18 in relation to the new library build at Wallington High School for Girls.

22 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017	2016
	£'000	£'000
Amounts due within one year	5	15
Amounts due in two and five years	7	7
	<u>12</u>	<u>22</u>

NONSUCH AND WALLINGTON EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

23 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The Trust is the controlling party of its trading subsidiary Nonsuch Business Enterprises Limited ("NBE"). During the period the Trust received income of £111,017 (2016: £93,108) from the company. Amounts due to the Trust at the year end totalled £nil (2016: £49,580), and are included in debtors.

Nonsuch Business Enterprises Limited operates for the benefit of the students of the Trust by donating its profits to Nonsuch High School for Girls and Nonsuch High School Charitable Trust (see below) a charitable company established for that purpose. As the company operates with no retained earnings and no net assets, no consolidation has been prepared as there would be no material impact on the Trust's reserves.

The Trust received income during the period amounting to £nil (2016: £136,292) from the Nonsuch High School Charitable Trust (Company number 07205273 and registered charity number 1137656). The Charitable Trust is a related party by virtue of common trustees and objectives. No amounts were outstanding at the year end.

During the year the Trust made payments of £2,022 (2016: £1,860) to T.Sides, a close family member of a member of the senior leadership team. As at 31 August 2017 no amounts were outstanding.

In entering into these transactions, the Trust has complied with the requirements of the Academies Financial Handbook 2016.

24 Members' liability

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

25 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the Trust received £37,459 - Nonsuch £15,775 & Wallington £21,684 (2016: £39,425 - Nonsuch £15,735, Wallington £23,690) and disbursed £29,528 - Nonsuch £11,032 & Wallington £18,496 (2016: £39,425 - Nonsuch £15,735 & Wallington £23,690).