

---

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**CONTENTS**

---

	Page
<b>Reference and administrative details</b>	1 - 2
<b>Trustees' report</b>	3 - 13
<b>Governance statement</b>	14 - 18
<b>Statement on regularity, propriety and compliance</b>	19
<b>Statement of Trustees' responsibilities</b>	20
<b>Independent auditors' report on the financial statements</b>	21 - 23
<b>Independent auditors' assurance report on regularity</b>	24 - 25
<b>Statement of financial activities incorporating income and expenditure account</b>	26
<b>Balance sheet</b>	27
<b>Statement of cash flows</b>	28
<b>Notes to the financial statements</b>	29 - 51

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Members**

C Horrocks  
D Cheetham  
L Jones  
R Green  
P Lewis (resigned 17 November 2016)

**Trustees**

D Cheetham, Chair of Trustees  
L Jones, Vice Chair of Trustees  
M Gillatt  
P Lewis (resigned 17 November 2016)  
I Balmer, Staff Trustee  
H Ashton-Braithwaite, Staff Trustee  
K Ward, Staff Trustee  
A Simpson (resigned 19 July 2017)  
B Gladstone (resigned 19 July 2017)  
R Green  
C Horrocks, Principal & Accounting Officer  
S Walker  
A Leake  
S Proctor-Green  
M Evans  
J Major (resigned 10 January 2017)

**Company registered number**

07964360

**Company name**

The Elizabethan Academy Trust

**Registered office**

Hallcroft Road, Retford, Notts, DN22 7PY

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Advisers (continued)**

**Company secretary**

M Duffy

**Principal and Accounting Officer**

C Horrocks

**Senior management team**

C Horrocks, Principal

J White, Vice Principal

A Clark, Assistant Principal

K Ward, Assistant Principal

S Withall, Assistant Principal

L Dainty, Assistant Principal

M Duffy, Chief Financial & Operations Officer

**Independent auditors**

Streets Audit LLP, Windsor House, A1 Business Park at, Long Bennington, Notts, NG23 5JR

**Bankers**

Lloyds Bank plc, High Street, Lincoln, PO Box 1000, BX1 1LT

**Solicitors**

Browne Jacobsen LLP, 44 Castle Gate, Nottingham, NG1 7BJ

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in North Nottinghamshire. The academy operates on two sites with a separate Post 16 centre. The 11-16 site has a student capacity of 1,200 and had a roll of 822 in the school census on May 2016 with a further 123 students attending the Post 16 centre.

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

#### **CONSTITUTION**

The Elizabethan Academy Trust (the "Academy Trust") is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of The Elizabethan Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Elizabethan Academy. Any reference to the governors in this document is referring to the trustees.

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

#### **MEMBERS' LIABILITY**

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

#### **TRUSTEES' INDEMNITIES**

In respect of the trustees and its function the Academy Trust has arranged insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring in connection with academy business. The limit of indemnity, for any one claim or the aggregate in any one period of insurance is £2,000,000. There were no third party indemnity provisions during the year ended 31 August 2017.

#### **METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

In accordance with the articles of association the trustees are appointed as follows:

- (a) The members may appoint a trustee provided that the total number of staff trustees does not exceed one third of the total number of trustees.
- (b) A minimum of 2 parent trustees should be appointed, elected by parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when they are elected. Where the number of parents standing for election is less than the number of vacancies, parent trustees shall be made up by parent trustees appointed by the governing body. In appointing a parent trustee, the governing body shall appoint a person who is the parent of a registered pupil at the academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.
- (c) The members may appoint staff trustees through any process they determine, including by a suitable election process. The total number of trustees who are employees of the Academy Trust shall not exceed one third of the total number of trustees.
- (d) Community trustees may be appointed by the governing body provided that the person appointed is a person who lives or works in the community served by the academy or is committed to the governance

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

- and success of the academy.
- (e) The Principal is an ex officio trustee.
  - (f) The trustees may appoint up to 2 co-opted trustees.
  - (g) Additional trustees may, if deemed necessary, be appointed by the Secretary of State for Education.

The academy actively advertises and organises elections for trustee vacancies. New trustees are recruited from a variety of backgrounds and have the necessary skills to support, enhance and develop the Academy Trust. Trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire.

### **POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The Academy Trust is responsible for the induction and training of trustees who go through an induction period with appropriate training and information provided.

On appointment, all trustees are provided with handbooks and induction files. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Training is given throughout the academic year and the academy buys back into Local Authority provision where necessary. Regular joint trustee / senior leadership team training sessions also take place throughout the year. Trustees are invited to attend all sub-committee meetings to select the most appropriate to their expertise.

### **ORGANISATIONAL STRUCTURE**

The organisational structure consists of two main levels: The Trustees and The Senior Leadership Team under which Faculty Leaders and other budget holders operate. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team consists of the Principal, Vice Principal, three Assistant Principals, one Lead Practitioner and the Chief Financial Operations Officer. The Senior Leadership Team controls the academy at an executive level, implementing the policies laid down by the trustees and reporting back to them. Each member of the Senior Leadership Team has both strategic and operational responsibilities and links with Faculty Leaders, Pastoral, Administrative, Site and Training leaders. Each member of the Senior Leadership Team acts as a conduit and links with one or more trustee committees.

The Governing Body works with the Principal and the Senior Leadership Team to ensure that students receive a first class education. The Governing Body elects its own Chairman and Vice-Chairman, who cannot be the Principal, or a member of the teaching staff.

Trustees are drawn from all walks of life and represent the community served by the academy.

Academy trustees are answerable to parents and the community. Together with the Principal, who is responsible for day to day management, Governors offer strategic leadership that sets and champions vision, ethos and strategy. Governors ensure accountability that drive educational standards and financial performance.

The day to day operational management is delegated to the Principal. All strategic decisions delegated to the Senior Leadership Team are ratified by the trustees.

As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets though some spending control is devolved to Faculty Leaders and other budget holders, with limits above which a Senior Leader must countersign. The Senior Leadership Team in partnership with Faculty Leaders is also responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

SUB COMMITTEES

By law, governing bodies must meet at least three times every year, as a Full Governing Body, but the ongoing business is discussed by smaller committees. All areas of the academy's work are discussed, reported on and decisions are taken by a majority vote.

A typical trustees' meeting agenda might include the following:

- Principal's report and issues raised
- Update on personnel matters e.g. appointments made
- Reports from the sub-committees on pastoral, curriculum, personnel and finance matters
- Budget monitoring
- A review of recent and forthcoming academy events and initiatives
- Trustee training
- Any current or key issues e.g. academy status, OFSTED requirements.

At The Elizabethan Academy we have 5 sub-committees which meet at least once a term, and sometimes more frequently, if circumstances demand it. The sub-committee responsibilities are:

Student Support Committee

To discuss and make decisions on student matters including:

- ensuring the health, safety and well-being of students
- promoting community cohesion and inclusive practice relating to race, gender and disability equality
- overcoming barriers to learning
- parental and community liaison
- setting priorities for improvement and monitoring and evaluating the impact of improvement plans which relate to the committee's area of operation
- developing and reviewing policies identified within the Academy's policy review programme and in accordance with its delegated powers.

Finance & Resources Committee

To discuss and make decisions on matters including:

- Effective controls of financial management, within available resources and ensuring regularity, propriety and value for money
- Budgets and the financial management of the academy
- The school improvement service
- PFI / premises matters
- Review school policies such as the Charging and Remissions, Finance and Investment Policies.
- Agree the level of financial delegation to the Principal
- Ensure that the principles of 'best value' are adhered to
- Review, monitor and evaluate the annual maintenance programme
- Recommend an appropriate staffing structure to the Full Governing Body for approval
- Recruit, select and appoint staff
- Secure the effective implementation of Performance Management procedures
- Monitor and evaluate the effectiveness of partnerships in securing improved pupil outcomes.

Standards Committee

To discuss and make decisions on matters including:

- monitoring and evaluating rates of progress and standards of achievement by pupils, including any underachieving groups
- Rigorous analysis of pupil progress and attainment information with comparison against local and national benchmarks over time

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

- ensuring that the curriculum is balanced, broadly based, meets the needs of all pupils and complies with statutory requirements
- setting priorities for improvement and monitoring and evaluating the impact of improvement plans which relate to the Committee's area of operation
- developing and reviewing policies identified within the Academy's policy review programme and in accordance with its delegated powers

Audit Risk and Pay Committee

To discuss, advise and make decisions on matters including:

- To receive reports and correspondence from Internal and External Auditors and other bodies (eg ESFA/NAO) and consider any issues raised, together with the associated management response and action plans
- To advise the Governing Body and Accounting Officer on the adequacy and effectiveness of the Academy's governance, risk management, internal control and value for money frameworks and systems through referral of such reports to the Governing Body and/or relevant Committee for information and action
- Ensuring transparent system for Principal's Performance Management which is understood by all in the organisation and is linked to defined strategic priorities
- Effective oversight of the performance of all other employees and the framework for their pay and continuous service
- Manage and set risk appetite and tolerance ensuring that risks are aligned with strategic priorities and improvement plans and that appropriate interventions are in place
- To review the Academy's fraud response plan and ensure that all allegations of fraud or irregularity are managed and investigated appropriately
- To advise the Governing Body on the appointment/re-appointment, dismissal and remuneration of the External and Regularity Auditor
- To advise the Governing Body on the requirement for and subsequently, the appointment/reappointment, dismissal and remuneration of an Internal Auditor or other assurance provider, thus enabling the Governing Body to sign the corporate governance statement in the annual accounts
- To review the External Auditor's annual planning document and approve the planned audit approach

Post 16 Centre Trustees' sub-committee is made up of representatives (usually the Chairman and Vice Chairman) from each of the partner schools, who meet three times a year to discuss finance, curriculum, staffing, results, premises, partnership working and the running of the Post 16 Centre.

There is also a Trustees Exclusion / Discipline Committee which meets as and when required, to discuss any permanent exclusion cases and has the power to reinstate an excluded pupil or to reduce the term of the exclusion and the Pay Committee which meets once a year to discuss the performance management and pay progression of staff.

These representatives feedback on Post 16 to Full Governing Body.

**ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

Pay ranges for the Principal, the Vice Principal(s) and Assistant Principals will be determined in line with the School Teachers' Pay and Conditions Document (STPCD) for new appointments, where responsibilities significantly change or if this Academy chooses to review pay of leadership posts in line with the School Teachers' Pay and Conditions Document (STPCD). The pay range will take into account all permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations including the skills and competencies required. Pay ranges will allow appropriate scope for performance related progression over time.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

The Retford Post 16 Centre is managed by three partners comprised of The Elizabethan Academy, Retford Oaks Academy and RNN Group.

The Elizabethan Academy offers an excellent transition programme and strong links with the family of schools. A variety of events and activities take place throughout the year featuring subject specialist taster days, training events and concluding in July with transition week.

**OBJECTIVES AND ACTIVITIES**

**OBJECTS AND AIMS**

The Academy Trust's objects are specifically restricted to the following:

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy") and
- (b) to promote for the benefit of individuals living in Retford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstance or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The principal activity of the company is the operation of The Elizabethan Academy to provide education for pupils of different abilities between the ages of 11 and 18.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

Our mission is to discover and develop the talents of all the young people and adults who work together to make the academy a vibrant learning environment, in which everyone can realise their ambitions.

Our core purpose is to prepare students for the next steps in their lives and equip them with the skills, qualifications and knowledge to become high achieving well-rounded individuals, thus enabling them to reach their potential and achieve their aspirations and goals.

Personal Development is critical for students' current and future success: we support our students to develop confidence, self-discipline, flexibility and resilience through our curriculum, extra-curricular opportunities and our leadership programme.

We are an inclusive and diverse community that respects others' differences and promotes understanding and tolerance of others' beliefs. This is reflected in our broad and balanced curriculum which reflects students' aspirations and future local, national and international career opportunities.

We expect excellence from all: from the staff who work here, from the students who learn here and from the parents who choose to send their children here. In return we offer students and staff an innovative, progressive, challenging but supportive environment in which to thrive.

**PUBLIC BENEFIT**

In setting and reviewing aims and objectives and in planning future activities, the trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

All of the activities undertaken by the Academy Trust are for the education of its students and the benefit of the local community. The academy has forged strong links with the local community and the site is frequently used

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

by community groups for a wide variety of activities. Throughout the academic year the academy offers frequent open days and evenings where not only parents, but also the local community, are encouraged to engage with the academy and participate in the events and exhibitions on display.

## **STRATEGIC REPORT**

### **ACHIEVEMENT AND PERFORMANCE**

#### **The Effectiveness of Leadership and Management**

Leaders and governors are fully committed to achieving the best for all students and they communicate high expectations to teachers, support staff, students and parents. Leaders set challenging targets and are ambitious for the academy and its students. The Academy has introduced a more robust Quality Assurance schedule, with "focus visits" to lessons replacing traditional observations in order to identify typicality of teaching. Subject and year reviews challenge judgements made about teaching and learning, students' progress. Personal Development Behaviour and Wellbeing & Leadership & Management. In 2016/17 an Alternative Provision and Safeguarding review took place.

Performance Management procedures are robust and are used to hold staff at all levels to account. Standardised PM objectives have been introduced through the Bluesky performance management online programme. Review meetings are quality assured by senior leaders and Governors are also well informed and challenge leaders at both committee meetings and link Governor visits.

The Academy provides a broad and balanced curriculum in Years 7 & 8, and offers students opportunities to specialise in Years 9 - 11. Leaders have reviewed the ambitious curriculum introduced in September 2011, whereby students sat GCSEs in Years 9 and 10, and replaced it with a more traditional model designed to maximise student outcomes.

Safeguarding is effective. Training is updated annually for all staff, and includes all aspects of keeping children safe, including the prevent agenda. Assemblies and PD lessons are used in particular to promote safety.

There is ample opportunity for students to learn about Fundamental British Values. All students are introduced to democracy through the election of tutor reps and Team Ambassadors. Discriminatory language is not tolerated and any incidences are logged separately.

Improving life chances of disadvantaged students remains a key priority for the school. According to the Joseph Rowntree Foundation, the attainment gap at age 5 is already between 10 and 12 months, and research from the Sutton Trust indicates that a young person from the richest fifth of neighbourhoods is ten times more likely to go to a Russell Group university than a child from the poorest fifth.

The attainment gap for "the basics" of Grade C+ (Grade 4+ from 2017) in English and Maths has more than halved in two years, from 48% in 2015 to less than 20% in 2017. The Progress 8 gap is diminishing, although not as quickly as we would like. Students on alternative provision (ie educated off site) prioritised core subjects for GCSEs and thus did not all have a full suite of eight GCSEs for Progress 8. Attendance of disadvantaged students also improved, from 89.8% in 2015-16 to 91.3% in 2016-17.

The Academy has a detailed Pupil Premium Strategy available on the Academy website which contains a series of actions designed to improved achievement and attendance of disadvantaged students and give them opportunities to develop their character.

Leaders recognise that whole-school student outcomes are not yet good enough and rigorous action plans have been written at all levels of leadership to address this. There were improvements in many measures in 2016-2017.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The roll-out of new GCSEs and A-Levels continues: English and Maths at GCSE and many subjects at A-Level had their first set of linear exams in the summer of 2017, with others following suit in 2017-18.

Quality of Teaching, Learning and Assessment

Lesson Focus Visits indicate that teaching is good. Teachers plan lessons, develop and deepen students' subject knowledge and increasingly target individual areas of weakness.

Staff training has focused on the development of a set of non-negotiables to ensure consistency across the Academy. Quality First Teaching is of key importance, especially as good teaching has a bigger impact on disadvantaged students than on others. Teachers' Lesson Files are used across all subject areas to inform planning and monitoring of groups and individual students.

Time is given regularly in lessons to improvement of work; 'upgrade time' is used for students to respond to staff feedback and improve their work as a result, and the 'purple pen of progress' is a common feature of students' work. Focus is also placed from Year 7 on developing exam and revision techniques.

Relationships between students and teachers are good because teachers plan lessons carefully and use appropriate questioning techniques, including targeted questions, to challenge and support students including the most able, disadvantaged and under-achieving students. "Positive discrimination", ie targeting disadvantaged students for questioning initially before open it up to others, is monitored through drop ins and focus visits.

Leaders monitor homework, and its frequency and suitability have improved as a result. All homework is logged electronically, and is visible to students and parents.

Tracking reports give parents clear information about student progress. Traditional Parents' Evenings are supported by additional evenings, such as the Meet the Tutor Evening in Year 7.

Personal Development, Behaviour and Welfare

The Academy's student leadership programmes supports students to become confident individuals who demonstrate the skills and qualities required to compete with their peers. They have many opportunities to make a positive contribution at both curricular and pastoral levels. Many support at Open Evenings, in local community events, primary sports and similar events, and visitors regularly remark that students show a pride in their Academy. Targets have been set to increase the number of disadvantaged students achieving such awards to help them develop and demonstrate vital employability skills.

In lessons, the vast majority of students are cooperative and keen to do well. Punctuality to school and lessons is excellent. The vast majority are well equipped for lessons, and standards of uniform are generally high.

Around the school, students are polite, well-mannered and friendly and the cross year tutoring has built an atmosphere of mutual respect and support with a generosity of spirit across all age groups. Students are inclusive and tolerant of each other. Students behave responsibly in social time.

Good attendance remains a priority, with improvements evidenced in 2016-17. However, a very small number of students causing concern continue to have a big impact on the overall figure, despite the levels of support and intervention in place.

Students say they feel safe at school and their parents agree, as evidenced through regular surveys. Students have a good understanding of the different types of bullying and are aware of how and where to report it. Students commented in the last inspection that sometimes they overhear the odd racist/derogatory comments but inspectors found that these instances are taken seriously by school leaders and meticulously logged.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

Students receive good quality careers advice to assist them in preparing for the next steps, with priority interviews for disadvantaged students in particular. All students in Year 10 complete a week's work experience, despite this no longer being statutory, and a new Business Mentoring scheme has recently been launched to raise aspirations of disadvantaged students in Year 10.

There are many opportunities to develop spiritually, morally, socially and culturally. The Academy has ArtsMark status from Arts Council England, recognition of the talent that exists amongst staff and students in the Expressive Arts Team.

#### Outcomes for Pupils

An analysis of 2017 results indicates strengths in Maths and English, where pass rates improved from 2016 for all students, especially those who are disadvantaged. Progress 8 scores for both subjects also show an improvement from 2017.

Headline figures are still affected by a legacy curriculum which saw students sitting GCSEs as early as Year 9. Detailed analysis of students' performance, which indicated that they achieved significantly better when sitting GCSEs in Year 11 than Years 9 or 10, led us to phase out this ambitious curriculum; however, 2017 results were still affected negatively by it. The 2018 results will be the first where students have sat all exams at the end of Year 11.

Results for off-site learners (students whose provision is off site rather than at the Elizabethan as an alternative to exclusion) have improved, but do not match those of their on-site contemporaries. This has affected the overall performance of students with SEND, as off-site provision is one of the criteria for the SEND register. Improved links with a provider specialising in such education are expected to address this in future years.

Outcomes in Year 13 are generally good, with value added for almost all subjects in line with or in excess of national averages. A focus area for 2016-17 was the performance of Applied General subjects, and an initial analysis indicates that there were significant improvements in this area in 2017. There has been a legacy of under-performance at AS-Level which has been hard to tackle, and this will have impacted negatively on 2017 results, despite changes to the leadership of Post 16 in September 2016. Retrospective changes to the format of Performance Tables, which sees students who left Retford Post 16 in 2014 following weak AS performance included in the 2017 Tables, will also affect value added scores for the Sixth Form. Improvements in advice and guidance given to such students should eventually ensure better performance in future Performance Tables.

The introduction of the "Mastery Pathway" in Years 7 and 8 has allowed teachers to focus specifically on addressing gaps in learning, and is expected to benefit disadvantaged learners in particular.

#### **KEY PERFORMANCE INDICATORS**

The trustees consider the following to be the key financial performance indicators:

<b>KPI</b>	<b>2016/17</b>	<b>2015/16</b>
Total GAG income per pupil	£5,200	£5,153
Total staff cost per pupil	£4,747	£4,492
Staffing costs to GAG income	0.91	0.87
Total GAG expenditure per pupil	£5,550	£5,328

Based on pupil numbers of 945 including post 16

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**GOING CONCERN**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. The governing body closely monitors the funding situation and adopts planning measures in anticipation of possible reductions in funding.

**FINANCIAL REVIEW**

Most of the academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the ESFA. In accordance with the Charities SORP, grants and donations received for specific capital purposes are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period was greater than grants from the ESFA and other income, such as voluntary income and activities for generating funds. During the year ended 31 August 2017 total expenditure (excluding depreciation) of £5,720,906 was less than recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over restricted income for the twelve months (excluding restricted fixed asset funds and the pension deficit) was £447,210.

At 31 August 2017 the net book value of fixed assets was £17,520,062 and movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets are used primarily for providing the academy's educational operations and associated support service to the students of the academy.

The Elizabethan High School was built under a PFI contract between Nottinghamshire County Council and Transform Schools which terminates in July 2032. The academy has entered into a School and Principal Agreement which recognises the PFI contract and ensures that the Academy Trust cannot place the County Council in breach of any of its obligations under the original PFI contract. The School agreement also sets out the financial responsibilities that the academy has entered into between itself and the County Council.

**RESERVES POLICY**

The Academy Trust, after analysis of the fall in student numbers and recent changes to formula funding has planned for sufficient reserves to cover these eventualities. The reserves are split into the categories of restricted general funds and unrestricted funds. The unrestricted funds are the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its planned expenditure.

On conversion in April 2012 the Academy Trust received £264,000 of inherited funds in cash from the Local Authority. The academy's free reserves at 31 August 2017 are £557,540.

The Finance Committee, in conjunction with the Full Trustees Committee, aims to carry forward sufficient funds to meet the Academy Trust's long term objectives and to provide working capital, whilst ensuring that it does not affect its current operational activities. The trustees have recognised that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £550,000.

The unrestricted general funds as at 31 August 2017 amounted to £244,510 with a further £313,030 carried forward as restricted revenue funds. The academy expects to have to utilise carried forward reserves in future

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

periods when the expected fall in student numbers as a result of local demographics takes effect.

**INVESTMENT POLICY**

The trustees discuss and agree to any investments made by the academy. Investments are currently limited to a current account held with Lloyds Bank plc. Any future investments will be made with regard to Charity Commission guidance in relation to investments.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the academy, and its finances. The academy has in place a detailed risk register which is used to identify and mitigate risks as far as possible.

The management of risks to the academy is undertaken in accordance with the Funding Agreement, the Academies Financial Handbook and the Academy Finance Policy.

The governing body is responsible for risk management and for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding public funds and other funds and assets for which it is responsible. It is advised in this role by the Audit Risk & Pay Committee and both are advised and informed by the Senior Leadership Team.

The governing body fulfils its role by establishing the system of internal control, approving and reviewing a series of policies that underpin the internal control process and agreeing objectives, plans and resources by means of the budget and annual Academy Improvement Plan.

The risk management policy remains under regular review by the Audit Risk & Pay Committee and will be presented annually.

The Academy Trust has appointed an internal auditor who has reviewed and reported on the Academy Trust's controls, systems and financial activities this period.

The trustees have taken into consideration the projected fall in student numbers and have planned accordingly. The academy retains strong links with the Local Authority for any updates or changes to formula funding.

Significant risks and the measures in place to reduce them are identified in the academy's Risk Register which is subject to annual review. Further financial risk is covered by the academy's insurance policy.

The academy's dealings with financial instruments are limited to bank accounts, creditors and debtors. This limitation serves to minimise credit and liquidity risks when this is combined with the nature of the academy's debtors (being principally government bodies and other schools) and therefore the risk to cash flow is also minimal.

Reference is also made to the Local Government defined benefit pension scheme which shows a deficit of £2,586,000.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**PLANS FOR FUTURE PERIODS**

The academy looks forward to a programme of further investment and progression in the following areas:

- Improve the achievement and progress for all students
- Reduce Gaps for pupil premium and SEND students
- Ensure excellent attitudes to learning and behaviour
- Improve attendance and reduce persistent absence
- Provide a balanced and wide ranging curriculum across all key stages
- Ensure consistently high teaching
- Ensure consistently high performing, ambitious leadership and governance at all level
- Provide pastoral care which enhances student leadership, personal development and community spirit
- Ensure excellent safeguarding procedures

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The academy does not hold any funds as custodian trustee on behalf of others.

**AUDITORS**

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29 November 2017 and signed on the board's behalf by:

**D Cheetham**  
**Chair of Trustees**

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Elizabethan Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
D Cheetham, Chair of Trustees	3	3
L Jones, Vice Chair of Trustees	3	3
M Gillatt	2	3
P Lewis	0	0
I Balmer, Staff Trustee	3	3
H Ashton-Braithwaite, Staff Trustee	1	3
K Ward, Staff Trustee	3	3
A Simpson	2	2
B Gladstone	1	2
R Green	3	3
C Horrocks, Principal & Accounting Officer	3	3
S Walker	2	3
A Leake	2	3
S Proctor-Green	2	3
M Evans	3	3
J Major	0	1

Governance Reviews

The skills audit which was carried out in June 2015 was updated in June 2016 following the recruitment of three new parent governors and two new community governors. These governors were recruited specifically to meet the shortfalls in skills identified in the 2015 skills audit. The exercise showed that the Governing Body skills mix would have met all the skills needs from the 2015 standards, but when compared with the needs included in the newer 2016 skills requirements, revealed some training needs in the areas of legal, planning, interaction with Trade Unions and mediation.

In January of this year, the Department for Education (DfE) published a new "Competency Framework for Governance". The Competency Framework was developed by an expert group led by Sir David Carter, the national schools' commissioner. The Competency Framework is designed to help governing boards assess what knowledge, skills and behaviour are needed to govern the school, or group of schools, most effectively, and is a very comprehensive document so to help governing boards assess whether they have the requisite skills, the NGA has developed a skills audit and a skills matrix based upon the new DfE guidance. Earlier this year all governors but one filled in this new skills audit and this generated an updated skills matrix for our Governing Body.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

Governance is reviewed as part of the Leadership and Management section of the Academy Self Evaluation Form (SEF). The SEF is constantly updated and is reviewed each term at a Full Governing Body Meeting. In addition, in line with the Academy Improvement Plan, governors have their own Improvement Plan which is aimed at increasing the impact and effectiveness of governance at the Academy. Progress against the action set out in the plan are monitored on a regular basis.

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to approve and monitor the Academy Budget and oversee and regulate controls and procedures. It has been prominent in monitoring and planning for the reduction in student numbers, the changes to formula funding and the increased employers' contributions.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Green (Chair)	3	3
D Cheetham	3	3
L Jones	3	3
A Simpson	2	3
S Walker	2	3
M Evans	1	2
I Balmer	3	3
M Gillatt	1	3

The Audit and Pay Committee is also a sub-committee of the main board of trustees. Its purpose is to approve and monitor the internal control systems. This includes both internal and external audit reports with management response and actions to be taken. It is also responsible for risk management and pay recommendations.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Cheetham (Chair)	3	3
L Jones	3	3
R Green	3	3

## **REVIEW OF VALUE FOR MONEY**

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

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

Improving educational outcomes:

- Appointment of staff to target key curriculum areas and rationalisation of staffing numbers
- Well planned staffing structure to ensure staff are efficiently deployed and appropriately experienced and qualified
- Efficient curriculum costing benchmarked through external ASCL review
- Rigorous use of tracking and monitoring systems ensuring appropriate support
- Targeting resources in key subject areas such as literacy and numeracy
- Increased number of students made expected progress in Maths

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

- Improved progress in English
- Average point score and A\*/A rate both above target at A Level
- The Academy is actively engaged in teaching alliances to development the quality of CPD and teaching and learning
- The Academy is part of School Direct to enable the school to have access to a high standard of professional trainees.

Financial governance and oversight:

- Audit Committee established to ensure scrutiny of financial controls and systems
- Regular budget monitoring by the trustees on The Finance and Resources Committee who in turn report back to the full trustees meeting
- Trustees review financial systems and risks ensuring full compliancy with the Academies Financial Handbook
- Internal audit services employed to provide high level assurance
- Trustees are appropriately trained and experienced and are able to advise and challenge as recorded in the minutes.

Review of Value for Money:

- Appointment of a Chief Financial Operations Officer to oversee, direct and manage all financial and budgetary procedures and operations.

Better purchasing:

- Spending proposals are costed and presented to the Senior Leadership Team and Trustees
- Benchmarking exercises are undertaken and reviewed with both the Leadership Team and Trustees
- Tender process for major expenditure
- All contracts are reviewed on an annual basis to ensure that they are still fit for purpose and best value for the academy
- The family of schools work closely together to ensure procurement costs are driven down.

Income generation:

- The Academy actively pursues external funding channels and submits bids as appropriate
- Cash flow forecasts are used to identify and maximise income.

Reviewing controls and managing risks:

- Risk register in place which is reviewed annually by the governing body
- The governing body maintain a sound system of internal control and are advised in this role by the Finance and Resources Committee and the senior leadership team
- Audit Risk & Pay Committee meet termly to review and monitor systems of internal control
- Budget holders receive regular budget reports and meet with the Academy Business Manager to monitor spending
- Appropriate insurance cover is purchased through the academy's broker and in consultation with the leadership team and trustees.

Appraisal:

- The Academy Trust regularly reviews financial performance in line with the development plan.
- Detailed five year budget planning enables the trustees to look ahead and ensure that the budget is planned to maximise the use of funds.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

**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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 The Elizabethan Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Julia Raftery Consulting Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Governance Arrangements
- Budget Preparation and Delegation
- Financial Planning - Short / Medium / Long Term Plans
- Cash Flow Management
- Budgetary Control and Financial Management
- Financial Reporting
- Scheme of Delegation
- Purchasing Procedures - including ordering, invoicing and the use of Purchasing Cards
- Contract Tendering Procedures
- Declaration of Pecuniary Interests
- Employee Contracts of Employment
- Payroll Procedures including net pay, PAYE, pensions and NI

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

- Funding Arrangements/Grant Income
- Other Income
- Cash Security
- Credit Control
- Safeguarding and DBS Checks
- Trial Balance
- Banking Arrangements
- Bank Reconciliation and other Month-end Process and Reporting
- Annual Pension and HMRC Reporting
- Insurance
- Fixed Asset Register and Inventories
- I T Arrangements and Security
- Health and Safety Arrangements
- Stewardship and Policies
- Risk Management Arrangements
- Regularity, Propriety and Value for Money
- School Fund Arrangements
- Imprest.

On an annual basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, with the latest visit giving adequate assurance over the systems in operation.

One high risk point was identified during the internal audit work in relation to ensuring a division of duties in place within the school fund income process. This was immediately actioned and a division of duties has now been implemented with the business manager and finance assistant undertaking separate roles. In addition, the business manager now signs off all reconciliations.

#### **REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 29 November 2017 and signed on their behalf, by:

**D Cheetham**  
**Chair of Trustees**

**C Horrocks**  
**Accounting Officer**

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of The Elizabethan Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

**C Horrocks**  
**Accounting Officer**

Date: 29 November 2017

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Trustees (who act as governors of The Elizabethan Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, 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 of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 29 November 2017 and signed on its behalf by:

**D Cheetham**  
**Chair of Trustees**

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE ELIZABETHAN ACADEMY TRUST**

---

**OPINION**

We have audited the financial statements of The Elizabethan Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF 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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE ELIZABETHAN ACADEMY TRUST**

---

included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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' remunerations specified by law 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 (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy'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 academy's or to cease operations, or have no realistic alternative but to do so.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
ELIZABETHAN ACADEMY TRUST**

---

**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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

Mark Bradshaw (Senior statutory auditor)

for and on behalf of

**Streets Audit LLP**

Windsor House  
A1 Business Park at  
Long Bennington  
Notts  
NG23 5JR  
7 December 2017

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE  
ELIZABETHAN ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 13 October 2017 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 The Elizabethan Academy Trust during the year 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 The Elizabethan Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Elizabethan Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Elizabethan Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE ELIZABETHAN ACADEMY TRUST'S ACCOUNTING OFFICER  
AND THE REPORTING AUDITORS**

The Accounting Officer is responsible, under the requirements of The Elizabethan Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, 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 year 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 the 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 academy's income and expenditure.

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE  
ELIZABETHAN ACADEMY 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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Bradshaw (Senior statutory auditor)

for and on behalf of

**Streets Audit LLP**

Windsor House  
A1 Business Park at  
Long Bennington  
Notts  
NG23 5JR

7 December 2017

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>As restated Total funds 2016 £</i>
<b>INCOME FROM:</b>						
Donations and capital grants	2	6,969	-	21,640	28,609	30,550
Charitable activities	3	648	5,273,696	-	5,274,344	5,697,261
Other trading activities	4	200,365	-	-	200,365	148,302
Investments	5	666	-	-	666	1,395
<b>TOTAL INCOME</b>		<b>208,648</b>	<b>5,273,696</b>	<b>21,640</b>	<b>5,503,984</b>	<b>5,877,508</b>
<b>EXPENDITURE ON:</b>						
Raising funds		27,506	-	-	27,506	50,843
Charitable activities		152,122	5,959,906	52,807	6,164,835	6,211,600
<b>TOTAL EXPENDITURE</b>	6	<b>179,628</b>	<b>5,959,906</b>	<b>52,807</b>	<b>6,192,341</b>	<b>6,262,443</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		29,020	(686,210)	(31,167)	(688,357)	(384,935)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	309,000	-	309,000	(929,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>29,020</b>	<b>(377,210)</b>	<b>(31,167)</b>	<b>(379,357)</b>	<b>(1,313,935)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		215,490	(1,953,361)	16,513,060	14,775,189	16,211,210
Prior year adjustment (Note 15)		-	57,601	1,052,128	1,109,729	(326,292)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>244,510</b>	<b>(2,272,970)</b>	<b>17,534,021</b>	<b>15,505,561</b>	<b>15,884,918</b>

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07964360**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	<i>As restated 2016 £</i>
<b>FIXED ASSETS</b>					
Tangible assets	12		<b>17,520,062</b>		17,564,001
<b>CURRENT ASSETS</b>					
Debtors	13	<b>231,997</b>		200,114	
Cash at bank and in hand		<b>648,895</b>		1,030,625	
			<u>880,892</u>	<u>1,230,739</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	<b>(309,393)</b>		(253,822)	
<b>NET CURRENT ASSETS</b>			<u><b>571,499</b></u>		<u>976,917</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>18,091,561</b></u>		<u>18,540,918</u>
Defined benefit pension scheme liability	20		<u><b>(2,586,000)</b></u>		<u>(2,656,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u><b>15,505,561</b></u></u>		<u><u>15,884,918</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	<b>313,030</b>		760,240	
Restricted fixed asset funds	16	<b>17,534,021</b>		17,565,188	
Restricted income funds excluding pension liability		<u><b>17,847,051</b></u>		<u>18,325,428</u>	
Pension reserve		<u><b>(2,586,000)</b></u>		<u>(2,656,000)</u>	
Total restricted income funds			<u><b>15,261,051</b></u>		<u>15,669,428</u>
Unrestricted income funds	16		<u><b>244,510</b></u>		<u>215,490</u>
<b>TOTAL FUNDS</b>			<u><u><b>15,505,561</b></u></u>		<u><u>15,884,918</u></u>

The financial statements on pages 26 to 51 were approved by the Trustees, and authorised for issue, on 29 November 2017 and are signed on their behalf, by:

**D Cheetham**  
**Chair of Trustees**

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

	Note	2017 £	<i>As restated</i> 2016 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	<u>(395,169)</u>	<u>(120,488)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		666	1,395
Purchase of tangible fixed assets		(8,867)	(61,265)
Capital grants from DfE/ESFA		21,640	22,473
<b>Net cash provided by/(used in) investing activities</b>		<u>13,439</u>	<u>(37,397)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(381,730)</b>	<b>(157,885)</b>
Cash and cash equivalents brought forward		<u>1,030,625</u>	<u>1,188,510</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>648,895</u></u>	<u><u>1,030,625</u></u>

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**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), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

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

The prior year financial statements have been re-stated as set out in Note 15.

The Elizabethan Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

**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 allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

The freehold title of the land from which the academy operates is owned by Nottinghamshire County Council. The Elizabethan Academy Trust entered into a lease agreement with Nottinghamshire County Council for the land and buildings from which the academy operates. The lease is for a peppercorn rent for 125 years from 1 April 2012 except for an earlier termination of the funding agreement.

The buildings were built under the Private Finance Initiative (PFI) and is subject to an agreement between Nottinghamshire County Council and Transform Schools Bassetlaw Limited, the PFI Contractor. The academy trust has entered into a supplementary schools agreement with Nottinghamshire County Council concerning the PFI agreement. Under the terms of the agreement the academy is committed to paying Nottinghamshire County Council a proportion of its budget in consideration for the Council paying the PFI contractor the unitary charge under the PFI agreement.

In addition, if The Elizabethan Academy Trust is operating as an academy at the time of the expiry of the PFI agreement between the council and the PFI Contractor in July 2032, the Council shall transfer or procure the transfer of the building to the academy trust at no cost to the academy trust.

It is the opinion of the trustees that the terms of the lease agreement and the supplementary schools agreement transfer substantially all of the risks and rewards of ownership of the asset to the academy trust and therefore the asset was recognised on the balance sheet as a fixed asset, with a corresponding entry to donations as a gift in kind in the period of conversion.

Payments to Nottinghamshire County Council in consideration for the Council paying the unitary charge to the PFI Contractor are in respect of maintenance, utilities, cleaning and similar expenses.

As such, they have been analysed under appropriate expense headings in the statement of financial activities in the period to which they relate.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	not depreciated
Motor vehicles	-	over 5 years
Fixtures and fittings	-	over 5 years
Computer equipment	-	over 3 years

Leasehold buildings are not depreciated on the grounds of immateriality. Leasehold buildings are subject to regular maintenance and repair such that in the trustees opinion the residual value is not materially different from the value in the financial statements and have a long useful economic life.

The trustees consider the need for an impairment review at each period end.

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 incorporating income and expenditure account.

**1.6 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.7 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.8 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.9 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 as detailed in note 13. 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 costs as detailed in note 14. 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 instruments.

**1.10 Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy 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.

**1.11 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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 recognised in the period to which they relate.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 incorporating income and expenditure account 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.

**1.12 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in Note 25.

**1.13 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency 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 and include grants from the Education and Skills Funding Agency.

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 judgment:

The judgements (apart from those involving estimations) that the Academy trust has made in the process of applying the trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

It is the opinion of the trustees that the terms of the lease agreement and the supplementary schools agreement transfer substantially all of the risks and rewards of ownership of the asset to the academy trust and therefore the asset was recognised on the balance sheet as a fixed asset, with a corresponding entry to donations as a gift in kind in the period of conversion.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Capital Grants	-	-	21,640	21,640	22,473
Donations	6,969	-	-	6,969	8,077
	<u>6,969</u>	<u>-</u>	<u>21,640</u>	<u>28,609</u>	<u>30,550</u>
<i>Total 2016</i>	<u>7,872</u>	<u>205</u>	<u>22,473</u>	<u>30,550</u>	

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>As restated</i> Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	4,792,125	4,792,125	5,237,934
Other DfE/ESFA grants	-	255,922	255,922	152,463
	-	5,048,047	5,048,047	5,390,397
<b>Other government grants</b>				
Local Authority grants	648	207,495	208,143	287,441
Other grants	-	18,154	18,154	19,423
	648	225,649	226,297	306,864
<b>Other funding</b>				
	-	-	-	-
	648	5,273,696	5,274,344	5,697,261
<i>Total 2016</i>	7,001	5,690,260	5,697,261	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total</i> funds 2016 £
Trips	160,927	-	160,927	49,530
Other income	39,438	-	39,438	98,772
	200,365	-	200,365	148,302
<i>Total 2016</i>	17,238	131,064	148,302	

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Investment income	666	-	666	1,395
<i>Total 2016</i>	1,395	-	1,395	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>As restated Total 2016 £</i>
Expenditure on raising funds	-	-	27,506	27,506	50,843
Educational operations:					
Direct costs	3,759,651	-	615,755	4,375,406	4,486,987
Support costs	726,446	102,614	960,369	1,789,429	1,724,613
	4,486,097	102,614	1,603,630	6,192,341	6,262,443
<i>Total 2016</i>	4,398,423	203,676	1,660,344	6,262,443	

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	<i>As restated Total 2016 £</i>
Educational operations	4,375,406	1,789,429	6,164,835	6,211,600
<i>Total 2016</i>	4,486,987	1,724,613	6,211,600	

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)**

**Analysis of support costs**

	<b>Educational operations</b>	<b>Total 2017</b>	<i>As restated Total 2016</i>
	£	£	£
Staff costs	726,445	726,445	616,914
Technology costs	66,073	66,073	83,723
Premises costs	102,614	102,614	203,676
Other support costs	288,012	288,012	250,306
Governance costs	16,387	16,387	14,070
PFI costs	589,898	589,898	555,924
	<u>1,789,429</u>	<u>1,789,429</u>	<u>1,724,613</u>
<i>At 31 August 2016</i>	<u>1,724,613</u>	<u>1,724,613</u>	

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017</b>	<i>As restated 2016</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	52,806	77,401
Auditors' remuneration - audit	5,000	5,400
Auditors' remuneration - other services	3,725	6,070
Operating lease rentals	24,750	41,919
	<u>86,281</u>	<u>130,790</u>

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**9. STAFF COSTS**

Staff costs were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,301,689</b>	3,413,428
Social security costs	<b>327,684</b>	288,126
Operating costs of defined benefit pension schemes	<b>718,979</b>	607,490
	<b>4,348,352</b>	4,309,044
Supply teacher costs	<b>102,745</b>	47,034
Staff restructuring costs	<b>35,000</b>	42,345
	<b>4,486,097</b>	4,398,423

Staff restructuring costs comprise:

Redundancy payments	<b>35,000</b>	32,067
Other restructuring costs	-	10,278
	<b>35,000</b>	42,345

Included in staff restructuring costs is a non-statutory/non-contractual redundancy payment totalling £35,000 (2016 - £32,067).

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teachers and educational support	<b>73</b>	73
Administration and support	<b>59</b>	37
Management	<b>8</b>	7
	<b>140</b>	117

Average headcount expressed as a full time equivalent:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teachers and educational support	<b>65</b>	56
Administration and support	<b>37</b>	47
Management	<b>8</b>	7
	<b>110</b>	110

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**9. STAFF COSTS (continued)**

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

	<b>2017</b>	<i>2016</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>2</b>	<i>2</i>
In the band £70,001 - £80,000	<b>1</b>	<i>0</i>
In the band £90,001 - £100,000	<b>1</b>	<i>1</i>

The above employees participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on Page 1. The total amount of employer benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £673,763 (2016 - £587,660).

**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		<b>2017</b>	<i>2016</i>
		<b>£</b>	<i>£</i>
C Horrocks, Principal & Accounting Officer	Remuneration	<b>95,000-100,000</b>	<i>90,000-95,000</i>
	Pension contributions paid	<b>15,000-20,000</b>	<i>15,000-20,000</i>
K Ward, Staff Trustee	Remuneration	<b>50,000-55,000</b>	<i>50,000-55,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>5,000-10,000</i>
I Balmer, Staff Trustee	Remuneration	<b>25,000-30,000</b>	<i>25,000-30,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>
H Ashton-Braithwaite, Staff Trustee	Remuneration	<b>40,000-45,000</b>	<i>40,000-45,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>5,000-10,000</i>

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £958 to 3 Trustees).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and. The cost of this insurance is included in the total insurance cost and is not separately identified.

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**12. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	17,482,000	15,333	157,087	780,081	18,434,501
Additions	-	-	3,025	5,842	8,867
At 31 August 2017	<u>17,482,000</u>	<u>15,333</u>	<u>160,112</u>	<u>785,923</u>	<u>18,443,368</u>
<b>Depreciation</b>					
At 1 September 2016 (as previously stated)	1,360,068	13,544	121,584	735,372	2,230,568
Prior year adjustment	(1,360,068)	-	-	-	(1,360,068)
At 1 September 2016 (as restated)	-	13,544	121,584	735,372	870,500
Charge for the year	-	1,789	22,749	28,268	52,806
At 31 August 2017	<u>-</u>	<u>15,333</u>	<u>144,333</u>	<u>763,640</u>	<u>923,306</u>
<b>Net book value</b>					
At 31 August 2017	<u>17,482,000</u>	<u>-</u>	<u>15,779</u>	<u>22,283</u>	<u>17,520,062</u>
<i>At 31 August 2016 (as restated)</i>	<u>17,482,000</u>	<u>1,789</u>	<u>35,503</u>	<u>44,709</u>	<u>17,564,001</u>

The leasehold property is held on a 125 year lease from Nottinghamshire County Council.

**13. DEBTORS**

	2017 £	As restated 2016 £
Trade debtors	16,029	6,779
Other debtors	9,696	12,800
Prepayments and accrued income	206,272	180,535
	<u>231,997</u>	<u>200,114</u>

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**14. CREDITORS: Amounts falling due within one year**

	<b>2017</b>	<i>As restated</i>
	£	2016
		£
Trade creditors	44,254	-
Other taxation and social security	79,677	82,730
Other creditors	19,879	64,224
Accruals and deferred income	165,583	106,868
	<b>309,393</b>	<b>253,822</b>
	<b>309,393</b>	<b>253,822</b>
	<b>2017</b>	2016
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2016	12,275	5,160
Resources deferred during the year	51,222	12,275
Amounts released from previous years	(12,275)	(5,160)
	<b>51,222</b>	<b>12,275</b>
	<b>51,222</b>	<b>12,275</b>

Deferred income relates to monies received for trips taking place in 2017/18 as well as cadet income relating to the period 2017-2020.

**15. PRIOR YEAR ADJUSTMENT**

The prior year financial statements have been re-stated for the following adjustments:

Depreciation of leasehold land and buildings

The trustees reconsidered the previous accounting policy in light of the latest Accounts Direction and decided that they had not been applying the guidance correctly. Firstly they had been incorrectly depreciating land and secondly they had not taken account of the residual values of buildings at the end of their useful economic lives. The effect of this correction to accounting policies has been treated as a prior year adjustment. The effect of this on the prior year balance sheet is a £1,360,068 increase in value of both fixed assets and the restricted fixed asset fund.

Recognition of income

Income in relation to post-16 had not been recognised in the 2016 financial statements. This has now been corrected by a prior year adjustment. The effect of this on the prior year balance sheet is a £121,825 increase in value of both debtors and the restricted general fund.

Treatment of creditors

Previously the trust had incorrectly carried forward amounts within fund balances rather than as creditors on the balance sheet. This has now been corrected by a prior year adjustment. The effect of this on the prior year balance sheet is a £64,224 increase in value of creditors and a £64,224 reduction in value of the restricted general fund.

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS**

	Balance at 1 September 2016 <i>As restated</i> £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>					
General Funds - all funds	215,490	208,648	(179,628)	-	244,510
<b>Restricted funds</b>					
General Annual Grant (GAG)	745,779	4,792,125	(5,239,605)	-	298,299
Other DfE/ESFA	14,461	255,922	(255,652)	-	14,731
Local Authority grants	-	207,495	(207,495)	-	-
Other income	-	18,154	(18,154)	-	-
Pension reserve	(2,656,000)	-	(239,000)	309,000	(2,586,000)
	<u>(1,895,760)</u>	<u>5,273,696</u>	<u>(5,959,906)</u>	<u>309,000</u>	<u>(2,272,970)</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	17,496,774	-	(14,774)	-	17,482,000
DfE/ESFA grants	23,237	21,640	(17,510)	-	27,367
Capital expenditure from GAG	45,177	-	(20,523)	-	24,654
	<u>17,565,188</u>	<u>21,640</u>	<u>(52,807)</u>	<u>-</u>	<u>17,534,021</u>
Total restricted funds	<u>15,669,428</u>	<u>5,295,336</u>	<u>(6,012,713)</u>	<u>309,000</u>	<u>15,261,051</u>
Total of funds	<u>15,884,918</u>	<u>5,503,984</u>	<u>(6,192,341)</u>	<u>309,000</u>	<u>15,505,561</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2015</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2016</i> £
<b>Unrestricted funds</b>						
General Funds - all funds	206,084	33,506	(25,024)	924	-	215,490
	<u>206,084</u>	<u>33,506</u>	<u>(25,024)</u>	<u>924</u>	<u>-</u>	<u>215,490</u>

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS (continued)**

**Restricted funds**

General Annual Grant (GAG)	828,358	5,116,109	(5,294,884)	(42,354)	-	607,229
Other DfE/ESFA	157,556	152,923	(272,590)	1,451	-	39,340
Local Authority grants	24,520	409,574	(434,094)	-	-	-
Other income	58,683	130,915	(133,528)	-	-	56,070
Pension reserve	(1,592,000)	-	(135,000)	-	(929,000)	(2,656,000)
	<u>(522,883)</u>	<u>5,809,521</u>	<u>(6,270,096)</u>	<u>(40,903)</u>	<u>(929,000)</u>	<u>(1,953,361)</u>

**Restricted fixed asset funds**

Assets transferred on conversion	16,501,751	-	(54,731)	-	-	16,447,020
DfE/ESFA grants	24,258	22,473	(22,670)	-	-	24,061
Capital expenditure from GAG	2,000	-	-	39,979	-	41,979
	<u>16,528,009</u>	<u>22,473</u>	<u>(77,401)</u>	<u>39,979</u>	<u>-</u>	<u>16,513,060</u>
Total restricted funds	<u>16,005,126</u>	<u>5,831,994</u>	<u>(6,347,497)</u>	<u>(924)</u>	<u>(929,000)</u>	<u>14,559,699</u>
Total of funds	<u>16,211,210</u>	<u>5,865,500</u>	<u>(6,372,521)</u>	<u>-</u>	<u>(929,000)</u>	<u>14,775,189</u>

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

**Unrestricted funds**

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Governors. These are not currently designated for particular purposes.

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS (continued)**

**Restricted Fixed Asset funds**

Transfer from former school represents the land, buildings and assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

**Restricted Revenue funds**

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

**Summary of funds**

The balance on restricted general funds plus unrestricted general funds at 31 August 2017 results in a net surplus of £557,540. This has reduced from £918,129 at 31 August 2016 due to planned expenditure. The free reserves held at 31 August 2017 are in line with the figure set out in our reserves policy.

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

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Restricted fixed asset funds 2017 £</b>	<b>Total funds 2017 £</b>
Tangible fixed assets	-	-	17,520,062	17,520,062
Current assets	244,510	622,423	13,959	880,892
Creditors due within one year	-	(309,393)	-	(309,393)
Provisions for liabilities and charges	-	(2,586,000)	-	(2,586,000)
	<u>244,510</u>	<u>(2,272,970)</u>	<u>17,534,021</u>	<u>15,505,561</u>

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	17,564,001	17,564,001
Current assets	214,768	1,014,062	1,187	1,230,739
Creditors due within one year	-	(253,822)	-	(253,822)
Provisions for liabilities and charges	-	(2,656,000)	-	(2,656,000)
	<u>214,768</u>	<u>(1,895,760)</u>	<u>17,565,188</u>	<u>15,884,918</u>

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017	2016
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	<b>(688,357)</b>	(384,935)
<b>Adjustment for:</b>		
Depreciation charges	<b>52,806</b>	77,401
Dividends, interest and rents from investments	<b>(666)</b>	(1,395)
(Increase)/decrease in debtors	<b>(31,883)</b>	50,175
Increase in creditors	<b>55,571</b>	26,739
Capital grants from DfE and other capital income	<b>(21,640)</b>	(22,473)
Defined benefit pension scheme cost less contributions payable	<b>181,000</b>	73,000
Defined benefit pension scheme finance cost	<b>58,000</b>	61,000
<b>Net cash used in operating activities</b>	<b>(395,169)</b>	(120,488)

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017	As restated 2016
	£	£
Cash in hand	<b>648,895</b>	1,030,625
Total	<b>648,895</b>	1,030,625

**20. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**20. PENSION COMMITMENTS (continued)**

(LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council. Both are Multi-employer defined benefit pension schemes.

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

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

**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 TPS in the period amounted to £382,900 (2016 - £383,000).

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

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**20. PENSION COMMITMENTS (continued)**

([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £210,000 (2016 - £195,000), of which employer's contributions totalled £157,000 (2016 - £145,000) and employees' contributions totalled £53,000 (2016 - £50,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% - 12.0% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	22.6	22.1
Females	25.5	25.3
Retiring in 20 years		
Males	24.8	24.4
Females	27.9	27.7

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	362,000	305,000
Discount rate -0.1%	379,000	319,000
Mortality assumption - 1 year increase	382,000	320,000
Mortality assumption - 1 year decrease	359,000	304,000

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**20. PENSION COMMITMENTS (continued)**

The academy's share of the assets in the scheme was:

	<b>Fair value at 31 August 2017 £</b>	<i>Fair value at 31 August 2016 £</i>
Equities	<b>1,728,000</b>	<i>1,536,000</i>
Gilts	<b>83,000</b>	<i>84,000</i>
Corporate bonds	<b>315,000</b>	<i>152,000</i>
Property	<b>305,000</b>	<i>270,000</i>
Cash and other liquid assets	<b>55,000</b>	<i>95,000</i>
Other	<b>128,000</b>	<i>96,000</i>
	<hr/>	<hr/>
Total market value of assets	<b>2,614,000</b>	<i>2,233,000</i>
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £330,000 (2016 - £270,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2017 £</b>	<i>2016 £</i>
Current service cost	<b>(338,000)</b>	<i>(218,000)</i>
Interest cost	<b>(57,000)</b>	<i>(61,000)</i>
Admin expenses	<b>(1,000)</b>	<i>(1,000)</i>
	<hr/>	<hr/>
Total	<b>(396,000)</b>	<i>(280,000)</i>
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	<b>330,000</b>	<i>270,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2017 £</b>	<i>2016 £</i>
Opening defined benefit obligation	<b>4,889,000</b>	<i>3,369,000</i>
Current service cost	<b>338,000</b>	<i>218,000</i>
Interest cost	<b>108,000</b>	<i>136,000</i>
Employee contributions	<b>53,000</b>	<i>50,000</i>
Actuarial (gains)/losses	<b>(168,000)</b>	<i>1,125,000</i>
Benefits paid	<b>(20,000)</b>	<i>(9,000)</i>
	<hr/>	<hr/>
Closing defined benefit obligation	<b>5,200,000</b>	<i>4,889,000</i>
	<hr/> <hr/>	<hr/> <hr/>

**THE ELIZABETHAN ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**20. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	2,233,000	1,777,000
Interest income	50,000	74,000
Actuarial losses	141,000	196,000
Employer contributions	157,000	145,000
Employee contributions	53,000	50,000
Benefits paid	(20,000)	(9,000)
	2,614,000	2,233,000
Closing fair value of scheme assets	2,614,000	2,233,000

**21. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	23,973	22,287
Between 1 and 5 years	42,636	41,213
	66,609	63,500
Total	66,609	63,500

**22. OTHER FINANCIAL COMMITMENTS**

The building from which the academy operates was built under the Private Finance Initiative (PFI) and is subject to an agreement between Nottinghamshire County Council and Transform Schools Bassetlaw Limited, the PFI Contractor. The academy trust has entered into a supplementary schools agreement with Nottinghamshire County Council concerning the PFI Agreement. Under the terms of the agreement the academy is committed to paying Nottinghamshire County Council a proportion of its budget in consideration for the Council paying the PFI Contractor the unitary charge under the PFI agreement.

For the period ended 31 August 2017, payments to Nottinghamshire County Council under this agreement totalling £589,898 (2016 - £555,924) have been included in the SOFA as part of utilities, catering, maintenance of premises contract etc as appropriate.

The agreement runs until July 2032 and the estimated annual cost is £600,000.

---

**THE ELIZABETHAN ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**23. MEMBERS' LIABILITY**

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

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy'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 academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

**25. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £14,376 and disbursed £14,376 from the fund.