

Company Registration Number: 07553531 (England and Wales)

**NORTHERN STAR ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Members</b>	C Gorse M Kelly S Scott (until 18 May 2018) S Strickland R Thomas
<b>Trustees</b>	H Flynn, (Chair) I Curtis, (Vice Chair) B Ashby H Cutler <sup>1</sup> M Kelly S Phillips <sup>1</sup> J Plews, Chief Executive Officer and Accounting Officer S Scott (appointed 6 June 2018)
	<sup>1</sup> Member of Audit Committee
<b>Company registered number</b>	07553531
<b>Company name</b>	Northern Star Academies Trust
<b>Principal and registered office</b>	77 Gargrave Road Skipton North Yorkshire BD23 1QN
<b>Company secretary</b>	S Cocker (until 20 July 2018) C Haymes (appointed 1 October 2018)
<b>Executive leadership team</b>	J Plews, Chief Executive Officer J Barker, Chief Financial Officer C Haymes, Director of Data & Compliance G Fisher, Director of School Improvement
<b>Independent auditors</b>	Clive Owen LLP Chartered Accountants and Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT
<b>Bankers</b>	Lloyds Bank plc 49 Hustlergate Bradford BD1 1NT
<b>Solicitors</b>	Legal & Democratic Services North Yorkshire County Council County Hall Northallerton DL7 8AD

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

Northern Star Academies Trust (the trust), a multi-academy trust, was formed on 1 April 2015 by the transfer of Harrogate High School Academy Trust into the existing company structure of Skipton Girls' High School Academy Trust. New Park Primary School joined the trust on 1 December 2015 and Hookstone Chase Community Primary School joined on 1 September 2016.

In the reporting year the trust operated two secondary academies and two primary academies. The secondary academies, Skipton Girls' High School, a selective single-sex school and Harrogate High School, a non-selective mixed sex school, are for pupils aged 11 to 19 and the two primaries, New Park Primary Academy and Hookstone Chase Primary School, are for early years and primary age pupils. These schools serve catchment areas across Skipton, Harrogate and the wider community.

On 1 September 2018 the trust welcomed two new primary schools within the Keighley area, Eastwood Community School and Holycroft Primary School, and continues to actively discuss new membership with further secondary and primary schools across our three 'hub' areas of Skipton, Harrogate and Keighley.

The academies have a combined pupil capacity of 2,062 and as at the October 2017 school census the trust has 1,883 pupils on roll.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The trust is a company limited by guarantee and an exempt charity (company number 07553531). The charitable company's Memorandum and Articles of Association are the primary governing documents of the trust. The Trustees of the trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Northern Star Academies Trust.

Details of the Trustees who served during the 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**

The trust is a member of the Risk Protection Arrangement, provided by the Education Funding Agency, which protects Trustees from claims arising against negligent acts, errors, or omissions occurring whilst on academy trust business. Further details are provided in note 12.

### **Principal Activities**

The principal activity is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools and offering a broad and balanced curriculum in line with the requirements of the master funding agreement in place with the Education and Skills Funding Agency.

The trust also provides recreational facilities for the benefit of the local community where available.

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

**Method of recruitment and appointment or election of Trustees**

The management of the trust is the responsibility of the Trustees who are elected and co-opted under the terms set out in the Articles of Association.

The number of Trustees of the company shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to a maximum. The Articles of Association set out the categories of Trustees and this includes the following:

- Up to 7 Trustees appointed by members by ordinary resolution
- The Chief Executive Officer
- The Deputy Chief Executive Officer
- Up to 2 parent Trustees if representation is not achieved in local governing bodies
- Trustees may appoint co-opted Trustees
- The number of Trustees who are employees of the company shall not exceed one third of the total number of Trustees, including the Chief Executive Officer
- The Secretary of State retains the power to appoint additional Trustees.

Trustees are appointed as and when vacancies occur or when individuals with the skills required are identified. The trust carries out a skills audit on existing Trustees and candidate Trustees as appropriate to ensure a highly skilled and representative Board of Trustees.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is ex-officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

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

Training and induction for new Trustees is given on an individual basis and includes one to one meetings with key staff and Trustees, visits to member academies and provision of a Governance Handbook.

Where necessary, induction will include training on educational, legal, and financial matters. All new Trustees are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents that they need to undertake their role as Trustees.

Skills audits are conducted on existing Trustees to identify gaps at individual and board level and inform individual trustee training.

**Organisational structure**

The trust has in place a governance and management structure deemed appropriate to the trust's constitution and objects. The trust is constituted as a multi-academy trust and has four levels of management structure: the Board of Directors (Trustees), the Executive Team, Academy Local Governing Bodies and Academy Senior Leadership Teams.

The aim of the management structure is to encourage appropriate involvement in decision making at all levels and provide a good degree of separation to enable independent oversight of the operations of the trust.

The Board of Directors is responsible for setting general policy, adopting the annual plan and budget, monitoring trust performance by use of results, delegated mandates and budgets, and making major decisions about the direction and growth of the trust, capital expenditure and senior staff appointments.

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

**Organisational structure (continued)**

During the school year the Executive Team comprised: the Chief Executive Officer (also the Accounting Officer of the trust), Chief Financial Officer and Operations Director (also the Company Secretary). This team runs the trust at an executive level implementing the policies laid down by the Board of Directors and reporting back to them. Decision making by the team is determined by the trust's Scheme of Delegation. Effective from 1st September 2018 the Executive team comprises the Chief Executive Officer, Chief Financial Officer, Director of Data & Compliance (also the Company Secretary) and Director of School Improvement.

Each member academy has a Local Governing Body, responsible for the monitoring of academy performance and local decision making as set out within the trust's Scheme of Delegation. Local Governing Bodies report to the trust's Board of Directors.

Each academy has a Senior Leadership Team, including the Headteacher, responsible for the day to day running of the academy, accountable to the Local Governing Body. The Senior Leadership Teams are responsible for implementing trust plans in their particular academy and are tasked with delivering the best possible outcomes for students within the agreed budget.

**Arrangements for setting pay and remuneration of key management personnel**

The setting of pay and remuneration for all management operates within the framework of the trust's scheme of delegation and pay policies. Specifically no Trustee receives pay and remuneration for their role as Trustee with the exception of the Chief Executive Officer who is an employee of the trust. The CEO's pay and remuneration is set based on the size, responsibility and nature of the role and the role holder's performance, and is reviewed annually by Trustees supported by professional external assessment and assurance.

The pay and remuneration of each academy Headteacher is set and reviewed by Trustees based on role size and role holder's performance. The trust follows the pay arrangements for maintained schools in England and Wales for teachers and support staff. The trust's pay policy is based on the national agreed pay and conditions as outlined in the School Teachers Pay and Conditions Document and 'Burgundy book' and the National Joint Council for local government services 'green book'.

**Trade union facility time**

In line with the provisions of the Trade Union (facility Time Publication Requirements) Regulations 2017, the trust can confirm that over the accounting period it had no employees who were union officials. The trust complies with the regulations through a union agreement made available to the trust through North Yorkshire County Council.

**Related Parties and other Connected Charities and Organisations**

The trust became a multi-academy trust on 1 April 2015, following strong collaboration between Skipton Girls High School Academy Trust and Harrogate High School Academy Trust. Both academies are founding members of Northern Star Academies Trust. New Park Primary School joined the trust on 1 December 2015 and Hookstone Chase Community Primary School joined on 1 September 2016.

During the year the trust applied an annual central charge to member academies for central and support services.

On 1 September 2018 the trust welcomed two new primary schools within the Keighley area, Eastwood Community School and Holycroft Primary School, and continues to actively discuss new membership with further secondary and primary schools across our three 'hub' areas of Skipton, Harrogate and Keighley.

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

**Related Parties and other Connected Charities and Organisations (continued)**

The trust has a 50% stake alongside Feversham College in a jointly owned subsidiary, Northern Lights Teaching School Alliance Limited, company number 08133729 (incorporated 6 July 2012), established to deliver teaching school activities under licence from National College for Teaching and Leadership. It currently collaborates with a wide range of schools across North Yorkshire, West Yorkshire and Bradford.

Northern Lights Teaching School Alliance Limited traded during the year ended 31 August 2018 and the transactions between this entity and the trust are included within these financial statements.

The trust also operates a School Centred Initial Teacher Training partnership (Northern Lights SCITT), providing school based teacher training, in partnership with Leeds Trinity University.

These subsidiaries operate within agreed policy and terms set out in the relevant legal and operational documentation of the above entities.

For Post 16 provision there is some shared provision for minority subjects across local schools. A number of students from the trust attend courses at Ermysted's Grammar School, and the trust hosts a number of students from Ermysted's Grammar School, under normal business arrangements.

In addition, Harrogate High School is host to the Sainsbury's School Games Organiser for the Harrogate School Sports Partnership. Funds for the Harrogate programme are held by the school on behalf of the funding body, Ecorys. Harrogate High School also provides lettings management support to Harrogate Hockey club, and the club provides access to Hockey club facilities for Harrogate High students during the school day.

Further details are stated in note 26 to the Financial Statements.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The principal object and activity of the charitable company is set out in the Articles of Association. In summary it is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing academy schools by providing a high quality curriculum appropriate to the pupils and students.

In addition:

- the trust aims to improve teaching and learning on a wider basis across school communities through partnership collaboration.
- the trust also provides recreational facilities for the benefit of the local community where available.

As an ambitious and progressive multi-academy trust, the following set of objectives drive performance across all our academies:

- providing learning of the highest quality which will allow all our pupils and students to achieve their full potential and improved life chances.
- maintaining our commitment to excellence in all phases and subjects of provision while maximising the potential of each academy's specialism and strengths (currently Skipton Girls High School: Science, Technology, Engineering and Maths (STEM), Harrogate High School: Sports, New Park and Hookstone Chase: primary phase provision, Eastwood Primary: Outdoor Learning and Forest School).
- challenging stereotypes and contributing to social inclusion by raising standards in all areas of our work.
- sharing innovative and leading edge practice in teaching and learning and further developing system-leadership locally, regionally and nationally through collaboration and partnership working.
- ensuring appropriate levels of recruitment to early years, primary and secondary phase provision.

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**OBJECTIVES AND ACTIVITIES (continued)**

**Objects and aims(continued)**

- raising and sustaining the post-16 participation rate in STEM and other areas of specialism across the trust.
- building on active partnerships with business, industry and higher education partners to provide clear leadership in the field of engineering as a professional career for young women.
- supporting the wider community by developing academy sites, extending access to provide a recreational resource and community farm (New Park Primary Academy) for other local schools and community groups.
- to provide best value for money for the funds expended.
- to comply with all appropriate statutory, regulatory and curriculum requirements.
- to conduct the trust's business in accordance with the highest standards of integrity, probity and openness.

**Strategies and Activities**

The Executive leadership of NSAT are focusing on the following areas of trust development and school improvement in the academic year 2018-2019:

- Raising levels of pupil and student achievement across a broad and balanced curriculum through professional collaboration across the MAT.
- To stretch and challenge pupils and students of all abilities.
- Developing an innovative, inclusive curriculum fit for purpose and age appropriate.
- Developing curriculum and assessment strategies in response to DfE national policy agenda.
- Further developing community partnership to strengthen cohesion.
- Continued development as a successful regional and national support school.
- Promoting the schools nationally for their excellence in promoting women into STEM.
- Developing the school sites and infrastructure to meet students' current and future needs.

**Equal Opportunities Policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The trust aims to establish equal opportunities in all areas of its activities including creating a workplace environment in which the contribution and needs of all people are fully valued.

**Public benefit**

The trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the trust should undertake.

The trust works collaboratively with a range of other schools for the benefit of their students and offers recreational facilities to the local community.

**Disabled Persons**

The Trustees recognise their responsibility under disability legislation in relation to disabled students and employees and accessibility, in order to ensure that disabled students and employees do not receive less favourable treatment. The policy of the trust is to support the recruitment and retention of pupils and employees with disabilities by making resources available and through training and career development, and supports this by adapting the physical environment where practicable and reasonable.



**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT**

**Performance summary and key performance indicators**

**Skipton Girls' High School Academy**

- 2018 GCSE Achievement - Progress 8 score: 0.46 (Well above average) Attainment 8 score: 67.8 (Highest performing secondary school in North Yorkshire)  
Strong A Level academic achievement in 2018
- SGHS is a founder member of a Cohort 2 Teaching School Alliance (Northern Lights Teaching School Alliance), designated in 2012
- Highly successful third year of the School Centred Initial Teacher Training (SCITT) programme with all trainees awarded good or outstanding – Ofsted inspection completed November 2017 judged 'Good with Outstanding Leadership and Management'
- Science, Technology, Engineering and Maths (STEM) specialism
- Converted to a single academy trust in 2011 and then joined NSAT as co-founder school in April 2015
- Most recent Ofsted grade: Outstanding, 2008 & 2011

**Harrogate High School Academy**

- 2017 GCSE Achievement – Progress 8 score -0.09 (Average) Attainment 8 score 38.8
- Strong Post 16 vocational achievement in 2017
- Entire new school rebuild on same site including a large sports centre is completed and the school successfully moved in February 2017
- Converted to a single academy trust in June 2012 then joined NSAT as co-founder school in April 2015
- Most recent Ofsted grade: Good in all categories (November 2017)

**New Park Primary School Academy**

- From December 2015 New Park Primary Academy entered a new phase of development and embarked on structural change to ensure the continued development of the school as part of NSAT
- New Park joined NSAT as a converter academy 1 December 2015
- 2018 KS2 Outcomes demonstrated an incredible improvement in Progress
- September 2017 a new Headteacher
- September 2018 Section 5 Inspection – judged Good in all categories
- September 2018 IAB dissolved and new Local Governing Body established

**Hookstone Chase Primary School**

- Hookstone Chase Primary School converted to join NSAT June 2016
- 2018 KS2 Outcomes for Hookstone were good and reflected robust and consistent Senior leadership and management
- The school benefits from an EMS Provision for Speech and Language Development
- Headteacher retiring in January 2019

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT (continued)**

**Performance summary and key performance indicators (continued)**

The numbers of pupils on roll in trust academies at the time of the October 2018 census were as follows (2016/17 figures are shown for comparison):

<b>Academy</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Year 7-11</b>		
Harrogate High School	442	495
Skipton Girls High School	581	613
<b>Year 12-13</b>		
Harrogate High School	127	61
Skipton Girls High School	229	246
<b>New Park Primary Academy</b>		
Early Years	10	20
Primary	176	168
<b>Hookstone Chase Primary School</b>		
Primary	269	287

The headline examination results for the year ending 31st August 2018 are summarised as follows:

<b>Academy</b>		
<b>Grade 4 or above in English &amp; Maths GCSEs</b>	<b>2016/17</b>	<b>2017/18</b>
Harrogate High School	53%	46%
Skipton Girls High School	99%	98%
<b>A-level % A*-E</b>		
Harrogate High School	97%	100%
Skipton Girls High School	100%	99%
<b>New Park Primary Academy</b>		
SATS (combined)	32%	69%
<b>Hookstone Chase Primary School</b>		
SATS (combined)	56%	48%

During the year Harrogate High School received an Ofsted inspection and was judged Good. Northern Lights SCITT also received an Ofsted inspection and was judged Good. More recently New Park was judged Good in September 2018.

The trust complies with all the terms and conditions of its Funding Agreement and manages its reserves in line with the policies set out below.

Key performance indicators are set out each year with Trustees relating to student examination outcomes and key financial measures contained within the trust's budget. These are monitored on a regular basis by local governing bodies and Trustees.

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT (continued)**

**Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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.

**FINANCIAL REVIEW**

**Overview**

These financial statements reflect a 12 month accounting period from 1 September 2017 to 31 August 2018. The majority of income received is obtained from the Educational and Skills Funding Agency (ESFA) in the form of recurrent General Annual Grant (GAG) funding, the use of which is restricted for the day to day running of the trust. The trust also receives grants for fixed assets from the DfE/ESFA. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected life of the assets concerned.

In accordance with The Charities SORP (FRS102), such grants are set out in the Statement of Financial Activities as restricted income.

During the period the trust received £12,286,000 of income, of which £8,243,000 was GAG funding. Other grants, income and transfers amounted to £4,043,000.

Expenditure for the period totalled £10,626,000 (excluding restricted fixed assets fund costs), including £8,293,000 of staff related costs supporting the day to day running of the trust.

In aggregate, during the period, total income over total expenditure led to a deficit position of £208,000, excluding restricted fixed asset funds and movements in the pension fund.

The Local Government Pension Scheme (LGPS) liability stands at £3,780,000 as at 31 August 2018, a decrease from £4,216,000 in the prior year. The provisions of Financial Reporting Standards (FRS) 102 have been applied in full in respect of the LGPS pensions scheme. This is detailed in note 23 to the financial statements.

As at 31 August 2018 the net book value of fixed assets after depreciation is £21,110,000 as shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the trust.

The trust held fund balances at 31 August 2018 of £19,807,000 comprising £23,030,000 of restricted fixed asset funds, £144,000 of restricted funds, £(3,780,000) LGPS pension deficit and £413,000 of unrestricted funds.

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW (continued)**

**Reserves Policy**

The trust's policy aims are (i) to remain appropriately funded over the medium term in order to deliver the trust's plan and in light of the trust's risk register, and (ii) to provide funding capacity for future estate maintenance and planned capital investment, (iii) to provide sufficient working capital to cover delays between spending and receipt of grants, and (iv) to provide contingency funding for unexpected emergencies.

Trustees have agreed a minimum level of reserves of £250,000. The trust currently holds reserves in excess of this which it plans to use to meet cost pressures which the organization currently faces.

The Trustees review this policy and the minimum level of reserves annually. As part of its annual business planning the trust runs a sensitivity analysis to ensure the trust remains appropriately funded over the medium term.

The Trustees have reviewed these reserves levels and believe that they should provide a sufficient level of reserves to cover its stated aims.

As at 31 August 2018 the trust holds funds of £557,000, comprising of restricted general funds (excluding restricted fixed asset funds and pension reserves) of £144,000 and unrestricted funds of £413,000. The trustees have reviewed these reserve levels and believe that they should provide a sufficient level of reserves to cover its stated aims.

**Investment Policy**

The Trustees have approved plans to invest only in low risk bank deposit accounts, aligned to the trust's reserves policy, with the flexibility to invest across a range of account terms in order to balance liquidity and return.

**Principal Risks and Uncertainties**

The trust has in place a formal risk management infrastructure. The trust reviews risk at a strategic level through its risk register, and at an operational level in each academy (through its emerging risks log).

The risk register is formally reviewed annually by Trustees. In addition, the Chief Financial Officer tracks progress of any outstanding actions termly, and academy Senior Leadership Teams review the emerging risk log termly. Outstanding actions and emerging risks are consolidated termly and reviewed by Trustees.

The risk register seeks to identify the key risks that the trust is or could be exposed to, identifies the likelihood of a risk occurring, its impact and the actions that are being addressed by management to mitigate the risk.

Risk categories considered are varied and include reputational, educational performance, operational and financial. Certain financial risks such as public and employee liability are mitigated through insurance cover.

The trust operates systems of internal financial control and checking and these are examined periodically through internal audit checking and by Auditors. The trust regularly reviews the appropriateness of its internal controls against its risk profile.

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW (continued)**

**Principal Risks and Uncertainties (continued)**

The trust manages its finances to ensure a level of reserves adequate to cover unforeseen circumstances and to make planned use as a part of its medium term financial plan.

As a multi-academy trust funded directly by the Department of Education, funding streams are considered to be relatively secure subject to management of pupil numbers, however the Trustees acknowledge the continued impact of government policy on overall and per pupil funding levels. Trustees recognise that the combined impact of continued funding pressure and staff related cost inflationary factors represent a material risk to manage within the Trust and across the education sector.

The key financial risks that have been identified and are under management include failure to achieve planned pupil entry numbers and failure to manage the day to day running of the trust in the medium term within forecast funding limits. Maintaining sustainable improvements in student achievement is one of the trust's key performance related risks and is considered to be effectively managed.

As at the 31 August 2018 the LGPS deficit amounted to £3,780,000. It should be noted that the trust has agreed with the pension scheme a contribution plan for the scheme over future years as detailed in note 23 and therefore the deficit is assessed as presenting a low and manageable risk to the trust.

The trust has in place controls against its key identified risks and has initiated actions in order to mitigate and manage down risks. Where significant financial risk still remains the trust has ensured that adequate insurance cover is in place.

**Fundraising**

Skipton Girls High School operate a donations scheme for student laptops and parent donations for additional learning resources for some high resource subjects.

In addition Skipton Girls High School, New Park Primary School and Hookstone Chase Primary School operate PTA's to fundraise for their school by arranging social events throughout the year.

Donations are consolidated within school budget monitoring and overseen at SLT and Trustee meetings.

**NORTHERN STAR ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**PLANS FOR FUTURE PERIODS**

The Trust continues to collaborate with schools within the communities it serves and develop further member academies, in order to improve education for children and young people in education from a range of backgrounds. We aim to provide the highest educational opportunities for our pupils as well as providing professional development for all teaching and support staff, so that our academies support pupils in achieving great outcomes and we contribute to the raising of educational standards across the community.

We will continue to work with our partners in education, industry and commerce to develop innovative and challenging practices to achieve our aims and build on our current successes.

**Funds held as custodian**

Harrogate High School is host to the Sainsbury's School Games Organiser for the Harrogate School Sports Partnership. Funds for the Harrogate programme are held by the school on behalf of the funding body, Ecorys.

**Auditors**

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- The trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that information.

The appointment of the current auditors, Clive Owen LLP, Chartered Accountants, was made following a formal competitive tender process carried out earlier this year.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 7 December 2018 and signed on its behalf by:



**H Flynn**  
**Chair**

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Northern Star Academies 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 Chief Executive Officer, 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 Northern Star Academies 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 8 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
H Flynn, Chair	8	8
I Curtis	7	8
B Ashby	8	8
H Cutler	8	8
M Kelly	7	8
S Phillips	5	8
J Plews, Chief Executive Officer and Accounting Officer	8	8
S Scott	0	1

During the period the trust has maintained a stable Board of Trustees and local governing body membership. All appointments to the board are based on a thorough evaluation of skills, experience and expertise together with an audit of existing Trustees, ensuring the trust has the right balance of competencies to support the aims of the trust.

During the period, in addition to the regular board meetings, Northern Star Academies Trust has held one training meeting for Trustees and local governors. The attendance above reflects only the formal board meetings.

The Trustees have established an Audit Committee, a formal sub-committee of the main Board of Trustees, in order to lead and advise on the audit and risk priorities of the trust. The committee meets at least twice a year. Attendance during the period at meetings of the committee was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
H Cutler	2	2
K Moore*	2	2
S Phillips	2	2

\*sits as an advisory (non-trustee) member of the committee

Trustees review the trust's governance arrangements annually.

**NORTHERN STAR ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

**Review of Value for Money**

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

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

- Progressing building projects (through tendering) in one secondary and two primary schools to deliver an improved school environment with lower maintenance costs, necessary health & safety compliance upgrades and improved safeguarding.
- Keeping trust staffing structures under review, including a restructure of the trust Executive team, and ensuring curriculum-led financial planning and budget planning is used to plan the most efficient deployment of staff across member academies.
- Overseeing the curriculum in the trusts schools to ensure it provides a value-for-money education suitable for the differing needs of pupils across the trust.
- Collaboration with Northern Lights Teaching Schools Alliance and SCITT and across the schools in the trust to share delivery and good practice and also to support and learn from other schools outside the trust.
- Overseeing an ongoing programme of market testing, negotiation and collaboration with the local authority and other suppliers to achieve better value for money from traded services and contract provision.
- Reviewing appropriate DfE frameworks when making tender decisions.
- Tendering a bulk laptop purchase resulting in accessing low cost and high quality equipment.
- Tendering a new integrated finance system for the trust and its schools, enabling operational efficiencies and more effective financial management.
- Tendering new business planning software the trust and its schools, enabling more effective planning and resource management.

The following activities further demonstrate the wider benefits of the trust in delivering good value for money:

**Stretch and Challenge:** Working with all students we provide the appropriate stretch and challenge for our students. Care is taken to provide the individual support and guidance necessary to ensure everyone achieves their potential.

**Teaching and Learning:** Developments in teaching and learning have continued to drive forward innovation in the use of new technologies and student leadership of learning. Through data analysis, robust monitoring and self-evaluation we have worked in collaboration with subjects and faculties to ensure that learning across the schools is at all times at least good.

**Enrichment and Extra-Curricular Provision:** Our specialisms have seen some excellent developments both in terms of academic achievement but also in the range of extra-curricular opportunities the schools offer. Students are regularly involved in leading local and national competitions and conferences. The number of industrial partners is growing providing a wealth of opportunities for work related learning and careers guidance.



**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Review of Value for Money(continued)**

**Fitness for purpose:** The trust has a cycle of review for its on-going services from external organisations to ensure those services continue to meet the needs of the trust, are the best available to us at that time, and offer good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

**Maximising income generation:** The trust has been successful in growing its external income streams, including educational consultancy and service provision, making available sports facilities and other lettings.

**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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northern Star Academies Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Audit 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 have also considered the need for a specific internal audit function and has appointed Veritau Ltd in order to carry out additional checks and review significant areas of risk as directed.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems and other areas identified by the risk register held by trustees. On a regular basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**The Risk and Control Framework (continued)**

In particular the checks carried out this current period include:

- Testing of payroll and purchase systems
- Testing of controls in relation to account and bank reconciliations
- Testing of expenditure authorisations
- Review of ICT systems resilience

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.

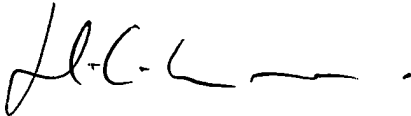
**Review of Effectiveness**

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

- the guidance of the audit committee;
- the work of the external auditors;
- the work of the internal auditors;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the auditors 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 7 December 2018 and signed on their behalf, by:



**H Flynn**  
**Chair**



**J Plews**  
**Accounting Officer**

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Northern Star Academies Trust I have considered my responsibility to notify the trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the trust, under the funding agreement in place between the trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



**J Plews**  
**Accounting Officer**

7 December 2018

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which 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 7 December 2018 and signed on its behalf by:



**H Flynn**  
**Chair**

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NORTHERN STAR ACADEMIES TRUST**

**Opinion**

We have audited the financial statements of Northern Star Academies Trust for the year ended 31 August 2018 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.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NORTHERN STAR ACADEMIES TRUST**

**Other information**

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

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

We have nothing to report in this regard.

**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 for the financial year 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.

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

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

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the academy trust 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NORTHERN STAR ACADEMIES TRUST**

**Auditors' 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 Auditors' 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). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the academy trust'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 trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Beaumont BA(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

**Clive Owen LLP**

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT  
7 December 2018

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NORTHERN  
STAR ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northern Star Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Northern Star Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northern Star Academies 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 Northern Star Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Northern Star Academies Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Northern Star Academies Trust's funding agreement with the Secretary of State for Education dated 1 May 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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.



**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NORTHERN  
STAR ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

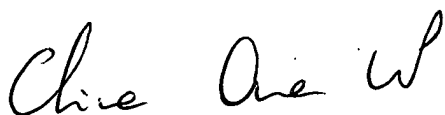
**Approach (continued)**

The work undertaken to draw to our conclusion includes:

- Review of Board of Trustees and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtained formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

**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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Clive Owen LLP**

Reporting Accountant

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

7 December 2018

**NORTHERN STAR ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
	Note					
<b>Income from:</b>						
Donations & capital grants:						
Transfer from local authority on conversion	2	-	-	-	-	1,990
Other donations and capital grants	2	-	128	2,057	2,185	700
Charitable activities	3	-	9,190	-	9,190	9,318
Teaching schools	28	-	219	-	219	-
Other trading activities	4	692	-	-	692	1,082
Investments	5	-	-	-	-	1
<b>Total income</b>		<u>692</u>	<u>9,537</u>	<u>2,057</u>	<u>12,286</u>	<u>13,091</u>
<b>Expenditure on:</b>						
Charitable activities		739	9,658	258	10,655	17,829
Teaching schools	28	-	229	-	229	-
<b>Total expenditure</b>	7	<u>739</u>	<u>9,887</u>	<u>258</u>	<u>10,884</u>	<u>17,829</u>
<b>Net Income/(expenditure) before transfers</b>		<u>(47)</u>	<u>(350)</u>	<u>1,799</u>	<u>1,402</u>	<u>(4,738)</u>
Transfers between Funds	18	-	(14)	14	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<u>(47)</u>	<u>(364)</u>	<u>1,813</u>	<u>1,402</u>	<u>(4,738)</u>
Actuarial gains on defined benefit pension schemes	23	-	640	-	640	1,569
<b>Net movement in funds</b>		<u>(47)</u>	<u>276</u>	<u>1,813</u>	<u>2,042</u>	<u>(3,169)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		<u>460</u>	<u>(3,912)</u>	<u>21,217</u>	<u>17,765</u>	<u>20,934</u>
<b>Total funds carried forward</b>		<u>413</u>	<u>(3,636)</u>	<u>23,030</u>	<u>19,807</u>	<u>17,765</u>

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07553531**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	2017 £000
<b>Fixed assets</b>				
Tangible assets	14		21,110	20,776
<b>Current assets</b>				
Stocks	15	4	4	
Debtors	16	1,326	378	
Cash at bank and in hand		2,055	1,744	
		<u>3,385</u>	<u>2,126</u>	
<b>Creditors:</b> amounts falling due within one year	17	(908)	(921)	
<b>Net current assets</b>			<u>2,477</u>	<u>1,205</u>
<b>Total assets less current liabilities</b>			<u>23,587</u>	<u>21,981</u>
Defined benefit pension scheme liability	23		<u>(3,780)</u>	<u>(4,216)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>19,807</u></u>	<u><u>17,765</u></u>
<b>Funds of the academy</b>				
Restricted income funds:				
Restricted income funds	18	144	304	
Restricted fixed asset funds	18	23,030	21,217	
Restricted income funds excluding pension liability		23,174	21,521	
Pension reserve		<u>(3,780)</u>	<u>(4,216)</u>	
Total restricted income funds			<u>19,394</u>	<u>17,305</u>
Unrestricted income funds	18		<u>413</u>	<u>460</u>
<b>Total funds</b>			<u><u>19,807</u></u>	<u><u>17,765</u></u>

The financial statements on pages 24 to 52 were approved by the Trustees, and authorised for issue, on 7 December 2018 and are signed on their behalf, by:



**H Flynn**  
**Chair**

**NORTHERN STAR ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	(283)	(196)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		-	1
Purchase of tangible fixed assets		(592)	(224)
Capital grants from DfE Group		1,186	551
<b>Net cash provided by investing activities</b>		594	328
Cash transferred on conversion		-	118
<b>Net cash provided by financing activities</b>		-	118
<b>Change in cash and cash equivalents in the year</b>		311	250
Cash and cash equivalents brought forward		1,744	1,494
<b>Cash and cash equivalents carried forward</b>	21	2,055	1,744

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**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 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Northern Star Academies 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

**1.3 Income**

All income is recognised once the trust 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 in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations 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.

**NORTHERN STAR ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting Policies (continued)**

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

**Expenditure on raising funds**

This includes all expenditure incurred by the trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading. All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £5,000 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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold property	-	Over 125 years
Fixtures and fittings	-	33% straight line
Motor vehicles	-	5 years straight line
Computer equipment	-	33% straight line

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting Policies (continued)**

**1.6 Agency arrangements**

The trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

The trust also acts as agent in distributing School Centred Initial Teacher Training (SCITT) bursary funds from the Department for Education. Payments received from DfE 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 funds received and paid and any balances held are disclosed in note 27.

**1.7 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

**1.8 Leased Assets**

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

**1.9 Stocks**

Unsold uniforms and other stocks are valued at the lower of cost or net realisable value.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting Policies (continued)**

**1.10 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 17. 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.

**1.11 Taxation**

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

**1.12 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, 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 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.



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

**1. Accounting Policies (continued)**

**1.13 Fund accounting**

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

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

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

**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 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

*Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £257,000.*

*Land and buildings – Land and buildings at New Park Primary School, Hookstone Chase Primary School and the land at Harrogate High School are held under a 125 year lease with North Yorkshire County Council. The land and buildings at Skipton Girls' High School are held under a 125 year lease with The Skipton Girls' High School Foundation Trustees Limited. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.*

*The buildings at Harrogate High School were built under a PFI contract. Based on the terms and conditions of the contract between the school and third parties the building has been excluded from the financial statements.*

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

**2. Income from donations and capital grants**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion	-	-	-	-	1,990
Donations	-	128	-	128	149
Capital Grants	-	-	2,057	2,057	551
Subtotal	-	128	2,057	2,185	700
	-	128	2,057	2,185	2,690
Total 2017	267	(475)	2,898	2,690	

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,243	8,243	8,187
Academy conversion grant	-	50	50	-
Pupil Premium	-	317	317	326
16-19 Bursary	-	28	28	-
Other DfE/ESFA Grants	-	208	208	339
	-	8,846	8,846	8,852
<b>Other government grants</b>				
SEN	-	292	292	294
Other Government Grants	-	48	48	172
	-	340	340	466
<b>Other funding</b>				
Other Grants	-	4	4	-
	-	4	4	-
	-	9,190	9,190	9,318
Total 2017	-	9,318	9,318	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. Other trading activities**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Other income	331	-	331	340
Lettings	108	-	108	98
Trips	37	-	37	385
Staff insurance	35	-	35	22
Catering	32	-	32	58
Northern Lights Teaching School	149	-	149	179
	<u>692</u>	<u>-</u>	<u>692</u>	<u>1,082</u>
Total 2017	<u>1,082</u>	<u>-</u>	<u>1,082</u>	

**5. Investment income**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Bank interest	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total 2017	<u>1</u>	<u>-</u>	<u>1</u>	

**NORTHERN STAR ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**6. Charitable activities**

	Total funds 2018 £000	Total funds 2017 £000
<b>Direct costs - educational operations</b>		
Wages and salaries	5,351	5,390
National insurance	493	496
Pension cost	947	994
Educational supplies	144	184
Examination fees	126	144
Staff development	6	18
Technology costs	76	75
Educational consultancy	139	119
Travel and subsistence	2	4
Other direct costs	138	81
	<hr/> 7,422	<hr/> 7,505
<b>Support costs - educational operations</b>		
Wages and salaries	1,012	1,018
National insurance	89	71
Pension cost	303	217
Depreciation	257	224
Net interest cost on pension scheme	100	106
Technology costs	146	119
Travel and subsistence	4	6
Recruitment and support	28	32
Maintenance of premises and equipment	156	143
Cleaning	145	310
Rent	93	93
Rates	65	74
Energy	167	214
Insurance	51	84
Security	2	2
Transport	5	3
Catering	190	145
Occupancy costs	21	22
Other support costs	359	7,394
Governance costs	40	47
	<hr/> 3,233	<hr/> 10,324
	<hr/> 10,655	<hr/> 17,829

**NORTHERN STAR ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Expenditure**

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Academy's educational operations:					
Direct costs	6,791	-	631	7,422	7,505
Support costs	1,404	769	1,060	3,233	10,324
Teaching schools	98	-	131	229	-
	<u>8,293</u>	<u>769</u>	<u>1,822</u>	<u>10,884</u>	<u>17,829</u>
Total 2017	<u>8,186</u>	<u>1,053</u>	<u>8,590</u>	<u>17,829</u>	

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year

**8. Net income/(expenditure)**

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	257	224
Loss on disposal of fixed assets	1	6,754
Auditors' remuneration - audit	15	14
Auditors' remuneration - other services	4	18
Operating lease rentals	13	9
	<u>289</u>	<u>6,999</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	6,330	6,281
Social security costs	582	567
Operating costs of defined benefit pension schemes	1,250	1,211
	<hr/>	<hr/>
	8,162	8,059
Supply staff costs	106	117
Staff restructuring costs	25	10
	<hr/>	<hr/>
	8,293	8,186
	<hr/>	<hr/>

Included in operating costs of defined benefit pensions scheme is a charge of £104,000 (2017: £181,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2018 £000	2017 £000
Redundancy payments	4	10
Severance payments	21	-
	<hr/>	<hr/>
	25	10
	<hr/>	<hr/>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	130	112
Administration and support	142	131
Management	13	21
	<hr/>	<hr/>
	285	264
	<hr/>	<hr/>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Staff costs (continued)**

**d. Key management personnel**

The key management personnel of the academy trust comprise the Trustees and the senior management team. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £343,000 (2017: £340,000).

**10. Central services**

The trust has provided the following central services to its academies during the year:

The trust charges for these services on the following basis:

The trust has provided central and support services to its constituent academies during the year. The trust charges for these services as a flat percentage of income. The actual amounts charged during the year were as follows:

- HR and legal advisory
- Financial control and internal audit
- Capital project management
- School improvement support

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Skipton Girls' High School	79	82
Harrogate High School	61	60
New Park Primary School	15	15
Hookstone Chase Primary School	21	20
	<hr/>	<hr/>
Total	176	177
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. 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 Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer 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:

	2018 £000	2017 £000
A Bayston (CEO) (resigned 31 August 2017):		
Remuneration	-	65-70
Pension contributions paid	-	0-5
J Plews (CEO):		
Remuneration	100-105	90-95
Pension contributions paid	15-20	15-20

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £Nil to Trustees).

**12. Trustees' and Officers' Insurance**

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

**13. Net interest cost on pension schemes**

	2018 £000	2017 £000
Interest income on pension scheme assets	64	39
Interest on pension scheme liabilities	(164)	(145)
	<u>(100)</u>	<u>(106)</u>



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

**14. Tangible fixed assets**

	Leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 September 2017	21,349	18	149	174	21,690
Additions	505	-	-	87	592
Disposals	-	(18)	-	-	(18)
At 31 August 2018	21,854	-	149	261	22,264
<b>Depreciation</b>					
At 1 September 2017	737	15	107	55	914
Charge for the year	173	2	39	43	257
On disposals	-	(17)	-	-	(17)
At 31 August 2018	910	-	146	98	1,154
<b>Net book value</b>					
At 31 August 2018	20,944	-	3	163	21,110
At 31 August 2017	20,612	3	42	119	20,776

**15. Stocks**

	2018 £000	2017 £000
Stationery	4	4

**16. Debtors**

	2018 £000	2017 £000
Trade debtors	62	57
VAT repayable	108	144
Other debtors	17	64
Prepayments and accrued income	1,139	113
	1,326	378

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Creditors: Amounts falling due within one year**

	2018 £000	2017 £000
Trade creditors	266	388
Other taxation and social security	145	137
Other creditors	182	188
Accruals and deferred income	315	208
	<u>908</u>	<u>921</u>
	2018 £000	2017 £000
<b>Deferred income</b>		
Deferred income at 1 September 2017	84	16
Resources deferred during the year	154	84
Amounts released from previous years	(84)	(16)
	<u>154</u>	<u>84</u>
Deferred income at 31 August 2018	<u>154</u>	<u>84</u>

Deferred income includes universal infant free school meals, strategic school improvement funding and rates relief funding which relates to the following academic year.

**18. Statement of funds**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General Fund	460	692	(739)	-	-	413
<b>Restricted funds</b>						
Growth grant	198	-	(198)	-	-	-
General Annual Grant (GAG)	-	8,243	(8,316)	73	-	-
Pupil Premium	-	317	(317)	-	-	-
Other DfE/ESFA grants	-	195	(195)	-	-	-
Other government grant	-	48	(48)	-	-	-
Conversion grants	-	50	(12)	-	-	38
Hockey sinking fund	106	-	-	-	-	106
Other grants	-	4	(4)	-	-	-
Strategic School Improvement Fund	-	41	(41)	-	-	-
SEN	-	292	(292)	-	-	-
SCITT	-	219	(229)	-	-	(10)
Donations	-	128	(31)	(87)	-	10
Pension reserve	(4,216)	-	(204)	-	640	(3,780)
	<u>(3,912)</u>	<u>9,537</u>	<u>(9,887)</u>	<u>(14)</u>	<u>640</u>	<u>(3,636)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Restricted fixed asset funds**

Assets on conversion	18,627	-	(130)	-	-	18,497
Devolved formula capital	48	46	(9)	(73)	-	12
Capital assets post conversion	1,936	-	(81)	-	-	1,855
Capital improvement fund	505	2,011	(3)	-	-	2,513
Capital expenditure from GAG	83	-	(28)	-	-	55
Capital expenditure from unrestricted funds	18	-	(7)	-	-	11
Capital expenditure from donations	-	-	-	87	-	87
	<u>21,217</u>	<u>2,057</u>	<u>(258)</u>	<u>14</u>	<u>-</u>	<u>23,030</u>
Total restricted funds	<u>17,305</u>	<u>11,594</u>	<u>(10,145)</u>	<u>-</u>	<u>640</u>	<u>19,394</u>
Total of funds	<u>17,765</u>	<u>12,286</u>	<u>(10,884)</u>	<u>-</u>	<u>640</u>	<u>19,807</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the academy, including salaries and related costs, overheads, repairs and maintenance and insurance.

Pupil Premium is additional funding to be spent as the academy trust sees fit to support disadvantaged pupils.

Other DfE/ESFA grants include amounts for Year 7 catch up, Rates Relief, Universal Infant Free School Meals, 16-19 Bursary and PE & Sports grant.

Other Government grants include SEN funding, which is income to support students with special educational needs and income from the local authority for universal free school meals and early years funding. Amounts received in the year have been fully spent.

Growth grant received by central services to support the trust in growing through additional schools joining the trust in future years.

School-centred initial teacher training (SCITT) income are for the provision of teachers training and towards the facilities and services necessary for such activity.

Strategic School Improvement Fund (SSIF) grant are for the support to designated schools advised by the DfE.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charges against each fund over the useful life of the associated assets.

During the year the trust was successful in receiving Condition Improvement Funding. This income has not been fully spent at the year end as the projects are ongoing.

Transfers were made to General Annual Grant of £73,000 from Devolved Formula Capital relating to revenue expenditure spent from Devolved Formula Capital. In addition, £87,000 was transferred from donations to restricted fixed asset funds to fund the purchase of assets during the year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

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 2018.

**Analysis of academies by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Skipton Girls' High School	46	8
Harrogate High School	176	285
New Park Primary School	120	85
Hookstone Chase Primary School	100	138
Central services	114	248
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	556	764
Restricted fixed asset fund	23,030	21,217
Pension reserve	(3,780)	(4,216)
	<hr/>	<hr/>
Total	19,806	17,765
	<hr/> <hr/>	<hr/> <hr/>

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000	Total 2017 £000
Skipton Girls' High School	2,863	842	123	792	4,620	4,756
Harrogate High School	2,259	539	-	622	3,420	10,557
New Park Primary School	568	36	21	221	846	896
Hookstone Chase Primary School	996	85	-	345	1,426	1,351
Central Services	105	-	-	210	315	45
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,791	1,502	144	2,190	10,627	17,605
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>General funds</b>						
General Fund	407	1,350	(1,275)	(22)	-	460
<b>Restricted funds</b>						
Growth grant	-	198	-	-	-	198
General Annual Grant (GAG)	171	8,187	(8,274)	(84)	-	-
Pupil Premium	-	326	(326)	-	-	-
Other DfE/ESFA grants	61	141	(202)	-	-	-
Other Government grant	-	466	(466)	-	-	-
Conversion grant	21	-	(21)	-	-	-
Hockey sinking fund	106	-	-	-	-	106
Pension reserve	(5,023)	(475)	(287)	-	1,569	(4,216)
	<u>(4,664)</u>	<u>8,843</u>	<u>(9,576)</u>	<u>(84)</u>	<u>1,569</u>	<u>(3,912)</u>
<b>Restricted fixed asset funds</b>						
Assets on conversion	23,164	2,347	(6,910)	26	-	18,627
Devolved Formula Capital	8	46	(6)	-	-	48
Capital assets post conversion	2,019	-	(57)	(26)	-	1,936
Condition Improvement Fund	-	505	-	-	-	505
Capital expenditure from GAG	-	-	(1)	84	-	83
Capital expenditure from unrestricted funds	-	-	(4)	22	-	18
	<u>25,191</u>	<u>2,898</u>	<u>(6,978)</u>	<u>106</u>	<u>-</u>	<u>21,217</u>
Total restricted funds	<u>20,527</u>	<u>11,741</u>	<u>(16,554)</u>	<u>22</u>	<u>1,569</u>	<u>17,305</u>
Total of funds	<u>20,934</u>	<u>13,091</u>	<u>(17,829)</u>	<u>-</u>	<u>1,569</u>	<u>17,765</u>

**A current year 12 months and prior year 12 months combined position is as follows:**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General Fund	407	2,042	(2,014)	(22)	-	413

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**18. Statement of funds (continued)**

**Restricted funds**

Growth grant	-	198	(198)	-	-	-
General Annual Grant (GAG)	171	16,430	(16,590)	(11)	-	-
Pupil Premium	-	643	(643)	-	-	-
Other DfE/ESFA grants	61	336	(397)	-	-	-
Other Government grant	-	514	(514)	-	-	-
Conversion grant	21	50	(33)	-	-	38
Hockey sinking fund	106	-	-	-	-	106
Other grants	-	4	(4)	-	-	-
Strategic School Improvement Fund	-	41	(41)	-	-	-
SEN	-	292	(292)	-	-	-
SCITT	-	219	(229)	-	-	(10)
Donations	-	128	(31)	(87)	-	10
Pension reserve	(5,023)	(475)	(491)	-	2,209	(3,780)
	<u>(4,664)</u>	<u>18,380</u>	<u>(19,463)</u>	<u>(98)</u>	<u>2,209</u>	<u>(3,636)</u>

**Restricted fixed asset funds**

Assets on conversion	23,164	2,347	(7,040)	26	-	18,497
Devolved Formula Capital	8	92	(15)	(73)	-	12
Capital assets post conversion	2,019	-	(138)	(26)	-	1,855
Condition Improvement Fund	-	2,516	(3)	-	-	2,513
Capital expenditure from GAG	-	-	(29)	84	-	55
Capital expenditure from unrestricted funds	-	-	(11)	22	-	11
Capital expenditure from donations	-	-	-	87	-	87
	<u>25,191</u>	<u>4,955</u>	<u>(7,236)</u>	<u>120</u>	<u>-</u>	<u>23,030</u>
	<u>20,527</u>	<u>23,335</u>	<u>(26,699)</u>	<u>22</u>	<u>2,209</u>	<u>19,394</u>
Total of funds	<u>20,934</u>	<u>25,377</u>	<u>(28,713)</u>	<u>-</u>	<u>2,209</u>	<u>19,807</u>

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	21,110	21,110
Current assets	413	1,043	1,929	3,385
Creditors due within one year	-	(899)	(9)	(908)
Provisions for liabilities and charges	-	(3,780)	-	(3,780)
	<u>413</u>	<u>(3,636)</u>	<u>23,030</u>	<u>19,807</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	20,776	20,776
Current assets	460	1,225	441	2,126
Creditors due within one year	-	(921)	-	(921)
Provisions for liabilities and charges	-	(4,216)	-	(4,216)
	<u>460</u>	<u>(3,912)</u>	<u>21,217</u>	<u>17,765</u>

**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £000	2017 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,402	(4,738)
<b>Adjustment for:</b>		
Depreciation charges	257	224
Dividends, interest and rents from investments	-	(1)
Loss on disposal of fixed assets	1	6,754
Decrease in stocks	-	2
(Increase)/decrease in debtors	(948)	65
Decrease in creditors	(13)	(248)
Capital grants from DfE and other capital income	(1,186)	(551)
Defined benefit pension scheme cost less contributions payable	104	181
Defined benefit pension scheme finance cost	100	106
Pension deficit transferred on conversion	-	475
Fixed assets transferred on conversion	-	(2,347)
Cash transferred on conversion	-	(118)
<b>Net cash used in operating activities</b>	<u>(283)</u>	<u>(196)</u>

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**21. Analysis of cash and cash equivalents**

	2018 £000	2017 £000
Cash in hand	2,055	1,744
Total	<u>2,055</u>	<u>1,744</u>

**22. Capital commitments**

	2018 £000	2017 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>246</u>



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**23. Pension commitments**

The academy trust'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 (LGPS) for non-teaching staff, which is managed by North Yorkshire County Council Pension Fund. 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.

Contributions amounting to £132,000 were payable to the schemes at 31 August 2018 (2017 - 126,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, 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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £723,000 (2017 - £702,000).

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

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**23. Pension commitments (continued)**

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2018 was £521,000 (2017 - £670,000), of which employer's contributions totalled £423,000 (2017 - £554,000) and employees' contributions totalled £98,000 (2017 - £116,000). The agreed contribution rates for future years are 16.3% - 18.6% for employers and 5.5% - 10.5% for employees.

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

Deficit payment plan - An arrangement has been entered into with the Trustees to make additional contributions in addition to normal funding levels of £115,000 per annum over 25 years, which is to be reviewed every 3 years.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.25 %	3.30 %
Rate of increase for pensions in payment / inflation	2.00 %	2.00 %
Inflation assumption (CPI)	2.00 %	2.00 %
Commutation of pensions to lump sums	75.00 %	75.00 %

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

	2018	2017
Retiring today		
Males	22.9	22.8
Females	26.4	26.3
Retiring in 20 years		
Males	25.1	25.0
Females	28.7	28.6

	At 31 August 2018 £000	At 31 August 2017 £000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	6,687	6,392
Discount rate -0.1%	6,999	6,689
Mortality assumption - 1 year increase	6,649	6,689
Mortality assumption - 1 year decrease	7,035	6,733
CPI rate +0.1%	6,954	6,646
CPI rate -0.1%	6,731	6,434

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**23. Pension commitments (continued)**

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	1,859	1,540
Government Bond	496	297
Other bonds	-	70
Property	242	188
Cash	9	12
Other	456	216
	<hr/>	<hr/>
Total market value of assets	3,062	2,323
	<hr/>	<hr/>

The actual return on scheme assets was £276,000 (2017 - £234,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(527)	(550)
Interest income	64	39
Interest cost	(164)	(145)
	<hr/>	<hr/>
Total	(627)	(656)
	<hr/>	<hr/>

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

	2018 £000	2017 £000
Opening defined benefit obligation	6,539	6,573
Upon conversion	-	690
Current service cost	527	550
Interest cost	164	145
Employee contributions	98	91
Actuarial gains	(428)	(1,374)
Benefits paid	(58)	(136)
	<hr/>	<hr/>
Closing defined benefit obligation	6,842	6,539
	<hr/>	<hr/>

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**23. Pension commitments (continued)**

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

	2018 £000	2017 £000
Opening fair value of scheme assets	2,323	1,550
Upon conversion	-	215
Interest income	64	39
Actuarial gains/(losses)	212	195
Employer contributions	423	369
Employee contributions	98	91
Benefits paid	(58)	(136)
	<hr/>	<hr/>
Closing fair value of scheme assets	3,062	2,323
	<hr/> <hr/>	<hr/> <hr/>

**24. Operating lease commitments**

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

	2018 £000	2017 £000
<b>Amounts payable:</b>		
Within 1 year	12	1
Between 1 and 5 years	25	3
	<hr/>	<hr/>
Total	37	4
	<hr/> <hr/>	<hr/> <hr/>

**25. Other financial commitments**

Under the PFI agreement, the academy trust has a financial liability to make payments to the PFI contractor for the life of the contract, which began in August 2017 and will run for 25 years. The cost is based on the 11.22% of the total PFI contract cost and in the period was £93,000.

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**26. Related party transactions**

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income Related Party Transaction

During the period staffing costs were recharged and money received to the value of £193,000 (2017: £149,000) from Northern Lights Teaching School Alliance Limited, a limited company in which M P Kelly and J Plews are Directors.

During the period education services were provided to pupil of Erysted's Grammar School to the value of £50,000 (2017: £46,000) a school in which H G Cutler is a Governor.

Expenditure Related Party Transaction

During the period services were provided to the value of £90,000 (2017: £1,000) from Northern Lights Teaching School Alliance Limited, a limited company in which M P Kelly and J Plews are Directors.

During the period education services were provided to pupil of Skipton Girls High School from Erysted's Grammar School to the value of £39,000 (2017: £31,000) a school in which H G Cutler is a Governor.

During the period buildings under a 125 year lease agreement for a peppercorn rent were provided by The Skipton Girls High School Foundation Trustee Limited, a charity in which H G Cutler and M P Kelly are Directors.

**27. Agency Arrangements**

The academy trust distributes School Centred Initial Teacher Training (SCITT) bursary funding to student teachers as an agent for the Department for Education. In the accounting year ending 31 August 2018 the trust received £345,000 and disbursed £345,000 from the fund. The balance of £Nil is included in the financial statements.

Similarly the academy trust distributes 16-19 bursary funding to students as an agent for the Education and Skills Funding Agency. In the accounting year ending 31 August 2018 the trust received £28,000 and disbursed £28,000 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds.

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**28. Teaching school trading account**

	2018 £000	2018 £000	2017 £000	2017 £000
<b>Income</b>				
<b>Direct income</b>				
Income	219		-	
<b>Total income</b>		219		-
<b>Expenditure</b>				
<b>Other expenditure</b>				
Other staff costs	98		-	
Other expenditure	131		-	
<b>Total Other expenditure</b>	229		-	
<b>Total expenditure</b>		229		-
<b>Deficit from all sources</b>		(10)		-
<b>Teaching school balances at 1 September 2017</b>		-		-
<b>Teaching school balances at 31 August 2018</b>		(10)		-