

Registration number: 08128432

Northgate Primary School Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022



Edmund Carr LLP
Chartered Accountants & Statutory Auditors
146 New London Road
Chelmsford
Essex
CM2 0AW

Northgate Primary School Trust

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Northgate Primary School Trust

Reference and administrative details

Members	Mrs S Cran Mr R Newman (appointed 3 September 2021) Mr B Neill Mr L Foote Mr M Hooker
Trustees (Directors)	Mr L Foote, Chair of Trustees Mrs J Tanner, Principal and Accounting Officer (accounting officer) Mrs S Cran Mrs C Bull Mrs R Fraser Mrs V Smith Mr P Norton Mrs E Toker-Turnalar Mrs C Waltham Mr P Baxter (appointed 3 September 2021) Mrs L Grant (appointed 3 September 2021) Mr R Phillipson (appointed 17 March 2022) Mrs L Dormandy (resigned 1 September 2021) Mr B Neill (resigned 1 September 2021)
Company Secretary	Mrs K Morris
Senior Management Team	Mrs J Tanner, Headteacher Mrs K Jones, Deputy Head Mrs C Clynes, Assistant Head Mrs K Morris, Business Manager
Principal and Registered Office	Northgate Primary School Cricketfield Lane Bishop's Stortford Hertfordshire CM23 2RL
Company Registration Number	08128432
Auditors	Edmund Carr LLP Chartered Accountants & Statutory Auditors 146 New London Road Chelmsford Essex CM2 0AW 14 April 2022

Northgate Primary School Trust

Reference and administrative details (continued)

Bankers

National Westminster Bank Plc
7 North Street
Bishop's Stortford
Essex
CM23 2LE

Northgate Primary School Trust

Trustees' report for the Year Ended 31 August 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Northgate Primary School Trust (the Academy, The Trust or the Charitable Company) for the year ended 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates a School for pupils aged 3 – 11 serving a catchment area in Bishop's Stortford, Hertfordshire. It has a pupil capacity of 480 and had a roll of 457 in the 2021 school census.

Structure, governance and management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Northgate Primary School Trust (the School).

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

Members' liability

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

Trustees' indemnities

In September 2021 the Trust opted into an independent insurance scheme through Zurich. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and covers up to £25,000,000. This cover includes a Trustees liability indemnity of £5,000,000.

Method of recruitment and appointment or election of Trustees

The Members of the Academy may appoint up to seven Trustees in addition to the Headteacher and Local Authority Trustees. The Members also appoint Staff Trustees who are nominated by the Academy staff together with a minimum of two Parent Trustees who have been elected by the parents of the registered pupils at the School. Trustees are subject to retirement after 4 years of service but are eligible for re-appointment or re-election at the end of their term of office.

The arrangements are as set out in the Articles of Association and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Trustees and the Staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election.

Northgate Primary School Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Policies and procedures adopted for the induction and training of Trustees

All Trustees are given the opportunity to attend training sessions. During the 2021/22 academic year the Trustees have been provided with literature covering the main elements of the position, including the legal framework and Trustee responsibilities. Each year all members of the Board of Trustees (the Governing Body) are offered updates on relevant issues and changes in legislation etc. The topics covered are regularly reviewed to ensure that Trustees are kept up to date as far as possible. Access to training is available through Hertfordshire County Council through a service agreement, The National Governors Association, The Key for School Governors and Balance Educational Consultancy.

Trustees are appointed based on the skills that they bring to the Governing Body or based on a proposal to them by representative groups. On appointment, Trustees receive an induction letter on the role and responsibilities of Trustees.

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training to enable them to perform their role effectively. The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and pupils. All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Trustees and Headteacher or Deputy Headteacher. All Trustees have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documentation that they will need to undertake their role as Trustees. One Trustee is designated as the Trustee Development Coordinator and they are responsible for overseeing training and development needs. Trustees also undertake to make regular visits to the School to improve their understanding and to offer guidance and support when appropriate and safe to do so.

Northgate Primary School Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Organisational structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Governing Body, which meets on at least 3 occasions per year and each individual committee at least 3 times per year, is responsible for the strategic direction of the Academy. The Governing Body reviews progress towards educational objectives and results; has monthly budget meetings, approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

All Trustees are members of the Governing Body. In addition Trustees are members of at least one sub-committee.

Throughout the year the Resources Committee (Finance and Property) has met on 5 occasions, however two Governors, including the Chair of Resources Committee (who has an accounting background), hold regular budget and review meeting with the Accounting Officer and Chief Financial Officer to ensure that full responsibility for monitoring, evaluating and reviewing policy and performance in relation to financial management is adhered to. Due to changing Covid restrictions, Governor meetings have been a mixture of face to face and online through the year. All Governors are also informed when the monthly paperwork is uploaded to the online portal and available for review. The Resources Committee also ensures compliance with reporting and regulatory requirements, receiving reports from the Internal Auditor and drafting the annual budget following input from the other-sub-committees. During this financial year the Resources Committee also assumed the role of Audit Committee.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day-to-day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy supported by a Senior Leadership Team (SLT). The SLT meets frequently (usually fortnightly) to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Governing Body as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel includes Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved initially by the HR and Resources Committees and ratified by the Governing Body.

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Trustees' report for the Year Ended 31 August 2022 (continued)

Connected organisations, including related party relationships

Owing to the nature of the Trust's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that from time-to-time transactions will take place with organisations in which Members or Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required.

The Trust does not have a formal sponsor but cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Catalyst Teaching Alliance
- Bishop's Stortford Primary Consortium
- Bishop's Stortford Envision

Objectives and activities

Objects and aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of all abilities between the ages of 3 and 11, focusing on the ethos of the School, 'Every Child, Every Chance, Every Day'.

Objectives, strategies and activities

Objectives and strategies for the 2021-22 academic year were as follows:

- To decrease the attainment gap in writing that has been established as a result of home schooling
- To improve attainment in reading, language development, writing and maths for; low attaining, SEN, and pupil premium pupils
- To further develop high quality teaching in Foundation subjects across the school through; consistent high-quality planning and quality provision for all
- To further develop quality wellbeing support within the school
- To reduce incidents of low-level poor behaviour
- To further develop the core value 'Respect' including diversity
- To develop high quality coaching and mentoring to support the rapid development of quality teaching
- To embed the new curriculum through high quality indoor and outdoor learning in Early Years provision
- To develop high quality assessments linked to the new Early Years curriculum, which are reflected in Learning Journeys and classroom practice.

Public benefit

The Trustees believe that by working towards the objects and aims of the school as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Northgate Primary School Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Strategic Report

Achievements and performance

The Trust continues to ensure all pupils achieve their potential, so they can attain highly in national examinations, and have the opportunities to be immersed in an inspiring curriculum, while encouraging a wide range of extra-curricular activities.

This year has been focused on return to a more normal teaching environment following the turmoil of COVID restrictions. The school leaders and staff have put huge amounts of effort into the planning and delivery of this goal. The following actions were implemented to decrease the attainment gap caused by home learning and improve attainment in reading, writing and maths particularly in low attaining and disadvantaged groups. Writing was also identified as having suffered particularly during COVID restrictions:

- Little Wandle whole class phonics teaching embedded across KS1, with a high level of training, peer review and SLT support.
- Use of quality assessment tools to identify gaps for all classes in the core subjects and for individuals within classes. A carefully planned sequential approach with quality modeling then used to accelerate learning.
- Delivery of quality small group targeted intervention particularly for low attaining and disadvantaged pupils.
- Ensuring quality first teaching to allow all children good progress in writing, with agreed strategies to support accelerated learning are successfully implemented in all classes.
- Catch up funding was allocated based on gaps identified by the assessment and accelerated progress has been made in closing these gaps.
- Continued focus on pupil wellbeing both online and when in School, including the use of additional interventions, resources, and assessment tools

Key non-financial performance indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2021/22 were 457 against a forecast of 450.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2021/22 this was 77% against set parameters of 80 - 85%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures which are all approved by the Governing Body.

The Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately.

Northgate Primary School Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Going concern

After making appropriate enquiries, the Governing Body has 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.

In making this statement the Board of Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.3.

Financial review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2022 the Trust received £2,255,592 of GAG and other income (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £2,294,750 on general running costs (excluding depreciation and pension costs). The Academy brought forward from 2020/21, £3,113 restricted funds and £62,648 unrestricted funding. The carry forward for 2021/22 is £157,079 restricted funding and £95,443 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £172,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years

Reserves policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure or to cover any shortfall from cash reserves. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £95,443. This has been built up from a mixture of locally raised income and balances transferred from the predecessor School.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £252,522.

The cash balance has been very healthy all year, ending the year with a balance of £588,935. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee / Business Manager reports and attempt to hold a minimum of £100,000 to cover short term cash flow variances.

Northgate Primary School Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Investment policy

Investment policy and procedure form part of the Academies Financial Regulations (section 11.2) which was approved by the Governing Body on 13th October 2021. The aim of the procedures is to ensure funds that the Academy does not immediately need to cover anticipated expenditure with are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to research and monitor where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

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Trustees' report for the Year Ended 31 August 2022 (continued)

Principal risks and uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Resources Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy, the level of financial risk is low. Cash flows can be reliably forecast, monitored, and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- School closure due to Government restrictions (Covid 19) and impact of education on pupils. This situation continues to be reviewed and monitored; systems have been put in place by the Headteacher to enable effective home learning if this were to happen again.
- The Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student progress and outcomes are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Academy has appointed (external Auditors) and Juniper Financial Services (Internal Auditors) to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area.
- Financial instruments - the Academy only deals with bank balances, cash, and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability - as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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Trustees' report for the Year Ended 31 August 2022 (continued)

Fundraising

The Trust has a Parent Association that holds a number of fundraising events during the year. These started to return to there normal levels with less Covid 19 restrictions. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Plans for future periods

Effectiveness of Leadership

- To develop the monitoring role of middle leaders and subject leader

Quality of Education

- To decrease the attainment gap in writing
- To improve attainment in reading , phonics, language development, and maths for SEN and Pupil Premium pupils
- To further develop high quality teaching in Foundation subjects across the school with a particular focus on RE and PHSE

Personal Development, behaviour and welfare

- To further develop quality strategies in and out of the classroom to support wellbeing
- Behaviour and attitudes

- To reduce number of low level sexualized incidents though a clear reflection, teaching and consequence
- To further improve attendance practises and procedures to improve whole school attendance levels
- To further develop attitudes towards the school environment and general behaviour around the school

Effectiveness of Early Years Provision

- To embed the new curriculum through quality CIP indoors and outdoors
- To develop high quality provision for children with SEN

Funds held as Custodian Trustee on behalf of others

The Trust does not currently hold funds on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 21/12/22 and signed on its behalf by:

.....
Mr L Foote
Trustee

Northgate Primary School Trust

Governance statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Northgate Primary School 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Government Handbook and competency framework for governance.

The Governing Body has delegated the day-to-day responsibility to Mrs J Tanner, Principal and Accounting 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 Northgate Primary School Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr L Foote	5	5
Mrs C Waltham	5	5
Mrs J Tanner, Principal and Accounting Officer	5	5
Mr P Baxter (appointed 3 September 2021)	4	5
Mrs C Bull	4	5
Mrs S Cran	4	5
Mrs R Fraser	5	5
Mrs L Grant (appointed 3 September 2021)	4	5
Mr P Norton	5	5
Mrs V Smith	3	5
Mrs E Toker-Tumalar	2	5
Mr R Phillipson (appointed 17 March 2022)	3	5

Review of year:

2021-22 has been a stable year with the make up of the trustee with the only change being the recruitment of a Mr R Philipson.

Whilst COVID-19 disruption continued in 2021/22, the Governing Body was able to mix both in person and via video conferencing and are confident that safeguarding, policy implementation and effective oversight were maintained.

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Governance statement (continued)

The Resources Committee is a sub-committee of the Board of Trustees. Its purpose is to provide critique and support to the SLT & Board of Trustees in the setting and execution of the School financial plan and associated risk management ensuring sound budgeting practices are deployed to enable execution of the School Development Plan.

Regular resources meetings with a Resources Governor have strengthened financial proceedings. Key challenges continue to be delivering a balanced budget, with continued tightness of funding and increased costs.

The Resources Committee, via a sub-committee fulfills the role of an Audit Committee. When Audit Committee is in session, the meeting is chaired by the Audit Committee Chair, who is not the Resources Committee Chair. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Tanner, Principal and Accounting Officer	4	4
Mrs R Fraser	4	4
Mrs V Smith	2	4
Mr L Foote	4	4
Mr P Norton	2	4

Northgate Primary School Trust

Governance statement (continued)

Review of value for money

As accounting officer, the member has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by applying the four principles of Best Value as follows:

- Challenge
- Compare
- Consult
- Compete

These principles are applied in the following ways:

- Allocation of resources to best promote the aims and values of the Academy.
- Targeting of resources to best improve standards and the quality of provision.
- Use of resources to best support the various educational needs of all pupils.
- Making comparisons with other/similar academies using data provided by the Government, e.g. RAISE, quality of teaching & learning, levels of expenditure.
- Challenging proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets.
- Requiring suppliers to compete on grounds of cost, quality and suitability of service, product and backup, e.g. provision of computer suite, redecoration, seeking quotes for minor supplies and services
- Investigating minor areas where few improvements can be achieved.

Best Value will be monitored by way of:

- In-house monitoring by the Headteacher and curriculum managers, e.g. classroom practice, work sampling
- Termly target setting meetings between the Headteacher and curriculum managers
- Annual Performance Management of all staff
- Annual Budget Planning
- Headteacher monthly financial review
- Regular meetings to review and monitor the budget and report to the Resources Committee
- Analysis of pupil performance data, e.g. SATs results, standardised test results against all academies and similar LA schools
- Benchmark data for all academies and LA schools and analyse the results
- Analysis of DfE pupil performance data, e.g. RAISE
- Ofsted Inspection reports

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Northgate Primary School Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

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Governance statement (continued)

Capacity to handle risk

The Governing Body has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and 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 Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Trustees has decided to employ Juniper Education as Internal Auditor.

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

- Governance and Financial Management
- Banking
- Payroll
- Governance and Financial Reporting
- Income
- Assets
- Payroll and Expenses
- Governance and Financial Accounting
- Expenditure

On a termly basis, the Internal Auditor reports to the Board of Trustees, through the Resources Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

Review of effectiveness

As Accounting Officer, Mrs J Tanner, Principal and Accounting 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 work of the Internal Auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the school resource management self-assessment tool;

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Governance statement (continued)

- the work of the External Auditor;
- 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 21/12/2022 and signed on its behalf by:

.....
Mr L Foote
Trustee



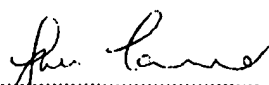
Northgate Primary School Trust

Statement of regularity, propriety and compliance

As Accounting Officer of Northgate Primary School Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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 Governing Body and ESFA.



Mrs J Tanner, Principal and Accounting Officer

Date: 21/12/22

Northgate Primary School Trust

Statement of Trustees' Responsibilities

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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2021 to 2022;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 on 21/02/23 and signed on its behalf by:


.....
Mr L Foote
Trustee

Northgate Primary School Trust

Independent Auditor's Report on the Financial Statements to the Members of Northgate Primary School Trust

Opinion

We have audited the financial statements of Northgate Primary School Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2022 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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)

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

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

Northgate Primary School Trust

Independent Auditor's Report on the Financial Statements to the Members of Northgate Primary School Trust (continued)

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 Strategic Report and Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' report.

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

- 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 [set out on page 18], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows;

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations
- We identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the academies sector
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations for the company, including the Companies Act 2006, tax legislation and data protection, anti-bribery, employment, environmental and health and safety legislation

Northgate Primary School Trust

Independent Auditor's Report on the Financial Statements to the Members of Northgate Primary School Trust (continued)

- Identified laws and regulations were communicated with the audit team regularly and the team remained alert of instances of non-compliance throughout the audit

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by;

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud
- Considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations
- Understanding the design of the Academy's remuneration policies

To address the risk of fraud through management bias and override of controls, we;

- Performed analytical procedures to identify any unusual or unexpected relationships
- Tested journal entries to identify unusual transactions
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Reading the minutes of meetings of those charged with governance
- Enquiring of management as to actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Thomas York (Senior Statutory Auditor)
For and on behalf of Edmund Carr LLP, Statutory Auditor

146 New London Road
Chelmsford
Essex
CM2 0AW

Date: 22/12/22

Northgate Primary School Trust

Independent Reporting Accountant's Assurance Report on Regularity to Northgate Primary School Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 14 April 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northgate Primary School Trust during the period 1 September 2021 to 31 August 2022 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 Northgate Primary School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Northgate Primary School 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 Northgate Primary School Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 from 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- Testing a sample of payments and receipts to documentation
- Evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Northgate Primary School Trust

Independent Reporting Accountant's Assurance Report on Regularity to Northgate Primary School Trust and the Education and Skills Funding Agency (continued)

- Management accounts shared with the board did not have a reconciled balance sheet as required and therefore did not reflect the financial position of the trust. Management accounts have not always been shared on a timely basis.

Edmund Carr LLP

Thomas York

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road

Chelmsford

Essex

CM2 0AW

Date: 22/12/22

Northgate Primary School Trust

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
Income and endowments from:					
Donations and capital grants	2	10,892	1,315	1,123,062	1,135,269
Other trading activities	4	93,613	49,370	-	142,983
Investments	5	254	-	-	254
Charitable activities:					
Funding for the Academy trust's educational operations	3	-	2,100,148	-	2,100,148
Total		104,759	2,150,833	1,123,062	3,378,654
Expenditure on:					
Charitable activities:					
Academy trust educational operations	7	71,964	2,162,461	359,841	2,594,266
Net income/(expenditure)		32,795	(11,628)	763,221	784,388
Transfers between funds		-	(1,406)	1,406	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	1,205,000	-	1,205,000
Net movement in funds		32,795	1,191,966	764,627	1,989,388
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		62,648	(1,206,887)	3,815,897	2,671,658
Total funds/(deficit) carried forward at 31 August 2022		95,443	(14,921)	4,580,524	4,661,046

Northgate Primary School Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Donations and capital grants	2	52,975	16,823	168,228	238,026
Other trading activities	4	25,958	-	-	25,958
Investments	5	30	-	-	30
Charitable activities:					
Funding for the Academy trust's educational operations	3	<u>37,538</u>	<u>1,943,754</u>	<u>-</u>	<u>1,981,292</u>
Total		116,501	1,960,577	168,228	2,245,306
Expenditure on:					
Charitable activities:					
Academy trust educational operations	7	<u>95,612</u>	<u>2,089,115</u>	<u>273,372</u>	<u>2,458,099</u>
Net income/(expenditure)		20,889	(128,538)	(105,144)	(212,793)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>(280,000)</u>	<u>-</u>	<u>(280,000)</u>
Net movement in funds/(deficit)		20,889	(408,538)	(105,144)	(492,793)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		<u>41,759</u>	<u>(798,349)</u>	<u>3,921,041</u>	<u>3,164,451</u>
Total funds/(deficit) carried forward at 31 August 2021		<u>62,648</u>	<u>(1,206,887)</u>	<u>3,815,897</u>	<u>2,671,658</u>

Northgate Primary School Trust
(Registration number: 08128432)
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	3,684,769	3,815,879
Current assets			
Debtors	12	992,938	99,920
Cash at bank and in hand		588,935	221,292
		<u>1,581,873</u>	<u>321,212</u>
Creditors: Amounts falling due within one year	13	<u>(433,596)</u>	<u>(255,433)</u>
Net current assets		<u>1,148,277</u>	<u>65,779</u>
Total assets less current liabilities		<u>4,833,046</u>	<u>3,881,658</u>
Net assets excluding pension liability		4,833,046	3,881,658
Pension scheme liability	23	<u>(172,000)</u>	<u>(1,210,000)</u>
Net assets including pension liability		<u>4,661,046</u>	<u>2,671,658</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(14,921)	(1,206,887)
Restricted fixed asset fund		4,580,524	3,815,897
		<u>4,565,603</u>	<u>2,609,010</u>
Unrestricted funds			
Unrestricted general fund		95,443	62,648
Total funds		<u>4,661,046</u>	<u>2,671,658</u>

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue on 21/12/22 and signed on their behalf by:



 Mr L Foote
 Trustee

Northgate Primary School Trust

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(754,267)	70,452
Cash flows from investing activities	19	<u>1,121,910</u>	<u>11,970</u>
Change in cash and cash equivalents in the year		367,643	82,422
Cash and cash equivalents at 1 September		<u>221,292</u>	<u>138,870</u>
Cash and cash equivalents at 31 August	20	<u><u>588,935</u></u>	<u><u>221,292</u></u>

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Asset class	Depreciation method and rate
Leasehold land and buildings	125 years straight line
Leasehold improvements	50 years straight line
Furniture and equipment	5 years straight line
ICT	3 years straight line

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.

Leased assets

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

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy 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 based on of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 'Member Liability', will impact on 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 2022. 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.

2 Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Capital grants	-	-	1,123,062	1,123,062	168,228
Donations	10,892	1,315	-	12,207	69,798
	<u>10,892</u>	<u>1,315</u>	<u>1,123,062</u>	<u>1,135,269</u>	<u>238,026</u>

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted General Funds £	2021/22 Total £	2020/21 Total £
Educational operations			
DfE/ESFA revenue grants			
General Annual Grant (GAG)	1,751,420	1,751,420	1,563,750
UFSM	65,268	65,268	74,726
Pupil Premium	41,198	41,198	31,762
PE and Sports Grant	19,560	19,560	19,590
Teachers Pay Grant	1,990	1,990	22,273
Teachers Pension Grant	5,624	5,624	62,930
Other	39,357	39,357	7,987
	<u>1,924,417</u>	<u>1,924,417</u>	<u>1,783,018</u>
Other government grants			
Local Authority Grants	175,636	175,636	125,836
Non-government grants and other income			
Catering Income	-	-	37,538
Other	95	95	-
	<u>95</u>	<u>95</u>	<u>37,538</u>
Covid-19 additional funding (DfE/ESFA)			
Covid 19 Catch Up Funding	-	-	34,900
	<u>-</u>	<u>-</u>	<u>34,900</u>
Total grants	<u>2,100,148</u>	<u>2,100,148</u>	<u>1,981,292</u>

4 Other trading activities

	Unrestricted Funds £	Restricted General Funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	24,837	-	24,837	25,958
Catering income	66,537	-	66,537	-
Income from other charitable activities	2,239	49,370	51,609	-
	<u>93,613</u>	<u>49,370</u>	<u>142,983</u>	<u>25,958</u>

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

5 Investment income

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Short term deposits	254	254	30

6 Expenditure

	Non Pay Expenditure			2021/22 Total £	2020/21 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	1,427,981	-	104,356	1,532,337	1,572,427
Allocated support costs	350,565	444,177	267,187	1,061,929	885,672
	<u>1,778,546</u>	<u>444,177</u>	<u>371,543</u>	<u>2,594,266</u>	<u>2,458,099</u>

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021/22	2020/21
	£	£
Operating lease rentals	32,334	28,619
Depreciation	132,516	114,162
Fees payable to auditor - audit	5,845	4,785
- other audit services	1,710	5,290
	<u>1,710</u>	<u>5,290</u>

7 Charitable activities

	2021/22	2020/21
	£	£
Direct costs - educational operations	1,532,337	1,572,427
Support costs - educational operations	1,061,929	885,672
	<u>2,594,266</u>	<u>2,458,099</u>

	Educational operations £	2021/22 Total £	2020/21 Total £
Analysis of support costs			
Support staff costs	350,565	350,565	267,409
Depreciation	132,516	132,516	114,162
Technology costs	16,447	16,447	33,046
Premises costs	311,661	311,661	259,071
Other support costs	240,563	240,563	185,445
Governance costs	10,177	10,177	26,539
Total support costs	<u>1,061,929</u>	<u>1,061,929</u>	<u>885,672</u>

8 Staff

Staff costs

	2021/22	2020/21
	£	£
Staff costs during the year were:		
Wages and salaries	1,194,703	1,192,958
Social security costs	107,359	104,724
Operating costs of defined benefit pension schemes	444,511	369,205
	<u>1,746,573</u>	<u>1,666,887</u>
Supply staff costs	29,031	4,864
Staff restructuring costs	2,942	-
	<u>1,778,546</u>	<u>1,671,751</u>

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Staff (continued)

Severance payments

The Academy trust paid 1 severance payments in the year disclosed in the following bands:

	2021/22 £
0 - £25,000	<u>1</u>

Staff numbers

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

	2021/22 No	2020/21 No
Teachers	23	23
Administration and support	26	32
Management	<u>4</u>	<u>4</u>
	<u>53</u>	<u>59</u>

Higher paid staff

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

	2021/22 No	2020/21 No
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £246,464 (2021: £328,308).

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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:

Mrs J Tanner (Headteacher):

Remuneration: £75,000 - £80,000 (2021 - £70,000 - £75,000)

Employer's pension contributions: £15,000 - £20,000 (2021 - £15,000 - £20,000)

Mrs C Bull (Staff Governor):

Remuneration: £35,000 - £40,000 (2021 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2021 - £5,000 - £10,000)

Mrs S Cran (Governor):

Remuneration: £Nil (2021 - £0 - £5,000)

Employer's pension contributions: £Nil (2021 - £0 - £5,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £Nil (2021 - £Nil) were reimbursed or paid directly to 0 trustees (2021 - 0).

Other related party transactions involving the trustees are set out in note 24.

10 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.

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	2021/22 Total £
Cost				
At 1 September 2021	4,261,000	323,941	125,438	4,710,379
Additions	-	1,406	-	1,406
At 31 August 2022	<u>4,261,000</u>	<u>325,347</u>	<u>125,438</u>	<u>4,711,785</u>
Depreciation				
At 1 September 2021	647,206	135,077	112,217	894,500
Charge for the year	<u>71,252</u>	<u>48,433</u>	<u>12,831</u>	<u>132,516</u>
At 31 August 2022	<u>718,458</u>	<u>183,510</u>	<u>125,048</u>	<u>1,027,016</u>
Net book value				
At 31 August 2022	<u>3,542,542</u>	<u>141,837</u>	<u>390</u>	<u>3,684,769</u>
At 31 August 2021	<u>3,613,794</u>	<u>188,864</u>	<u>13,221</u>	<u>3,815,879</u>

12 Debtors

	2022 £	2021 £
Trade debtors	7,111	11,023
VAT recoverable	40,025	20,191
Prepayments and accrued income	<u>945,802</u>	<u>68,706</u>
	<u>992,938</u>	<u>99,920</u>

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	163,426	22,802
Other taxation and social security	20,012	25,724
Other creditors	30,553	31,121
Accruals	175,947	130,034
Deferred income	<u>43,658</u>	<u>45,752</u>
	<u>433,596</u>	<u>255,433</u>

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Creditors: amounts falling due within one year (continued)

	2022 £	2021 £
Deferred income		
Deferred income at 1 September 2021	45,752	48,362
Resources deferred in the period	43,658	45,752
Amounts released from previous periods	(45,752)	(48,362)
Deferred income at 31 August 2022	<u>43,658</u>	<u>45,752</u>

At the balance sheet date the academy trust was holding funds of £38,999 (2021: £40,913) UIFSM for the period beginning September 2022, £4,659 (2021: £4,659) rates relief and £nil (2021: £180) relating to supply cover transition days.

14 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	1,751,420	(1,592,935)	(1,406)	157,079
UIFSM	-	65,268	(65,268)	-	-
Pupil Premium	-	41,198	(41,198)	-	-
Other DfE/ESFA	3,113	66,532	(69,645)	-	-
Other Government Grants	-	175,636	(175,636)	-	-
Other Restricted Funds	-	50,779	(50,779)	-	-
Pension Reserve	(1,210,000)	-	(167,000)	1,205,000	(172,000)
	<u>(1,206,887)</u>	<u>2,150,833</u>	<u>(2,162,461)</u>	<u>1,203,594</u>	<u>(14,921)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds	3,815,879	-	(132,516)	1,406	3,684,769
DFC	18	8,905	-	-	8,923
CIF	-	1,114,157	(227,325)	-	886,832
	<u>3,815,897</u>	<u>1,123,062</u>	<u>(359,841)</u>	<u>1,406</u>	<u>4,580,524</u>
Total restricted funds	2,609,010	3,273,895	(2,522,302)	1,205,000	4,565,603
Unrestricted funds					
Unrestricted general funds	62,648	104,759	(71,964)	-	95,443
Total funds	2,671,658	3,378,654	(2,594,266)	1,205,000	4,661,046

A transfer of £1,406 has been made from restricted general funds to restricted fixed asset funds for fixed asset additions purchased from restricted funds.

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2020 £	Incoming resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	1,563,750	(1,563,750)	-	-
UIFSM	-	74,726	(74,726)	-	-
Pupil Premium	20,747	31,762	(52,509)	-	-
Other DfE/ESFA	904	147,680	(145,471)	-	3,113
Other Government Grants	-	125,836	(125,836)	-	-
Other Restricted Funds	-	16,823	(16,823)	-	-
Pension Reserve	(820,000)	-	(110,000)	(280,000)	(1,210,000)
	<u>(798,349)</u>	<u>1,960,577</u>	<u>(2,089,115)</u>	<u>(280,000)</u>	<u>(1,206,887)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds	3,773,753	-	(114,162)	156,288	3,815,879
DFC	-	9,018	-	(9,000)	18
CIF	147,288	159,210	(159,210)	(147,288)	-
	<u>3,921,041</u>	<u>168,228</u>	<u>(273,372)</u>	<u>-</u>	<u>3,815,897</u>
Total restricted funds	3,122,692	2,128,805	(2,362,487)	(280,000)	2,609,010
Unrestricted funds					
Unrestricted general funds	41,759	116,501	(95,612)	-	62,648
Total funds	3,164,451	2,245,306	(2,458,099)	(280,000)	2,671,658

The academy trust is not subject to GAG carried forward limits.

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14 Funds (continued)

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Universal Infant Free School Meals (UIFSM)

This represents funding to offer free school meals to pupils in reception, year 1 and year 2.

Pupil Premium

This represents funding used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other DfE/ESFA Grants

This represents funding for specific restricted activities as prescribed by the DfE/ESFA.

Other Government Grants

This represents funds received from the Local Authority for the provision of specific services associated with the furtherance of the charitable objectives, including SEN.

Pension Reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from a State Maintained School.

Restricted Fixed Asset Fund

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

Condition Improvement Fund (CIF)

This represents a grant received towards a specific building or maintenance project. Any funds left unspent must be returned to the DfE.

Devolved Formula Capital (DFC)

The Academy is to use the DFC allocation to maintain and improve its facilities.

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	3,684,769	3,684,769
Current assets	95,443	363,350	1,123,080	1,581,873
Current liabilities	-	(206,271)	(227,325)	(433,596)
Pension scheme liability	-	(172,000)	-	(172,000)
Total net assets	<u>95,443</u>	<u>(14,921)</u>	<u>4,580,524</u>	<u>4,661,046</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	3,815,879	3,815,879
Current assets	62,648	258,546	18	321,212
Current liabilities	-	(255,433)	-	(255,433)
Pension scheme liability	-	(1,210,000)	-	(1,210,000)
Total net assets	<u>62,648</u>	<u>(1,206,887)</u>	<u>3,815,897</u>	<u>2,671,658</u>

16 Capital commitments

	2022 £
Contracted for, but not provided in the financial statements	<u>918,476</u>

17 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Long-term commitments, including operating leases (continued)

	2022	2021
	£	£
Amounts due within one year	17,859	13,156
Amounts due between one and five years	24,563	44,561
Amounts due after five years	9,131	10,184
	<u>51,553</u>	<u>67,901</u>

18 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2022	2021
	£	£
Net income/(expenditure)	784,388	(212,793)
Depreciation	132,516	114,162
Capital grants from DfE and other capital income	(1,123,062)	(168,228)
Interest receivable	(254)	(30)
Defined benefit pension scheme obligation inherited	167,000	110,000
(Increase)/decrease in debtors	(893,018)	129,795
Increase in creditors	178,163	97,546
Net cash (used in)/provided by Operating Activities	<u>(754,267)</u>	<u>70,452</u>

19 Cash flows from investing activities

	2022	2021
	£	£
Dividends, interest and rents from investments	254	30
Purchase of tangible fixed assets	(1,406)	(156,288)
Capital funding received from sponsors and others	1,123,062	168,228
Net cash provided by investing activities	<u>1,121,910</u>	<u>11,970</u>

20 Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	588,935	221,292
Total cash and cash equivalents	<u>588,935</u>	<u>221,292</u>

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

21 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	221,292	367,643	588,935
	-	-	-
Total	<u>221,292</u>	<u>367,643</u>	<u>588,935</u>

22 Member liability

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

23 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £28,819 were payable to the schemes at 31 August 2022 (2020/21: £31,042) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £184,879 (2021: £187,538).

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

Under the definitions set out in FRS 102, the TPS is an unfunded 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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £117,000 (2021 - £111,000), of which employer's contributions totalled £93,000 (2021 - £88,000) and employees' contributions totalled £24,000 (2021 - £23,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.50	3.30
Rate of increase for pensions in payment/inflation	3.10	2.90
Discount rate for scheme liabilities	4.30	1.70
Inflation assumptions (CPI)	3.10	2.90
RPI increases	3.20	3.90

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

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

	2022	2021
Retiring today		
Males retiring today	21.90	22.10
Females retiring today	24.40	24.50
Retiring in 20 years		
Males retiring in 20 years	22.90	23.20
Females retiring in 20 years	<u>26.00</u>	<u>26.20</u>

Sensitivity analysis

	2022	2021
	£	£
Discount rate +0.1%	40,000	56,000
Discount rate -0.1%	40,000	56,000
Mortality assumption – 1 year increase	70,000	112,000
Mortality assumption – 1 year decrease	70,000	112,000
CPI rate +0.1%	36,000	56,000
CPI rate -0.1%	<u>36,000</u>	<u>56,000</u>

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

	2022	2021
	£	£
Equities	791,500	844,000
Other bonds	364,090	461,000
Property	237,450	175,000
Cash and other liquid assets	<u>189,960</u>	<u>111,000</u>
Total market value of assets	<u>1,583,000</u>	<u>1,591,000</u>

The actual return on scheme assets was (£105,000) (2021 - £179,000).

Northgate Primary School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021/22 £	2020/21 £
Current service cost	(239,000)	(183,000)
Interest income	27,000	23,000
Interest cost	(48,000)	(38,000)
Total amount recognized in the SOFA	<u>(260,000)</u>	<u>(198,000)</u>

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

	2021/22 £	2020/21 £
At start of period	2,801,000	2,137,000
Current service cost	239,000	183,000
Interest cost	48,000	38,000
Employee contributions	24,000	23,000
Actuarial (gain)/loss	(1,337,000)	436,000
Benefits paid	(20,000)	(16,000)
At 31 August	<u>1,755,000</u>	<u>2,801,000</u>

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

	2021/22 £	2020/21 £
At start of period	(1,591,000)	(1,317,000)
Interest income	(27,000)	(23,000)
Actuarial gain/(loss)	132,000	(156,000)
Employer contributions	(93,000)	(88,000)
Employee contributions	(24,000)	(23,000)
Benefits paid	20,000	16,000
At 31 August	<u>(1,583,000)</u>	<u>(1,591,000)</u>

24 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 the trustees have an interest. The following related party transactions took place in the financial period.

The partner of member Mr M Hooker is employed by the Trust as a Teaching Assistant. The remuneration package is in line with the standard paycales for the role undertaken and their employment contract is subject to normal terms and conditions.

No other related party transactions took place in the year, other than certain Trustee's remuneration and expenses already disclosed in note 13.