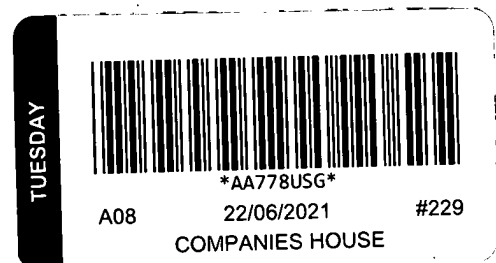


Registered number: 08140768

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 2020



NORTHERN HOUSE SCHOOL ACADEMY TRUST**(A Company Limited by Guarantee)**

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NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

Members

Mary Whitlock
William Powlett Smith
Jon Rayman
Marshall Young

Trustees / Directors

William Powlett Smith	Chair
Jean Carr	Vice Chair (until 3 October 2020)
David Ian Barker	CEO and Accounting Officer (retired 31 October 2020)
Jon Rayman	
Seonaid Danziger	
Phil Leivers	(resigned 14 September 2020)
Jane Edgerton	
Stephen Dance	
Martin Wilkinson	Chair of Finance & Estates Committee

Senior Management Team

David Ian Barker	Chief Executive Officer and Accounting Officer (retired 31 October 2020)
Gareth Preen	Chief Operating Officer (resigned 7 September 2020)
Amarjit Chand	Consultant CFO w/e 8 September 2020
David Ian Barker	Consultant Accounting Officer w/e 9 November 2020

In addition, Gary Regan was seconded from Chiltern Way Academy Trust from 1 September 2020 as Headteacher, Wokingham

Company Name

Northern House School Academy Trust

Principal and registered office and central trading address

Northern House School, West Midlands House, Gipsy Lane, Willenhall WV13 2HA

Company registered number

08140768 (England & Wales)

Independent Auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT
Bankers

Lloyds TSB, PO Box 1000, BX1 1LT

Solicitors

Blake Morgan, West Way, Oxford, OX2 0FB

Responsible Officer / Assurance Officer

School Financial Services, 1 Providence Place, West Bromwich, B70 9LD

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

The trustees of Northern House School Academy Trust ("the Trust" or "the Company") present their annual report together with the audited financial statements of the Company for the period from 1 September 2020 to 30 November 2020. This report serves the purposes of both a trustees' report and a directors' report under company law.

During this period, the Trust operated one special academy in England, Northern House School (Wokingham), which was transferred to Chiltern Way Academy Trust on 1 November 2020.

This academy had a pupil capacity of 69 places commissioned through a number of local authorities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of the Trust are also the Directors of the Company for the purposes of company law.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on pages 1 and 2.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. The insurance is purchased through the government's RPA (Risk Protection Arrangement) scheme.

Trustee Board committees

Trustees have one separate committee, the Finance and Estates Committee, chaired by Martin Wilkinson.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Articles and are subject to retirement after four years. They are, however, eligible for re-appointment at the meeting at which they retire, with the exception of the Accounting Officer whose appointment is contractual.

Trade Union facility time [see The Trade Union (Facility Time Publication Requirements) Regulations 2017]

Relevant union officials

Number of employees who were relevant union officials during the relevant period

Full-time equivalent employee number 0

Paid Trade Union Activities

None

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience and where necessary induction will provide training on charity, education, legal and financial matters. All Trustees of the Trust are provided with access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles as Trustees. The Trust also performs an annual skills audit of Trustees. Where any gaps are identified, these are taken into account in trustee recruitment and training courses may be offered to address these issues.

Organisational Structure

Working closely with the Accounting Officer, the Trustees are responsible for:

- establishing the Trust's strategies;
- maintaining the overall framework of policies and procedures within which the Trust operates;
- monitoring all aspects of the Trust's performance

During this period, the day-to-day management of the Wokingham academy was the responsibility of the seconded Headteacher and his Senior Management Team. The Local Governing Body functions for the Wokingham academy were carried out by the Trust Board, the previous interim executive board having been dissolved on 31 August 2020.

The Wokingham academy was also supported by a Central Support Function. Areas of support included Finance, HR, Estate Management, ICT, and Governance.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel had their pay and remuneration set as follows:

- CEO through appraisals by the MAT Board;
- COO through appraisals by the CEO

No Trustee or Director, with the exception of the CEO, receives pay or remuneration other than reimbursement of reasonable expenses.

Related Parties and other Connected Charities and Organisations.

None

OBJECTIVES AND ACTIVITIES

Objects and Aims

Since its establishment in 2012 the Trust offered places to primary and secondary school aged children who found maintaining a place in a mainstream school difficult. This usually occurs because the referring mainstream school finds that the child's behavioural difficulties are incompatible with the education of others on its roll.

The Trust's aim was to ensure that these children received a broad and balanced education, making up lost academic ground to the extent that each child was able.

Objectives, Strategies and Activities

As an Academy Trust we have historically been able to maintain healthy cash reserves. However, over two years ago we highlighted our concerns in relation to funding directly to the Department for Education and also engaged with local authorities.

These discussions did not identify any likelihood of change in the short term to a funding system that delivers an unreliable, often volatile, funding stream which is unworkable within a SEN (Special Education Needs) Trust that is dedicated to SEMH (Social, Emotional and Mental Health) pupils across a wide geographical spread.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

Objectives, Strategies and Activities (continued)

Despite the special challenges within our school settings, pupil outcomes are benchmarked against mainstream schools. Therefore, to deliver the pupil outcomes that our children deserve, the Academy Trust had to invest continually in its staff and infrastructure to deliver not only the academic results expected but also the necessary social outcomes to prepare our pupils for adult life – this is possible only with adequate and consistent funding that allows schools and the academy trust to continually invest in its capacity.

At a meeting of the Board of Trustees on Friday 14 June 2019, it was decided to begin discussions with the DfE to re-broker all our schools.

Since 1 November 2020, following the transfer of the Wokingham academy – the last academy to be re-brokered - the Trust has been in the process of voluntarily winding up its financial and regulatory affairs prior to dissolution, with the agreement of the Secretary of State for Education.

Public Benefit

The Trust had various letting schemes in place to allow appropriate community groups to access its facilities.

The Trustees have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

STRATEGIC REPORT

Achievements and Performance

- Northern House School (Wokingham):
 - ensured all pupils had access to education throughout the Covid pandemic through on-site and off-site education, and the provision of Chromebook laptops to enable all pupils to access online learning activities;
 - through rigorous internal risk assessment, ensured that all staff, pupils and visitors were safe while on site;
 - provided lunches to all eligible pupils via the national voucher system;
 - senior staff worked closely with the identified incoming Trust in preparation for transfer, including a period of school improvement work carried out by the incoming Trust in September and October 2020.
- Trust and Central Team:
 - despite having a much-reduced staff team, worked intensively and effectively with the incoming Trust, ESFA and RSC to ensure smooth transfer of its last remaining academy on 1 November 2020.

Key Performance Indicators

Key Performance Indicators include:

- cash reserves maintained to ensure the Trust remains solvent at the point of dissolution
- successful re-brokering of the Wokingham academy

Going Concern

As an Academy Trust we had a strategic plan that involved not only growth, but the creation and development of regional hubs in order to provide the required support and education for some of the country's most challenging pupils. Up to the point of the Academy Trust's last sponsored conversion the implementation of this plan was in progress. However, despite discussions with local authorities and central government to support the growth of our Academy Trust, the plan could not be realised, resulting in the Trust supporting five schools over a wide geographical spread, and constraining the management model.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

Going Concern (continued)

Over two years ago we highlighted our concerns in relation to funding both directly from the Department of Education and from the various local authorities that commission places for children in all of our schools, recognising the pressure which national funding arrangements places on an Academy Trust such as ours.

Subsequent discussions with both national and local government agencies failed to identify any likelihood of the necessary changes to reduce uncertainty and to facilitate a suitable funding model for a specialist Trust of our size and geographical spread to meet the complex needs of SEMH pupils.

To meet those specialist and complex needs the Academy Trust had to invest continually in its staff and infrastructure to achieve not only the expected academic results but also the necessary safeguarding and social outcomes to prepare our pupils for adult life. This was only possible with adequate funding arrangements which go beyond the short term.

During the year ended 31 August 2019, the Government announced additional grants to Local Authorities for special schools. However, this additional money did not benefit any of our schools.

During the past two years, as anticipated, we have had no indication of any material increase in the revenue funding for our schools.

The current and previous year have been exceptional in that all schools have had to face the challenge of a national lockdown during the Covid-19 pandemic. As a special school, we were encouraged to keep our Wokingham academy open.

The Trust has worked hard to reduce risks especially to vulnerable stakeholders. Some SEMH children are extremely anxious, and this anxiety can be exacerbated by seeing familiar adults in face masks; others find it extremely difficult to maintain proper social distance from teachers and peers; others cannot comply with strict personal hygiene requirements. Unmitigated, these risks can result in potentially harmful physical contact, putting children and adults at risk. For these reasons, some children and some staff worked from home throughout the lockdown, while others enjoyed a blended learning experience of online tuition supplemented by some visits to school.

The Covid-19 pandemic has not resulted in significant depletion of resources because, while we have had to buy in personal protective equipment, we have also had to reduce the educational offer (no trips offsite, no residential weeks, no alternative provision, fewer agency staff needed) during September and October 2020.

This reduction in overall costs and tight management of budgets means that our Trust will achieve a solvent winding up in the reporting period after 30 November 2020.

The surplus remaining immediately prior to completion of winding up will be distributed on an equitable basis to all our former schools.

The Trust places on record its appreciation and gratitude for the work done by the Central Team, particularly the former Chief Executive Officer, Mr Ian Barker, and the Chief Operating Officer, Mr Gareth Preen, and to advisors, consultants and trustees who have worked diligently and effectively during the last two years to secure the solvent winding-up of the company in the course of protracted and challenging process.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

FINANCIAL REVIEW

The financial statements have been prepared in accordance with current statutory requirements.

Most of the Trust's income in the period ended 30 November 2020 was obtained from the ESFA and the respective Local Authorities for commissioned places. Hereafter, the winding up process is being funded entirely from reserves.

The Trust has also received DfE pupil premium awards based on the number of children on the school's roll entitled to free school meals.

All these are reflected in the accounts as part of 'restricted income' in compliance with the guidance found in the Academies Financial Handbook.

Reserves Policy

The Trustees have continued their prudent approach to financial planning, given the imminent winding up and their objective that funds will remain for the benefit of all our former schools.

The Trust is currently carrying forward a surplus that is being used to fund the Central Team during an orderly wind down of the Academy Trust. Subject to there being no unnecessary delays the levels of reserve should be sufficient to cover the costs the Academy Trust will bear at a time when there will be no planned funding, due to the re-brokering of the schools.

The Trustees historically operated to a three-year budget planning cycle, taking any corrective action needed where financial sustainability might cause concern. Moving forward, following the re-brokering process, the Academy Trust is being monitored on a real time basis, having become inactive on 1 November 2020 and working towards the voluntary winding up being completed early in 2021.

At 30 November 2020 the total funds comprised:

Unrestricted	310,960
Restricted:	
Fixed asset funds	-
GAG	-
Pension reserve	-
Other	-
Total	<u>310,960</u>

The deficit on the pension reserve related to the Local Government Pension Scheme for non-teaching staff. Assets are held to fund future liabilities as discussed in note 23. The Scheme was transferred out of the Trust when the last school was re-brokered. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

Investment Policy

Funds are currently held in low or zero interest bank accounts. There are no plans for any significant investments.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

Principal Risks and Uncertainties

The principal material risks to the Trust have been mitigated through the re-brokering of all of our schools.

In the interim the Trust has the following risks:

- reputational risk;
- financial risk;
- personnel risks;
- political risks;
- Covid risks.

The Trust practised risk management principles through its Board and the F&E sub-committee. Due to the re-brokering, depending on the level of risk, advice has been sought not only through the various officers and sub-committee, but also through direct contact with major stakeholders, such as the in-coming Academy Trust and Government Agencies (i.e. LAs, ESFA, RSC), in order to ensure risks are adequately mitigated.

FUNDRAISING

In a re-brokering and wind down situation, fundraising is no longer appropriate.

PLANS FOR FUTURE PERIODS

The Trust plans to wind up in an orderly manner and then strike off the company.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held on behalf of others.

AUDITOR

In so far as the Trustees are aware

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

This Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 29 April 2021 and signed on the Board's behalf by:



William Powlett Smith
Chair of Trustees

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 30 NOVEMBER 2020

SCOPE OF RESPONSIBILITY

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

The Trustees have delegated to the Accounting Officer the day-to-day responsibility for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Northern House School Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

Attendance during the period at meetings of the board of trustees was as follows:

Attendance: 01/09/2020 – 30/11/2020

General Board meetings

	01/09/20	15/09/20	13/10/20	15/10/20	10/11/20
Directors					
William Powlett Smith	X	X	X	X	X
Ian Barker	X	X	X	X	retired
Jean Carr	X	X	deceased		
Stephen Dance	X	X	X	X	X
Seonaid Danziger	X	X	X	X	X
Jane Edgerton	X	X	X	X	X
Phil Leivers	X	resigned			X
Jon Rayman	X	X	X	X	X
Martin Wilkinson	X	X	X	X	X

X = present, otherwise apologies presented

Confidential Board meetings held in addition to those indicated above

	15/09/20	10/11/20	
Directors			
William Powlett Smith	X	X	
Ian Barker	N/A	N/A	
Jean Carr	X	deceased	
Stephen Dance	X	X	
Seonaid Danziger	X	X	
Jane Edgerton	X	X	
Jon Rayman	X	X	
Martin Wilkinson	X	X	

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

GOVERNANCE (continued)

The Board regularly received a variety of reports from the CEO and COO, and latterly from the consultant AO and CFO. Reports and any accompanying data are scrutinised by directors in advance of meetings, except where time constraints and/or recent developments require them to be given orally at meetings.

In addition to this, reports, such as Assurance Officer Reports, which are scrutinised by the Finance and Estates Committee, ensure assurance work completed by the Central Team is satisfactory.

The Trustees regularly self-review, undertaking self-assessments and skills audits in order to ensure the Trust's own effectiveness.

Finance and Estates ("F&E") Meeting Summary

The Finance and Estates Committee is a sub-committee of the main Board of Trustees. Its purpose is to agree the staffing structure for the year, agree the financial plans and associated budgets, review risk, review Assurance Officer reports, monitor the Trust's accounts, including the work of the CEO and COO, and interim consultants, and keep the main Board of Trustees properly informed of the Trust's financial position.

In practice during this period, because of the frequency of Board meetings, and the need for all trustees to be kept closely informed of financial developments:

- comprehensive papers have been circulated by the COO and later consultant CFO before the meetings detailing matters for discussion;
- all general board meetings included discussion of F&E topics.

REVIEW OF VALUE FOR MONEY

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

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

- centralising all receivables and payables functions;
- central Team ensured all debts owed were chased;
- outsourcing ICT support to local companies, utilising benchmarking to ensure companies are competitive and offer good services, whilst maintaining close community links;
- tendering other bought in services, such as supply cover and HR services in order to deliver improved services at value for money;
- extensive challenging of supply staff suppliers, not only to ensure value for money is being achieved, but also to ensure all checks are being completed, so safeguarding pupils;
- utilising independent consultants, builders and architects on an *ad hoc* basis in order to clarify issues in relation to building maintenance and prior to moving forward on a number of projects;
- developing pro-active relationships with commissioners and suppliers, in order to promote frank and open dialogue in the best interests of the pupils

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

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

The system of internal control has been in place in Northern House School Academy Trust for the period 1 September 2020 to 30 November 2020 and up to the date of approval of its annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2020 to 30 November 2020 and up to the date of approval of the Trustees' Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

In response to continuing pressures on expenditure and decreasing levels of income the Trustees have taken a prudent approach to allocate appropriate funds to mitigate risks, whilst ensuring that it remains solvent.

During the current period the Trust also completed the re-brokering of the last of its schools.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

REVIEW OF EFFECTIVENESS

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During this period the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

Given the short accounting period, there were no internal scrutiny reports relating to this period.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Estates Committee.

Approved by order of the members of the Board of Trustees on 29 April 2021 and signed on its behalf by:



William Powlett Smith
Chair of Trustees



Ian Barker
Accounting Officer

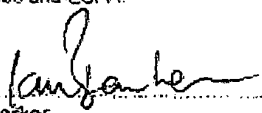
NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

As accounting officer of Northern House Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 Academies Financial Handbook 2020.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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


.....
Ian Barker
Accounting Officer
29 April 2021

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 29 April 2021 and signed on its behalf by:



William Powlett Smith
Chair of Trustees

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHERN HOUSE SCHOOL ACADEMY TRUST**

Opinion

We have audited the financial statements of Northern House School Academy Trust (the 'Academy Trust') for the period ended 30 November 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 30 November 2020 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Basis for opinion

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

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to notes 1.5 and 29 in the financial statements, which summarise the position on the re-brokering of the schools out of the Trust. As described in note 29, the last of the schools transferred out of the Trust on 01 November 2020. The Trust now seeks to proceed with the liquidation of the company on a members' voluntary basis over the next twelve months. The trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as detailed in note 1.5. Our opinion is not modified in respect of this matter.

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

NORTHERN HOUSE SCHOOL ACADEMY TRUST (A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHERN HOUSE SCHOOL ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHERN HOUSE SCHOOL ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management and those charged with governance and around actual and potential litigation and claims;
- enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- reviewing minutes of meetings of those charged with governance; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHERN HOUSE SCHOOL ACADEMY TRUST (CONTINUED)**

Use of our report

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



BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 May 2021

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTHERN HOUSE SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northern House School Academy Trust during the period 1 September 2020 to 30 November 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Northern House School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Northern House School Academy Trust's funding agreement with the Secretary of State for Education dated 01 September 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 30 November 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTHERN HOUSE SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 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 minutes of the meetings of the Trustees and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- testing a sample of grants received and other income streams;
- consideration of governance issues;
- evaluating internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquires of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggests in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 30 November 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 May 2021

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

		Unrestricted funds 3 months ended 30 November 2020 £	Restricted funds 3 months ended 30 November 2020 £	Restricted fixed asset funds 3 months ended 30 November 2020 £	Total funds 3 months ended 30 November 2020 £	Total funds year ended 31 August 2020 £
	Note					
Income from:						
Donations and capital grants	3	-	-	(68,452)	(68,452)	12,725
Charitable activities	4	-	326,929	-	326,929	6,955,113
Other trading activities	5	7,821	-	-	7,821	110,229
Investments	6	36	-	-	36	934
Total income		7,857	326,929	(68,452)	266,334	7,079,001
Expenditure on:						
Academies leaving Trust	29	-	(3,108,826)	11,478,612	8,369,786	6,200,749
Charitable activities	8	-	1,020,587	10,898	1,031,485	8,829,521
Total expenditure	7	-	(2,088,239)	11,489,510	9,401,271	15,030,270
Net income/(expenditure)		7,857	2,415,168	(11,557,962)	(9,134,937)	(7,951,269)
Transfers between funds	17	(426,750)	358,298	68,452	-	-
Net movement in funds before other recognised gains/(losses)		(418,893)	2,773,466	(11,489,510)	(9,134,937)	(7,951,269)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	99,000	-	99,000	(979,000)
Net movement in funds		(418,893)	2,872,466	(11,489,510)	(9,035,937)	(8,930,269)

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE PERIOD ENDED 30 NOVEMBER 2020

		Unrestricted funds 3 months ended 30 November 2020	Restricted funds 3 months ended 30 November 2020	Restricted fixed asset funds 3 months ended 30 November 2020	Total funds 3 months ended 30 November 2020	Total funds year ended 31 August 2020
	Note	£	£	£	£	£
Reconciliation of funds:						
Total funds brought forward		729,853	(2,872,466)	11,489,510	9,346,897	18,277,166
Net movement in funds		(418,893)	2,872,466	(11,489,510)	(9,035,937)	(8,930,269)
Total funds carried forward	17	310,960	-	-	310,960	9,346,897

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 25 to 59 form part of these financial statements.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08140768

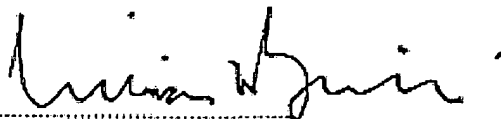
BALANCE SHEET
AS AT 30 NOVEMBER 2020

	Note	30 November 2020 £	30 November 2020 £	31 August 2020 £	31 August 2020 £
Fixed assets					
Tangible assets	14		-		11,489,510
			-		11,489,510
Current assets					
Debtors	15	27,285		281,772	
Cash at bank and in hand		440,573		1,119,736	
		467,858		1,401,508	
Creditors: amounts falling due within one year	16	(156,898)		(234,121)	
Net current assets			310,960		1,167,387
Total assets less current liabilities			310,960		12,656,897
Defined benefit pension scheme asset / liability	23		-		(3,310,000)
Total net assets			310,960		9,346,897
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	17	-		11,489,510	
Restricted income funds	17	-		437,534	
Pension reserve	17	-		(3,310,000)	
Total restricted funds	17		-		8,617,044
Unrestricted income funds	17		310,960		729,853
Total funds			310,960		9,346,897

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08140768

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2020

The financial statements on pages 20 to 59 were approved by the Trustees, and authorised for issue on 29 April 2021 and are signed on their behalf by:



William Powlett Smith
Chair of Trustees

The notes on pages 25 to 59 form part of these financial statements.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

		3 months ended 30 November 2020 £	Year ended 31 August 2020 £
	Note		
Cash flows from operating activities			
Net cash used in operating activities	19	(679,199)	(1,108,727)
Cash flows from investing activities	20	36	(11,692)
Change in cash and cash equivalents in the period		(679,163)	(1,120,419)
Cash and cash equivalents at the beginning of the period		1,119,736	2,240,155
Cash and cash equivalents at the end of the period	21, 22	440,573	1,119,736

The notes on pages 25 to 59 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 the 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.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

1. Accounting policies (continued)

1.3 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 year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants 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.

• **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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset use.

• **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**

Expenditure on charitable activities 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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. The Trust has re-brokered 3 out of 5 schools in the year to 31 August 2020, the fourth in September 2020 and the fifth school was re-brokered on 1 November 2020. The Trustees have concluded that, as they are working to liquidate the Company within the next 12 months, they will not adopt a going concern basis of accounting in the preparation of the financial statements. No restatement of assets and liabilities had been required in respect of these transfers. More information regarding the Academy Trust's ability to continue as a going concern is given in note 29.

1.6 Tangible fixed assets

Assets costing £5,000 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 Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account.

Depreciation is not charged on long term leasehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% per annum on cost of buildings only
Equipment	-	20% per annum on cost
Computer equipment	-	33% per annum on cost
Motor vehicles	-	25% per annum on cost

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

1. Accounting policies (continued)

1.8 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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

1. Accounting policies (continued)

1.12 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 bases 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Pensions

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 so as 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 on the basis 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

1. Accounting policies (continued)

1.14 PFI contract

The buildings used by Northern House Solihull were constructed under a Private Finance Initiative (PFI) Contract between the Metropolitan Borough of Solihull and a private contractor. The project was completed prior to the school's conversion to academy status. On conversion, the Academy Trust has entered into a Schools Agreement with the Local Authority which transferred the Local Authority's main obligations under the PFI Contract to the Academy Trust. The PFI Contract is due to end on 21 July 2035. The PFI contract was transferred when Northern House Solihull was transferred out of the trust on 01 September 2020.

PFI Contract payments

Until the transfer of Northern House Solihull to Manor Hall Academy Trust on 01 September 2020, the Academy Trust was responsible for the revenue costs of maintaining the facilities. The payments made to the Local Authority in respect of the PFI Contract unitary charge relating to these revenue costs are therefore expensed to the Statement of Financial Activities in the period to which they relate.

Land and buildings

The land and buildings are leased to the Academy Trust by the Local Authority on a long (125 year) lease. As the Academy Trust takes on the risks and rewards associated with the land and buildings, including the long term maintenance of the property once the PFI Contract has ended, the land and buildings are capitalised as fixed assets on the Academy Trust's Balance Sheet at valuation using the depreciated replacement cost basis. These assets are then depreciated over their useful economic life.

Other assets

Other assets under the PFI Contract, for example fixtures and fittings, transfer to the Local Authority at the end of the PFI Contract and then to the Academy Trust or other organisation responsible for the school under the Schools Agreement. The basis of the Schools Agreement is that at the point of transfer, the assets will be "as new".

1.15 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pension liability at the year end or date of transfer out of the Trust, as applicable. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

3. Income from donations and capital grants

	Restricted fixed asset funds 3 months ended 30 November 2020 £	Total funds 3 months ended 30 November 2020 £
Capital grants	(68,452)	(68,452)

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

3. Income from donations and capital grants (continued)

	Restricted fixed asset funds year ended 31 August 2020 £	Total funds year ended 31 August 2020 £
Capital Grants	12,725	12,725

4. Funding for the Academy Trust's educational operations

	Restricted funds 3 months ended 30 November 2020 £	Total funds 3 months ended 30 November 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	115,000	115,000
Pupil premium	3,237	3,237
Other DfE/ESFA income	13,075	13,075
	131,312	131,312
Other government grants		
Top up funding	195,617	195,617
	195,617	195,617
	326,929	326,929

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

4. Funding for the Academy Trust's educational operations (continued)

	Restricted funds year ended 31 August 2020 £	Total funds year ended 31 August 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	2,734,579	2,734,579
Pupil premium	141,732	141,732
Other DfE/ESFA income	342,671	342,671
	<u>3,218,982</u>	<u>3,218,982</u>
Other government grants		
Top up funding	3,736,131	3,736,131
	<u>3,736,131</u>	<u>3,736,131</u>
	<u>6,955,113</u>	<u>6,955,113</u>

5. Income from other trading activities

	Unrestricted funds 3 months ended 30 November 2020 £	Total funds 3 months ended 30 November 2020 £
Catering income	47	47
Other income	7,774	7,774
	<u>7,821</u>	<u>7,821</u>

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5. Income from other trading activities (continued)

	Unrestricted funds year ended 31 August 2020 £	Total funds year ended 31 August 2020 £
Catering income	2,285	2,285
Other income	107,944	107,944
	<u>110,229</u>	<u>110,229</u>

6. Investment income

	Unrestricted funds 3 months ended 30 November 2020 £	Total funds 3 months ended 30 November 2020 £
Bank interest received	<u>36</u>	<u>36</u>

	Unrestricted funds year ended 31 August 2020 £	Total funds year ended 31 August 2020 £
Bank interest received	<u>934</u>	<u>934</u>

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7. Expenditure

	Staff Costs 3 months ended 30 November 2020 £	Other 3 months ended 30 November 2020 £	Total 3 months ended 30 November 2020 £
Changes to Academy Trust:			
Academies leaving Trust	-	8,369,786	8,369,786
Academy's educational operations:			
Direct costs	245,203	50,193	295,396
Allocated support costs	171,290	564,799	736,089
	<u>416,493</u>	<u>8,984,778</u>	<u>9,401,271</u>

	Staff Costs year ended 31 August 2020 £	Premises year ended 31 August 2020 £	Other year ended 31 August 2020 £	Total year ended 31 August 2020 £
Changes to Academy Trust:				
Academies leaving Trust	-	-	6,200,749	6,200,749
Academy's educational operations:				
Direct costs	4,397,021	253,945	575,774	5,226,740
Allocated support costs	1,186,756	1,346,723	1,069,302	3,602,781
	<u>5,583,777</u>	<u>1,600,668</u>	<u>7,845,825</u>	<u>15,030,270</u>

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8. Analysis of expenditure by activities

	Activities undertaken directly 3 months ended 30 November 2020 £	Support costs 3 months ended 30 November 2020 £	Total funds 3 months ended 30 November 2020 £
Academy's educational operations	295,396	736,089	1,031,485

	Activities undertaken directly year ended 31 August 2020 £	Support costs year ended 31 August 2020 £	Total funds year ended 31 August 2020 £
Academy's educational operations	5,226,740	3,602,781	8,829,521

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 3 months ended 30 November 2020 £	Total funds year ended 31 August 2020 £
Teaching and educational support staff costs	245,203	4,397,021
Depreciation	10,898	322,214
Other staff costs	13,877	78,136
Technology costs	20,261	167,414
Educational supplies	-	68,486
Examination fees	68	11,421
Educational consultancy	-	87,815
Other direct costs	5,089	94,233
	295,396	5,226,740

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 3 months ended 30 November 2020 £	Total funds year ended 31 August 2020 £
Pension finance cost	4,000	68,000
Staff costs	171,290	1,186,756
Depreciation	-	16,887
Other staff costs	167	17,784
Catering supplies	5,129	121,639
Maintenance of premises and equipment	10,580	1,119,589
Cleaning	6,143	85,401
Energy	4,028	130,132
Security	-	11,598
PFI charges	(34,907)	281,696
Non staff related insurance	11,111	11,880
Other support costs	106,261	390,704
Legal and professional fees	32,887	90,066
Costs of rebrokering - indemnity fee	400,000	-
Governance costs	19,400	70,649
	736,089	3,602,781

NORTHERN HOUSE SCHOOL ACADEMY TRUST (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the period includes:

	30 November 2020 £	31 August 2020 £
Operating lease rentals	6,798	33,231
Depreciation of tangible fixed assets	10,898	339,101
Legal fees - re-brokering and advice	32,887	79,931
Fees paid to auditors for:		
- audit	11,000	18,750
- other services	8,100	24,783

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the period were as follows:

	3 months ended 30 November 2020 £	Year ended 31 August 2020 £
Wages and salaries	155,279	3,727,940
Social security costs	23,283	370,204
Pension costs	44,073	1,054,312
	222,635	5,152,456
Agency staff costs	96,231	421,887
Staff restructuring costs	97,627	9,434
	416,493	5,583,777

Staff restructuring costs comprise:

	3 months ended 30 November 2020 £	Year ended 31 August 2020 £
Redundancy payments	97,627	-
Severance payments	-	9,434
	97,627	9,434

b. Non-statutory/non-contractual staff severance payments

Included within staff restructuring costs are non-statutory/non-contractual redundancy payments totalling £81,089 (August 2020: non-statutory/non-contractual severance payments totalling £9,434). Individually, the payments were: £46,498 and £34,591 (August 2020: £9,000 and £434).

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10. Staff (continued)

c. Staff numbers

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

	3 months ended No. 2020 No.	Year ended 31 August 2020 No.
Teachers	7	32
Administration and support	12	105
Management	1	12
	<u>20</u>	<u>149</u>

d. Higher paid staff

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

	3 months ended 30 November 2020 No.	Year ended 31 August 2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	1	1
In the band £150,001 - £160,000	-	1
	<u>-</u>	<u>1</u>

e. 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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £206,449 (August 2020: £525,758).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

11. Related Party Transactions - Trustee's remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		3 months ended 30 November 2020 £	Year ended 31 August 2020 £
I Barker, Chief Executive	Remuneration	90,000 - 95,000	155,000 - 160,000

During the period ended 30 November 2020, expenses totalling £1,860 were reimbursed or paid directly to 2 Trustees (August 2020: £639 to 2 Trustees).

12. Central services

No central services were charged by the Academy Trust to its academies during the period as the academies were re-brokered (August 2020: no charges were made as schools began to be re-brokered).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of 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 membership.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Long-term leasehold property £	Equipment £	Computer equipment £	Motor vehicles £	Total £
At 1 September 2020	12,469,000	76,828	176,093	35,739	12,757,660
Disposals	(12,469,000)	(76,828)	(176,093)	(35,739)	(12,757,660)
At 30 November 2020	-	-	-	-	-
At 1 September 2020	1,054,939	49,238	147,322	16,651	1,268,150
Charge for the period	6,807	1,618	1,985	488	10,898
On disposals	(1,061,746)	(50,856)	(149,307)	(17,139)	(1,279,048)
At 30 November 2020	-	-	-	-	-
Net book value					
At 30 November 2020	-	-	-	-	-
At 31 August 2020	11,414,061	27,590	28,771	19,088	11,489,510

Included in long-term leasehold property is land at valuation of £NIL (August 2020: £2,440,000) which is not depreciated.

15. Debtors

	30 November 2020 £	31 August 2020 £
Due within one year		
Other debtors	10,268	135,678
Prepayments and accrued income	-	94,612
VAT recoverable	17,017	51,482
	27,285	281,772

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

	30 November 2020 £	31 August 2020 £
Trade creditors	109,887	-
Other taxation and social security	-	60,974
Other creditors	1,281	80,773
Accruals and deferred income	45,730	92,374
	156,898	234,121

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 November 2020 £
Unrestricted funds						
General funds	729,853	7,857	-	(426,750)	-	310,960
Restricted general funds						
General Annual Grant	315,360	115,000	(788,658)	358,298	-	-
Pupil premium	-	3,237	(3,237)	-	-	-
Other DfE/ESFA grants	-	13,075	(13,075)	-	-	-
Local authority top up	-	195,617	(195,617)	-	-	-
Academies leaving Trust	122,174	-	(122,174)	-	-	-
Pension reserve	(3,310,000)	-	3,211,000	-	99,000	-
	<u>(2,872,466)</u>	<u>326,929</u>	<u>2,088,239</u>	<u>358,298</u>	<u>99,000</u>	<u>-</u>
Restricted fixed asset funds						
Condition improvement fund	-	(68,452)	-	68,452	-	-
Fixed asset fund	21,726,521	-	(10,898)	(21,715,623)	-	-
Academies leaving Trust	(10,237,011)	-	(11,478,612)	21,715,623	-	-
	<u>11,489,510</u>	<u>(68,452)</u>	<u>(11,489,510)</u>	<u>68,452</u>	<u>-</u>	<u>-</u>
Total Restricted funds	<u>8,617,044</u>	<u>258,477</u>	<u>(9,401,271)</u>	<u>426,750</u>	<u>99,000</u>	<u>-</u>
Total funds	<u>9,346,897</u>	<u>266,334</u>	<u>(9,401,271)</u>	<u>-</u>	<u>99,000</u>	<u>310,960</u>

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17. Statement of funds (continued)

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

General unrestricted funds can be spent on meeting objectives at the discretion of the Trustees.

The other DfE/ESFA restricted funds represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

The pension reserve deficit represents the future pension funding requirements which will be met from future employer pension contributions.

Restricted fixed asset funds represent the amounts invested in fixed assets and unspent amounts at the period end.

Transfers between restricted and restricted fixed asset funds represents capital additions and funding spent on improvements expenditure through profit and loss and condition improvement fund expenditure.

Total funds analysis by academy

Fund balances at 30 November 2020 were allocated as follows:

	30 November 2020 £	31 August 2020 £
Northern House School Solihull	-	122,174
Central school improvement and capital fund	310,960	1,045,213
Total before fixed asset funds and pension reserve	310,960	1,167,387
Restricted fixed asset fund	-	11,489,510
Pension reserve	-	(3,310,000)
Total	310,960	9,346,897

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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Other costs excluding depreciation £	Total 3 months ended 30 November 2020 £
Northern House School Wokingham	152,812	53,378	581,311	787,501
Central services	92,391	117,912	22,783	233,086
Academy Trust	245,203	171,290	604,094	1,020,587

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total year ended 31 August 2020 £
Northern House School Oxford	486,268	122,433	20,659	219,119	848,479
Northern House School Solihull	1,540,728	249,292	22,923	589,872	2,402,815
Northern House School Wolverhampton	728,862	184,235	10,660	1,002,573	1,926,330
Northern House School PRU	269,514	80,754	984	42,451	393,703
Northern House School Wokingham	1,192,527	351,767	13,259	572,149	2,129,702
Valley Park	-	-	-	152,462	152,462
Central services	179,125	198,275	-	259,529	636,929
Academy Trust	4,397,024	1,186,756	68,485	2,838,155	8,490,420

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	618,690	111,163	-	-	-	729,853
Restricted general funds						
General Annual Grant	863,766	2,734,579	(3,115,533)	(167,452)	-	315,360
Pupil premium	-	141,732	(141,732)	-	-	-
Other DfE/ESFA grants	5,000	342,671	(347,671)	-	-	-
Local authority top up	-	3,736,131	(3,736,131)	-	-	-
Condition improvement fund	755,426	-	(786,353)	30,927	-	-
Salix loan	(126,987)	-	-	126,987	-	-
Academies leaving Trust	-	-	125,262	(3,088)	-	122,174
Pension reserve	(5,879,000)	-	3,548,000	-	(979,000)	(3,310,000)
	<u>(4,381,795)</u>	<u>6,955,113</u>	<u>(4,454,158)</u>	<u>(12,626)</u>	<u>(979,000)</u>	<u>(2,872,466)</u>
Restricted fixed asset funds						
Devolved formula capital	-	12,725	-	(12,725)	-	-
Fixed asset fund	22,040,271	-	(339,101)	25,351	-	21,726,521
Academies leaving Trust	-	-	(10,237,011)	-	-	(10,237,011)
	<u>22,040,271</u>	<u>12,725</u>	<u>(10,576,112)</u>	<u>12,626</u>	<u>-</u>	<u>11,489,510</u>
Total Restricted funds	<u>17,658,476</u>	<u>6,967,838</u>	<u>(15,030,270)</u>	<u>-</u>	<u>(979,000)</u>	<u>8,617,044</u>
Total funds	<u>18,277,166</u>	<u>7,079,001</u>	<u>(15,030,270)</u>	<u>-</u>	<u>(979,000)</u>	<u>9,346,897</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 30 November 2020 £	Total funds 30 November 2020 £
Current assets	467,858	467,858
Creditors due within one year	(156,898)	(156,898)
Total	310,960	310,960

Analysis of net assets between funds - prior period

	Unrestricted funds 31 August 2020 £	Restricted funds 31 August 2020 £	Restricted fixed asset funds 31 August 2020 £	Total funds 31 August 2020 £
Tangible fixed assets	-	-	11,489,510	11,489,510
Current assets	729,853	671,655	-	1,401,508
Creditors due within one year	-	(234,121)	-	(234,121)
Pension liability	-	(3,310,000)	-	(3,310,000)
Total	729,853	(2,872,466)	11,489,510	9,346,897

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NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net expenditure to net cash flow from operating activities

	3 months ended 30 November 2020 £	Year ended 31 August 2020 £
Net expenditure for the period (as per Statement of Financial Activities)	(9,134,937)	(7,951,269)
Adjustments for:		
Depreciation	10,898	339,101
Capital grants from DfE and other capital income	-	(12,725)
Decrease in debtors	132,313	1,109,381
Decrease in creditors	(77,223)	(1,156,030)
Dividends, interest and rents from investments	(36)	(934)
Pension adjustments	20,000	363,000
Academies leaving Trust	8,369,786	6,200,749
Net cash used in operating activities	(679,199)	(1,108,727)

20. Cash flows from investing activities

	30 November 2020 £	31 August 2020 £
Dividends, interest and rents from investments	36	934
Purchase of tangible fixed assets	-	(25,351)
Capital grants from DfE Group	-	12,725
Net cash provided by/(used in) investing activities	36	(11,692)

21. Analysis of cash and cash equivalents

	30 November 2020 £	31 August 2020 £
Cash in hand	440,573	1,119,736

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 30 November 2020 £
Cash at bank and in hand	1,119,736	(679,163)	440,573
	<u>1,119,736</u>	<u>(679,163)</u>	<u>440,573</u>

23. Pension commitments

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 Royal County of Berkshire (Northern House School (Wokingham) Special Academy). 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 31 March 2016.

Contributions amounting to £894 were payable to the schemes at 30 November 2020 (August 2020: £51,213) 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 full-time 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 the member and employer make 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.

NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

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. 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; and
- 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 2023.

The employer's pension costs paid to TPS in the period amounted to £17,347 (August 2020: £468,282).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 30 November 2020 was £13,000 (August 2020: £339,000), of which employer's contributions totalled £10,000 (August 2020: £260,000) and employees' contributions totalled £3,000 (August 2020: £79,000). The agreed contribution rates for future years are 20.6 per cent for employers and 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

NORTHERN HOUSE SCHOOL ACADEMY TRUST (A Company Limited by Guarantee)

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23. Pension commitments (continued)

Principal actuarial assumptions

	November 2020 %	August 2020 %
Rate of increase in salaries	3.30	3.25
Rate of increase for pensions in payment/inflation	2.30	2.25
Discount rate for scheme liabilities	1.60	1.63
Inflation assumption (CPI)	2.30	2.25
RPI increases	3.10	3.05

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

	November 2020 Years	August 2020 Years
Retiring today		
Males	21.5	21.7
Females	24.1	24.1
Retiring in 20 years		
Males	22.9	23.4
Females	25.6	25.8

Sensitivity analysis

	November 2020 £000	August 2020 £000
Discount rate +0.1%	-	4,713
Discount rate -0.1%	-	4,971
Mortality assumption - 1 year increase	-	5,026
Mortality assumption - 1 year decrease	-	4,661
CPI rate +0.1%	-	4,968
CPI rate -0.1%	-	4,715

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	November 2020 £	August 2020 £
Equities	-	877,000
Gilts	-	77,000
Corporate bonds	-	135,000
Property	-	170,000
Cash and other liquid assets	-	125,000
Alternative assets	-	146,000
Total market value of assets	-	1,530,000

The actual return on scheme assets was £(33,000) (August 2020: £336,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	3 months ended 30 November 2020 £	Year ended 31 August 2020 £
Current service cost	(26,000)	(553,000)
Interest cost	(4,000)	(68,000)
Administrative expenses	-	(2,000)
Total amount recognised in the Statement of Financial Activities	(30,000)	(623,000)

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

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

	30 November 2020 £	31 August 2020 £
Opening defined benefit obligation	4,840,000	9,978,000
Transferred out on existing academies leaving the trust	(4,703,000)	(7,028,000)
Current service cost	26,000	553,000
Interest cost	6,000	118,000
Employee contributions	3,000	79,000
Actuarial (gains)/losses	(170,000)	1,247,000
Benefits paid	(2,000)	(107,000)
Closing defined benefit obligation	-	4,840,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	30 November 2020 £	31 August 2020 £
Opening fair value of scheme assets	1,530,000	4,099,000
Transferred out on existing academies leaving the trust	(1,472,000)	(3,117,000)
Interest on assets	2,000	50,000
Actuarial (losses)/gains	(71,000)	268,000
Employer contributions	10,000	260,000
Employee contributions	3,000	79,000
Benefits paid	(2,000)	(107,000)
Administration expenses	-	(2,000)
Closing fair value of scheme assets	-	1,530,000

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23. Pension commitments (continued)

	30 November 2020 £	31 August 2020 £
The amount shown in the Balance Sheet is:		
Present value of defined benefit obligation	-	(4,840,000)
Fair value of scheme assets	-	1,530,000
Defined benefit pension scheme liability	-	(3,310,000)

24. Operating lease commitments

At 30 November 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	30 November 2020 £	31 August 2020 £
Not later than 1 year	513	12,079
Later than 1 year and not later than 5 years	-	4,080
	513	16,159

25. PFI commitments

At 30 November 2020 the Trust did not have a PFI commitment. The PFI commitments of Northern House Solihull were transferred to Manor Hall Academy Trust on 01 September 2020.

26. 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.

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27. 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

28. Going concern and post balance sheet event

On 17 June 2019 the Trust issued notice to the Regional Schools Commissioner and partner Local Authorities to re-broker all of its schools. Since then Northern House School Academy Trust has worked with various other agencies to support the re-brokering process.

At 12 December 2019 the respective Regional Commissioners issued orders for schools to be transferred and all schools had left the Trust by 30 November 2020. Northern House Solihull left the Trust on 01 September 2020 and Northern House Wokingham transferred on 01 November 2020.

The Trust will proceed to liquidate the Trust during the next 12 months.

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29. Transfer out of academies leaving the academy trust

Transferred-out Northern House School Solihull on 01 September 2020

	Transfer out on academy leaving the trust £
Tangible fixed assets	
Long-term leasehold property	7,186,807
Equipment	7,909
Computer equipment	10,505
Motor vehicles	12,020
Current assets	
PFI commitment	122,174
Pensions	
Pensions - pension scheme liabilities	(1,697,000)
Net assets	<u>5,642,415</u>

Transferred-out Northern House Wokingham on 01 November 2020

	Transfer out on academy leaving the trust £
Tangible fixed assets	
Freehold property	4,220,447
Equipment	18,063
Computer equipment	16,283
Motor vehicles	6,581
Pensions	
Pensions - pension scheme liabilities	(1,534,000)
Net assets	<u>2,727,374</u>

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29. Transfer out of academies leaving the academy trust (continued)**Transferred-out total**

	Transfer out on academy leaving the trust £
Tangible fixed assets	
Long-term leasehold property	11,407,254
Equipment	25,972
Computer equipment	26,788
Motor vehicles	18,601
Current assets	
PFI commitment	122,174
Pensions	
Pensions - pension scheme liabilities	(3,231,000)
Net assets	8,369,789