

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

V Garrett
M Horton
R Quigley
W Bluestone

Trustees

C Brignell
H Devereux (appointed 14 December 2017)
P Dugate (appointed 14 December 2017)
V Garrett
J Harding
S Hussey
A Moffat
N Reed
A Sheath
A Sice
A Smith
D Thistlewood

Company registered number

08405075

Company name

Northwood Primary School Academy Trust

Principal and registered office

Northwood Primary School
Wyatts Lane
Cowes
Isle of Wight
PO31 8PU

Company secretary

A Airey

Senior management team

S Hussey, Headteacher
S Mumford, Deputy Headteacher (from 1 September 2018)
A Strand, Assistant Head (retired 31 August 2018)
A Airey, School Business Manager
D Bryant, English Leader
A Steed, Maths Leader

<p>NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST (A company limited by guarantee)</p>
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors

Hopper Williams & Bell Limited
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank plc
16a High Street
Cosham
Portsmouth
Hampshire
PO6 3BY

Solicitors

Paris Smith
1 London Road
Southampton
Hampshire
SO15 2AE

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST (A company limited by guarantee)
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils' aged 4 to 11 and draws pupils from a wide area including Cowes, Newport and East Cowes. It has a pupil capacity of 210 and had a roll of 195 in the school census on 18 January 2018.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Northwood Primary School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Northwood Primary School.

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

Members' Liability

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

Trustees' Indemnities

From April 2016 the risk protection agreement (RPA) with the UK government has covered trustees' third party indemnity.

Method of Recruitment and Appointment or Election of Trustees

The number of trustees will not be less than three but (unless otherwise determined by ordinary resolution) will not be subject to any maximum. The members may appoint up to 12 trustees, including staff trustees through any such process as they may determine. The total number of trustees (including the Headteacher) who are employees of the academy trust shall not exceed one third of the total number of trustees.

Parent trustees are elected by parents of registered pupils at the academy and must be a parent of a pupil at the academy at the time they are elected. The number of parent trustees required shall be made up by parent trustees appointed by the board of trustees if the number of parents standing for election is less than the number of vacancies.

The trustees may also appoint co-opted trustees. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if the number of trustees who are employees of the academy trust would then exceed one third of the total number of trustees (including the Headteacher).

The term of office for any trustee shall be four years and, subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected. A trustee shall cease to hold office if he resigns his office by notice to the academy trust (but only if at least three trustees will remain in office when the notice of resignation is to take effect). A trustee shall cease to hold office if he is removed by the person or persons who appointed him, however this does not apply in respect of a parent trustee.

Each school year the trustees shall elect a chairman and a vice-chairman from among their number. A trustee who is employed by the academy trust shall not be eligible for election as chairman or vice-chairman.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

No person who is a Local Authority Associated Person may be appointed as a trustee if, once the appointment had taken effect, the number of trustees who are Local Authority Associated Persons would represent 20% or more of the total number of trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees complete in-house induction training and are given the opportunity to attend the Local Authority new trustee training sessions. Each new trustee is paired with an experienced trustee who will provide additional support. All trustees are provided with access to policies, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as trustees. All trustees are invited to external and in-house training throughout the year.

Organisational Structure

The academy has a leadership structure which consists of the trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and to encourage involvement in the decision making at all levels. The trustees are responsible for setting general policy, adopting an annual plan and budget approving the statutory accounts, monitoring the academy by the use of budgets and other data, and making major decisions about the direction of the academy, capital expenditure and staffing appointments. The Senior Leadership Team (SLT) consists of the Principal, Deputy Headteacher, English and Maths Leaders and the School Business Manager. The SLT control the academy at an executive level implementing the policies laid down by the trustees and reporting back to them. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a trustee. The Deputy Headteacher and English and Maths Leaders assist with the day to day operation of the academy, in particular overseeing teaching and learning quality, staff, facilities and pupils.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

For teachers the school mirrors the requirements of the current Statutory Pay and Conditions Document (STPCD), for support staff the school mirrors the Isle of Wight Council's Local Job Evaluation Pay Framework. Pay progression for teachers is performance related and is determined by the pay committee of the board of trustees with recommendations from the Headteacher. The Headteacher's pay progression is determined by the pay committee with recommendations from the Headteacher's performance review panel. Support staff receive annual pay progression within a set grade as determined by the job evaluation pay framework.

Related Parties and other Connected Charities and Organisations

There were two transactions (totalling £56) with a limited company of which a trustee is a director during the period. There were financial transactions during the period with the following connected (public sector) organisations:

Barton Primary School, Bembridge Primary School, Cowes Enterprise College, East Dorset District Council, Halterworth Community Primary School, Hampshire County Council, Isle of Wight Council, Isle of Wight Council Pension Fund, YPO.

Objectives and Activities

Objects and Aims

The company was set up on 1 April 2013. The principal object and activity of the Charitable Company is the operation of Northwood Primary School; to provide a broad and balanced education to our pupils. Our school motto is 'A World of Opportunities' and we strive to ensure that this is the case for each pupil. Our aim is for every child to achieve the best possible education in the fullest sense of the word. For this to be attained:

- our pupils must feel safe and secure
- our teaching must be outstanding
- our staff trained, well equipped and motivated
- our funds spent efficiently and effectively
- our trustees and members be well informed
- our community must be included and effectively used.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, Strategies and Activities

The main objectives for the year ended 31 August 2018 were as follows:

- To ensure that 70% of all year groups attain age related expectations and 75% of year 6 children are secondary ready at the end of the academic year.
- To develop an effective partnership with Halterworth Teaching School Alliance.
- Ensure that mastery is embedded throughout the school. Develop skills, knowledge and attributes of subject leaders particularly Computing/ Science/ History.
- To improve the quality and consistency of the teaching of spelling across the school.
- To improve the relationships and transition programmes either side of the Reception Class.
- To improve the attendance of Pupil Premium and SEND pupils to be in line with the national averages.
- To ensure staff have a reasonable work- life balance. To ensure steps are taken to reduce workload and wellbeing of all staff is a high priority.

Public Benefit

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

EYFS Data Summary

Good Level of Development:

	2016	2017	2018
Northwood	68%	75%	72.4%
Isle of Wight	71.8%	71.2%	73%
National	69.3%	70.7%	71.6%

Key Stage 1 SATs results 2018: Age Related

READING	2016	2017	2018
Northwood	79.3%	74.1%	78.6%
Isle of Wight	75.3%	72.1%	70.1%
National	74%	75.6%	75.4%

MATHS	2016	2017	2018
Northwood	72.4%	77.8%	60.7%
Isle of Wight	72.6%	68.3%	68.4%
National	72.6%	75.1%	76.1%

WRITING	2016	2017	2018
Northwood	79.3%	66.7%	64.3%
Isle of Wight	68.3%	62.1%	60.8%
National	65.5%	68.2%	69.9%

Key Stage 2 results 2018: Age Related

READING	2016	2017	2018
Northwood	58.3%	92.6%	81.8%
Isle of Wight	63.6%	71.2%	68.8%
National	65.7%	71.5%	75.3%

WRITING	2016	2017	2018
Northwood	75%	66.7%	81.8%
Isle of Wight	73.5%	71.8%	72.9%
National	74%	76.3%	78.3%

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

MATHS	2016	2017	2018
Northwood	58.3%	77.8%	77.3%
Isle of Wight	62.4%	68.8%	65.9%
National	69.7%	74.9%	75.6%
SPELLING PUNCTUATION & GRAMMAR	2016	2017	2018
Northwood	50%	85.2%	90.9%
Isle of Wight	63.9%	69.6%	69.6%
National	72.4%	76.9%	77.7%
READING/WRITING/MATHS COMBINED SCORE	2016	2017	2018
Northwood	41.7%	59.3%	72.7%
Isle of Wight	48.4%	54.6%	54.2%
National	53.2%	61%	64.4%

Key Performance Indicators

- Strategic partnership with Halterworth is moving forward effectively. Andrew Steed has been appointed as a Specialist Leader in Education. The Head Teacher sits on the Strategic Board and supports the ITT programme with student interviews.
- Mastery Maths is embedded across the school. The Maths leader is an SLE and the results in Maths in all but one year groups rose in the last academic year, some quite significantly.
- Spelling strategies and consistent assessment of spelling has been put in place across the school by the English leader. Key Stage results show a 40.9% rise in age related results in the last three years.
- Transition into our EYFS from the feeder pre-school is more effective. The intake that started in September 2018 are the most school ready children we have had in the past eight years. New leaders are in place in EYFS and the feeder pre-school.
- Attendance for SEND children was in line with national averages for the year 2017/18. Pupil Premium attendance improved but is not in line with national averages yet.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Most of the School's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of current and capital grants, the use of which is restricted to particular purposes. The grants received during 2017/18 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities. Prudent financial management, including cost reduction, is an ongoing requirement of the school's financial wellbeing.

Reserves Policy

Our aim is to use the allocated funding each year for the full benefit of the children currently attending the school. However we do budget a small amount each year for unforeseen circumstances. Further details regarding the level of reserves held can be found in the notes to the financial statements.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Investment Policy

The objective is to maximise investment on any long term accrued balances in order to protect those balances against inflation. The school also aims to invest any other surplus cash fund on a short term basis. All investments will be made ensuring there is no tangible risk to the loss of these funds. Where a short term surplus is identified these funds will be invested through the Treasury Deposits mechanism using the School's bankers Lloyds Bank. Investments are made with regard to the Charity Commission guidance in relation to investments.

Principal Risks and Uncertainties

The level of central government funding settlements remain the principal risk to the school. To date, the board of trustees has managed this risk successfully and will continue to attempt to through prudent financial management and, if necessary, further cost reductions. However, planned increases in employer contributions to the Teachers' Pension Scheme will need to be fully funded for this success to continue.

Fundraising

As part of its work within the community, the academy trust undertakes fundraising activities, for example through fetes, cake sales and non-uniform days. The academy trust raises funds in order to support its own operations and also to make donations to local and national charities. The academy trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

Plans for Future Periods

The intent of the board of trustees is for the School to continue working together with staff, young learners, and parents to enhance the education provision in our local area. We will strive to improve the education prospects of children in Northwood Primary School and we will play our part in a shared leadership approach to the education provision on the Island. It remains our intention to use the allocated funding each year for the full benefit of the children attending the school at that time.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2018 and signed on the board's behalf by:


.....
V Garrett
Chair of Trustees

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The full governing body (FGB) has formally met six times during the year, the Achievement, Curriculum and Learning Committee (ACL) has formally met five times during the year and the Finance, Management and Administration Committee (FMA) has formally met six times during the year. Attendance during the year at meetings of the governing body and sub committees was as follows:

Trustee	Meetings attended	Out of a possible
Catherine Brignell	10	11
Hannah Devereux (elected 14/12/2017)	6	7
Perdita Dugate (elected 14/12/2017)	6	7
Viv Garrett (Chair)	14	17
Jemma Harding	6	11
Sarah Hussey	17	17
Alex Moffat (Vice Chair)	11	12
Neil Reed	11	12
Anne Sheath	7	11
Avril Sice	9	12
Adrian Smith	6	12
Dean Thistlewood	9	11

The FGB determines the strategic direction of the school, considers and approves policies as appropriate and oversees the work of the two sub committees. The FGB considered and approved the acceptance of the Academy's budget at the start of the year. The FMA oversaw the financial affairs of the school, undertook reviews of financial policies and procedures, the monitoring and review of income/expenditure ensuring compliance with the overall financial plan for the Academy. The FMA monitored and reviewed the overall effectiveness of all matters concerning the school premises and grounds, security and Health and Safety (including Safeguarding) along with the effectiveness of leadership and management pertaining to them. The ACL monitored and reviewed the progress of pupils, the quality of teaching and the effectiveness of teaching and learning (including the progress of pupil premium and other low attaining groups), along with the effectiveness of leadership and management pertaining to them.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST (A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

- Award of a 3 year catering contract to a new supplier through a formal RFQ process
- Outsourcing IT support to a local IT company

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northwood Primary School Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed an experienced School Business Manager of a local maintained school as an Independent Reviewer (IR).

The IR's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The IR reports to the board of trustees on the operation of the systems of control and the discharge of the trustees' financial responsibilities.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

- the work of the Independent Reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 13 December 2018 and signed on their behalf, by:


.....
V Garrett
Chair of Trustees


.....
S Hussey
Accounting Officer

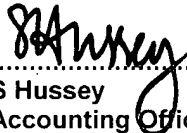
NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Northwood Primary School 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 all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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


.....
S Hussey
Accounting Officer

Date: 13 December 2018

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 13 December 2018 and signed on its behalf by:


.....
V Garrett
Chair of Trustees

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST**

OPINION

We have audited the financial statements of Northwood Primary School Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report has 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.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST**

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Hub

Richard Hurst FCA (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: *17 December 2018*

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northwood Primary School Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Northwood Primary School Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY (continued)**

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy Trust's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Richard Hurst FCA

Hopper Williams & Bell Limited

Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 17 December 2018

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Un- restricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	3,515	6,126	9,641	10,549
Charitable activities	3	-	894,512	-	894,512	904,494
Other trading activities	4	1,131	-	-	1,131	1,222
Investments	5	90	-	-	90	88
TOTAL INCOME		1,221	898,027	6,126	905,374	916,353
EXPENDITURE ON:						
Charitable activities		-	935,298	29,689	964,987	952,645
TOTAL EXPENDITURE	6	-	935,298	29,689	964,987	952,645
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		1,221	(37,271)	(23,563)	(59,613)	(36,292)
Actuarial gains on defined benefit pension schemes	20	-	102,000	-	102,000	160,000
NET MOVEMENT IN FUNDS		1,221	64,729	(23,563)	42,387	123,708
RECONCILIATION OF FUNDS:						
Total funds brought forward		19,665	(651,560)	1,272,570	640,675	516,967
TOTAL FUNDS CARRIED FORWARD		20,886	(586,831)	1,249,007	683,062	640,675

The notes on pages 21 to 42 form part of these financial statements.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 08405075

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		1,206,490		1,236,179
CURRENT ASSETS					
Debtors	14	19,592		19,812	
Cash at bank and in hand		153,704		122,913	
		<u>173,296</u>		<u>142,725</u>	
CREDITORS: amounts falling due within one year	15	(42,724)		(41,229)	
NET CURRENT ASSETS			<u>130,572</u>		<u>101,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,337,062</u>		<u>1,337,675</u>
Defined benefit pension scheme liability	20		(654,000)		(697,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>683,062</u></u>		<u><u>640,675</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	67,169		45,440	
Restricted fixed asset funds	16	1,249,007		1,272,570	
Restricted income funds excluding pension liability		<u>1,316,176</u>		<u>1,318,010</u>	
Pension reserve		(654,000)		(697,000)	
Total restricted income funds			<u>662,176</u>		<u>621,010</u>
Unrestricted income funds	16		20,886		19,665
TOTAL FUNDS			<u><u>683,062</u></u>		<u><u>640,675</u></u>

The financial statements on pages 18 to 42 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:



 V Garrett
 Chair of Trustees

The notes on pages 21 to 42 form part of these financial statements.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>30,791</u>	<u>22,391</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>-</u>	<u>(8,074)</u>
Net cash used in investing activities		<u>-</u>	<u>(8,074)</u>
Change in cash and cash equivalents in the year		30,791	14,317
Cash and cash equivalents brought forward		<u>122,913</u>	<u>108,596</u>
Cash and cash equivalents carried forward	19	<u><u>153,704</u></u>	<u><u>122,913</u></u>

<p>NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST (A company limited by guarantee)</p>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Northwood Primary School Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1.3 Fund accounting

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

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

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

<p>NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST (A company limited by guarantee)</p>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold 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 land	-	Not provided
Leasehold property	-	Lower of 50 years straight line or length of lease
Furniture and fixtures	-	20% - reducing balance
Plant and equipment	-	5 years - straight line
Computer equipment	-	5 years - straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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 after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

1.12 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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 other financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

<p style="text-align: center;">NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST (A company limited by guarantee)</p>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Un- restricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	3,515	-	3,515	4,310
Capital grants	-	-	6,126	6,126	6,239
	-	3,515	6,126	9,641	10,549
<i>Total 2017</i>	11	4,299	6,239	10,549	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Un- restricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	763,376	763,376	776,441
DfE/ESFA other grants	-	69,078	69,078	71,129
	-	832,454	832,454	847,570
Other government grants				
Local authority grants	-	15,897	15,897	14,845
	-	15,897	15,897	14,845
Other funding				
Trip income	-	9,737	9,737	11,228
Other income	-	36,424	36,424	30,851
	-	46,161	46,161	42,079
	-	894,512	894,512	904,494
<i>Total 2017</i>	-	904,494	904,494	

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee).

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

4. OTHER TRADING ACTIVITIES

	Un- restricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	1,131	-	1,131	1,222
<i>Total 2017</i>	1,222	-	1,222	

5. INVESTMENT INCOME

	Un- restricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	90	-	90	88
<i>Total 2017</i>	88	-	88	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	581,482	-	39,817	621,299	612,155
Support costs	180,623	45,465	117,600	343,688	340,490
	762,105	45,465	157,417	964,987	952,645
<i>Total 2017</i>	755,748	34,381	162,516	952,645	

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	6,230	6,230	7,044
Premises costs	45,465	45,465	34,381
Governance costs	10,289	10,289	9,240
Other costs	71,392	71,392	76,867
Wages and salaries	110,400	110,400	108,751
National insurance	6,582	6,582	5,962
Pension cost	63,641	63,641	67,358
Depreciation	29,689	29,689	30,887
	343,688	343,688	340,490
<i>Total 2017</i>		340,490	340,490

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the trust	78	-	Flowers given to staff and others

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	29,689	30,887
Auditors' remuneration - audit	6,295	6,155
Auditors' remuneration - other services	3,994	3,085
Operating lease rentals	930	930

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	575,276	566,933
Social security costs	42,878	39,930
Operating costs of defined benefit pension schemes	143,951	148,885
	<u>762,105</u>	<u>755,748</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	7	7
Administration & Support	26	26
Management	2	2
	<u>35</u>	<u>35</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprises the senior management team as listed on page 1. The total amount of staff costs in respect of key management personnel was £296,153 (2017: £287,236).

NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	<i>As restated</i> 2017
		£'000	£'000
S Hussey, Headteacher	Remuneration	60-65	60-65
	Pension contributions paid	10-15	10-15
A Sice	Remuneration	5-10	5-10
	Pension contributions paid	0-5	0-5

During the year ended 31 August 2018, one trustee received reimbursement of £162 for costs relating to the Academy's therapy dog (2017: £nil).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2017 and 31 August 2018	1,295,427	7,713	10,064	57,483	1,370,687
Depreciation					
At 1 September 2017	85,851	4,118	4,909	39,630	134,508
Charge for the year	19,939	1,380	1,031	7,339	29,689
At 31 August 2018	105,790	5,498	5,940	46,969	164,197
Net book value					
At 31 August 2018	1,189,637	2,215	4,124	10,514	1,206,490
At 31 August 2017	1,209,576	3,595	5,155	17,853	1,236,179

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

14. DEBTORS

	2018 £	2017 £
Trade debtors	-	275
Other debtors	3,480	3,625
Prepayments and accrued income	16,112	15,912
	<u>19,592</u>	<u>19,812</u>

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,745	1,163
Other taxation and social security	11,590	10,741
Accruals and deferred income	27,389	29,325
	<u>42,724</u>	<u>41,229</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	20,575	19,587
Resources deferred during the year	18,864	20,575
Amounts released from previous years	(20,575)	(19,587)
Deferred income at 31 August 2018	<u>18,864</u>	<u>20,575</u>

Deferred income relates to Universal Infant Free School Meals provisional funding and Rates Relief grants in relation to the forthcoming year.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
General fund	19,665	1,221	-	-	20,886
Restricted funds					
General Annual Grant (GAG)	45,440	763,376	(741,647)	-	67,169
Pupil premium	-	36,740	(36,740)	-	-
Other DfE/ESFA grants	-	32,338	(32,338)	-	-
Local authority grants	-	15,897	(15,897)	-	-
Other educational activities	-	49,676	(49,676)	-	-
Pension reserve	(697,000)	-	(59,000)	102,000	(654,000)
	<u>(651,560)</u>	<u>898,027</u>	<u>(935,298)</u>	<u>102,000</u>	<u>(586,831)</u>
Restricted fixed asset funds					
Fixed asset fund	1,236,179	-	(29,689)	-	1,206,490
DfE/ESFA capital grants	2,139	6,126	-	-	8,265
Local authority capital grants	34,252	-	-	-	34,252
	<u>1,272,570</u>	<u>6,126</u>	<u>(29,689)</u>	<u>-</u>	<u>1,249,007</u>
Total restricted funds	<u>621,010</u>	<u>904,153</u>	<u>(964,987)</u>	<u>102,000</u>	<u>662,176</u>
Total of funds	<u>640,675</u>	<u>905,374</u>	<u>(964,987)</u>	<u>102,000</u>	<u>683,062</u>

<p style="text-align: center;">NORTHWOOD PRIMARY SCHOOL ACADEMY TRUST (A company limited by guarantee)</p>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. STATEMENT OF FUNDS (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre-16 high need funding streams.

Pupil premium and other DfE/ESFA grants

This funding is funding received from the ESFA for specific purposes.

Local authority grants

This funding is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income and expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Local authority capital grants

This is funding received from the local authority specifically for expenditure on tangible fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General fund	18,344	1,321	-	-	-	19,665
Restricted funds						
General Annual Grant (GAG)	-	776,441	(731,001)	-	-	45,440
Pupil premium	-	39,665	(39,665)	-	-	-
Other DfE/ESFA grants	-	31,464	(31,464)	-	-	-
Local authority grants	-	14,845	(14,845)	-	-	-
Other educational activities	-	46,378	(44,783)	(1,595)	-	-
Pension reserve	(797,000)	-	(60,000)	-	160,000	(697,000)
	<u>(797,000)</u>	<u>908,793</u>	<u>(921,758)</u>	<u>(1,595)</u>	<u>160,000</u>	<u>(651,560)</u>
Restricted fixed asset funds						
Fixed asset fund	1,258,992	-	(30,887)	8,074	-	1,236,179
DfE/ESFA capital grants	-	6,239	-	(4,100)	-	2,139
Local authority capital grants	36,631	-	-	(2,379)	-	34,252
	<u>1,295,623</u>	<u>6,239</u>	<u>(30,887)</u>	<u>1,595</u>	<u>-</u>	<u>1,272,570</u>
Total restricted funds	<u>498,623</u>	<u>915,032</u>	<u>(952,645)</u>	<u>-</u>	<u>160,000</u>	<u>621,010</u>
Total of funds	<u>516,967</u>	<u>916,353</u>	<u>(952,645)</u>	<u>-</u>	<u>160,000</u>	<u>640,675</u>

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

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General fund	18,344	2,542	-	-	-	20,886
Restricted funds						
General Annual Grant (GAG)	-	1,539,817	(1,472,648)	-	-	67,169
Pupil premium	-	76,405	(76,405)	-	-	-
Other DfE/ESFA grants	-	63,802	(63,802)	-	-	-
Local authority grants	-	30,742	(30,742)	-	-	-
Other educational activities	-	96,054	(94,459)	(1,595)	-	-
Pension reserve	(797,000)	-	(119,000)	-	262,000	(654,000)
	<u>(797,000)</u>	<u>1,806,820</u>	<u>(1,857,056)</u>	<u>(1,595)</u>	<u>262,000</u>	<u>(586,831)</u>
Restricted fixed asset funds						
Fixed asset fund	1,258,992	-	(60,576)	8,074	-	1,206,490
DfE/ESFA capital grants	-	12,365	-	(4,100)	-	8,265
Local authority capital grants	36,631	-	-	(2,379)	-	34,252
	<u>1,295,623</u>	<u>12,365</u>	<u>(60,576)</u>	<u>1,595</u>	<u>-</u>	<u>1,249,007</u>
	<u>498,623</u>	<u>1,819,185</u>	<u>(1,917,632)</u>	<u>-</u>	<u>262,000</u>	<u>662,176</u>
Total of funds	<u><u>516,967</u></u>	<u><u>1,821,727</u></u>	<u><u>(1,917,632)</u></u>	<u><u>-</u></u>	<u><u>262,000</u></u>	<u><u>683,062</u></u>

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Un- restricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,206,490	1,206,490
Current assets	20,886	109,893	42,517	173,296
Creditors due within one year	-	(42,724)	-	(42,724)
Pension liability	-	(654,000)	-	(654,000)
	<u>20,886</u>	<u>(586,831)</u>	<u>1,249,007</u>	<u>683,062</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Un-restricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,236,179	1,236,179
Current assets	19,665	86,669	36,391	142,725
Creditors due within one year	-	(41,229)	-	(41,229)
Pension liability	-	(697,000)	-	(697,000)
	<u>19,665</u>	<u>(651,560)</u>	<u>1,272,570</u>	<u>640,675</u>

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

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(59,613)	(36,292)
Adjustment for:		
Depreciation charges	29,689	30,887
Decrease in debtors	220	9,597
Increase/(decrease) in creditors	1,495	(41,801)
Defined benefit pension scheme cost less contributions payable	59,000	60,000
Net cash provided by operating activities	30,791	22,391

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Notice deposits (less than 3 months)	153,704	122,913
Total	153,704	122,913

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

20. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Isle of Wight Council. Both are Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £51,423 (2017 - £49,518).

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

20. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £64,000 (2017 - £69,000), of which employer's contributions totalled £51,000 (2017 - £55,000) and employees' contributions totalled £13,000 (2017 - £14,000). The agreed contribution rates for future years are 15.1% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.80 %	2.80 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.3	22.3
Females	24.7	24.7
Retiring in 20 years		
Males	23.9	23.9
Females	26.5	26.5

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate -0.5%	138,000	132,000
Salary increase rate +0.5%	21,000	22,000
Pension increase rate +0.5%	115,000	108,000

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	480,000	425,000
Corporate bonds	176,000	163,000
Property	42,000	31,000
Cash and other liquid assets	7,000	6,000
Total market value of assets	<u>705,000</u>	<u>625,000</u>

The actual return on scheme assets was £37,000 (2017 - £(101,000)).

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

	2018 £	2017 £
Current service cost	92,000	99,000
Net interest cost	18,000	16,000
Total	<u>110,000</u>	<u>115,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,322,000	1,480,000
Current service cost	92,000	99,000
Interest cost	34,000	30,000
Employee contributions	13,000	14,000
Actuarial gains	(81,000)	(275,000)
Benefits paid	(21,000)	(26,000)
Closing defined benefit obligation	<u>1,359,000</u>	<u>1,322,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	625,000	683,000
Interest income	16,000	14,000
Actuarial losses/(gains)	21,000	(115,000)
Employer contributions	51,000	55,000
Employee contributions	13,000	14,000
Benefits paid	(21,000)	(26,000)
	<u>705,000</u>	<u>625,000</u>
Closing fair value of scheme assets	<u>705,000</u>	<u>625,000</u>

21. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	452	930
Between 1 and 5 years	17	469
	<u>469</u>	<u>1,399</u>
Total	<u>469</u>	<u>1,399</u>

22. 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.

23. MEMBERS' LIABILITY

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